Quarzo S.r.l.

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

€ 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036

Issue Price: 100.30%

€ 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036

Issue Price: 100%

€ 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036

Issue Price: 103.95%

This Prospectus contains information relating to the issue by Quarzo S.r.l. (the "**Issuer**") on 25 November, 2019 (the "**Issue Date**") of the € 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036 (the "**Series A1 Notes**"), € 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036 (the "**Series A2 Notes**" and, together with the Series A1 Notes, the "**Series A Notes**" or the "**Senior Notes**"), and the € 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036 (the "**Series B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

The Issuer is a limited liability company incorporated under the laws of the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), having its registered office at Galleria del Corso No. 2, 20122, Milan, Italy, Fiscal Code and registration with the Companies Register in Milan No. 03312560968, registered under No. 32609.0 on the register of special purpose vehicles (*Elenco delle società veicolo di cartolarizzazione* – SPV) held by the Bank of Italy pursuant to (a) article 3, paragraph 3, of the Securitisation Law, and (b) the order of the Bank of Italy (*provvedimento*) dated 7 June 2017 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*). The Issuer has been established as a multi-purpose vehicle for the purposes of issuing asset backed securities and, accordingly, it has carried out the Quarzo 2002 Securitisation, the Quarzo 2008 Securitisation, the Quarzo 2009 Securitisation, the Quarzo 2013 Securitisation, the Quarzo 2015 Securitisation, the Quarzo 2016 Securitisation, the Quarzo 2017 Securitisation, the Quarzo 2018 Securitisation and it may carry out other securitisation transactions in accordance with the Securitisation Law, in addition to the one contemplated in this Prospectus, subject to certain conditions. This Prospectus is issued for the purpose of article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended from time to time (the "**Prospectus Regulation**"), as well as pursuant to article 2, paragraph 3 of the Securitisation Law and constitutes (i) a prospectus for the Notes in accordance with the Prospectus Regulation, as well as (ii) a *prospetto informativo* for the Notes in accordance with the Securitisation Law. 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 Representative of the Noteholders, the Paying Agent, the Irish Listing Agent, the Corporate Services Provider, the Calculation Agent, the Servicer, the Back-Up Servicer Facilitator, the Cash Manager, the Custodian, the Heding Counterparty, the Arranger and the Account Banks (each as defined below in "*Overview of the Transaction - The Principal Parties*") or the Issuer's Quotaholders. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due under the Notes.

The net proceeds of the issue of the Notes will be applied by the Issuer to fund the purchase of a pool of monetary claims and other connected rights arising under consumer loan agreements governed by Italian law (the "**Receivables**") granted by Compass Banca S.p.A. (the "**Originator**"). The Receivables have been transferred to the Issuer pursuant to the terms of a transfer agreement dated 14 October 2019 between the Issuer and the Originator. The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be the collections received in respect of the Receivables.

Repayment of principal in respect of the Notes will be made to the holders of the Series A Notes (the "**Series A Noteholders**" or the "**Senior Noteholders**") and the holders of the Series B Notes (the "**Series B Noteholders**" or the "**Junior Noteholders**", and together with the Series A Noteholders, the "**Noteholders**") starting from the Quarterly Payment Date falling in July 2020. Interest on the Notes will be payable quarterly in arrears in Euro on the 15th day of January, April, July and October in each year (provided that, if such day is not a day (other than Saturday and Sunday), on which banks are generally open for business in Milan, London and Dublin and on which TARGET2 (being the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007) or any

successor thereto is open (a "**Business Day**"), the next succeeding Business Day) (each, a "**Quarterly Payment Date**"). The first Quarterly Payment Date falls on January 2020 (the "**First Quarterly Payment Date**"). The rate of interest (the "**Rate of Interest**") applicable to the Notes for each period from (and including) a Quarterly Payment Date to (but excluding) the next following Quarterly Payment Date (each, an "**Interest Period**") shall be with respect to the Series A1 Notes and the Series A2 Notes: the higher of (i) the aggregate of Euribor and 70 basis points per annum and (ii) zero; and with respect to the Series B Notes: 200 bps *per annum* as determined in accordance with Condition 5 (*Interest*) of the terms and conditions of the Notes (the "**Conditions**"). In addition to the relevant Rate of Interest, the Additional Return (as defined below) shall be paid by the Issuer in respect to the Series B Notes. The Euribor is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the benchmark regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

The Series A1 Notes and the Series A2 Notes are expected, on issue, to be rated "Aa3(sf)" by Moody's Investors Service España, S.A. ("**Moody's**") and "AA(sf)" by DBRS (as defined below). The Series B Notes will not be assigned a credit rating. The credit ratings included or referred to in this Prospectus have been issued by Moody's or DBRS (as defined below) or Fitch Ratings Limited or S&P, each of which is established in the European Union and each of which is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013 (the "**CRA Regulation**"), as evidenced in the latest update of the list published by ESMA, in accordance with article 18(3) of the CRA Regulation, on the ESMA's website. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or all of the Rating Agencies.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are not subject to United States tax law requirements. The Notes are being offered only outside the United States ("**U.S.**") in compliance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on resales or transfers, see "*Subscription and Sale*".

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation. **The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.** Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Series A1 Notes and Series A2 Notes to be admitted to the official list of the Euronext Dublin (the "**Official List**") and to trading on its regulated market. Such approval relates only to the Series A1 Notes and Series A2 Notes which are to be admitted to trading on the regulated market of Euronext Dublin which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**").

Payments under the Notes may be subject to a substitutive tax, in accordance with Italian legislative decree No. 239 of 1 April 1996 (the "**Decree 239**"), as subsequently amended. Upon the occurrence of any withholding or deduction for or on account of tax, whether or not in the form of a substitutive tax, from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount to any holder of Notes of any Series. The Issuer has no other assets other than those described in this Prospectus.

The Notes will be issued in dematerialised form (*emesse in forma dematerializzata*) on the terms of, and subject to, the Conditions and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. ("**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, only with respect to the Senior Notes, any depository banks appointed by Clearstream Banking, *société*

anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**")**.** The Notes will be deposited by the Issuer with Monte Titoli on the Issue Date, title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of articles 83-*bis* and following of Italian legislative decree No. 58 of 24 February 1998, as amended and supplemented from time to time (the "**Financial Law**") and the resolution dated 13 August, 2018 jointly issued by the *Commissione Nazionale per le Società e la Borsa* and the Bank of Italy, as amended from time to time (the "**Joint Resolution**"). No certificate or physical document of title will be issued in respect of the Notes. Shall the Notes be issued in paper form they would circulate as registered notes (*titoli nominativi*).

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

Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

STS Securitisation

The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of Regulation (EU) no. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**Securitisation Regulation**"). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and has been notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Originator has used the service of Prime Collateralised Securities (PCS) EU

SAS ("**PCS**"), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future**. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

Capitalised terms and expressions used in this Prospectus shall have the meanings given to them in the section "*Glossary*".

Investing in the notes involves certain risks. For a discussion of such risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled *"Risk Factors"* included in this Prospectus. Prospective Noteholder should be aware of the aspects of the issuance of the Notes that are described in that section.

ARRANGER
Mediobanca – Banca di Credito Finanziario S.p.A.

JOINT LEAD MANAGERS
Mediobanca – Banca di Credito Finanziario S.p.A.
Crédit Agricole Corporate & Investment Bank
UniCredit Bank A.G.
Banca Akros S.p.A. Gruppo Banco BPM

The date of this Prospectus is 21 November, 2019

NOTICE TO INVESTORS

Responsibility for information

None of the Issuer, the Representative of the Noteholders, the Arranger, the Account Banks, the Custodian, the Calculation Agent, the Paying Agent, the Cash Manager, the Listing Agent, the Hedging Counterparty, the Back-Up Servicer Facilitator, the Servicer, the Corporate Services Provider, the Joint Lead Managers or any other party to any of the Transaction Documents (as defined below), other than the Originator, has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor have the Issuer, the Representative of the Noteholders, the Arranger, the Account Banks, the Custodian, the Calculation Agent, the Paying Agent, the Cash Manager, the Listing Agent, the Back-Up Servicer Facilitator, the Servicer, the Hedging Counterparty, the Corporate Services Provider, the Joint Lead Managers, or any other party to any of the Transaction Documents, other than the Originator, undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor in respect of the Receivables.

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 document is in accordance with the facts and contains no omission likely to affect its import. 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 and offering 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 Originator accepts responsibility for the information contained in this Prospectus under the sections headed "*The Portfolio*", "*The Originator and the Servicer*", "*The Credit and Collection Policies*", "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*". The Originator has also provided the historical data used as assumptions to make the calculations contained in the section headed "*Estimated Weighted Average Life of the Series A Notes*" on the basis of which the information and assumptions contained in the same section have been extrapolated and accepts responsibility for such historical data. To the best of the knowledge of the Originator (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. The Originator accepts responsibility for its relevant section of this Prospectus, but does not accept responsibility for any other part of this Prospectus.

Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), in its capacity as Account Bank, Custodian and Cash Manger accepts responsibility for the information contained in this Prospectus in Part (A) of the section headed "*The Account Banks*" and, to the best of the knowledge of Mediobanca (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. Mediobanca accepts responsibility for Part (A) of the section headed "*The Account Banks*", but does not accept responsibility for any other part of this Prospectus.

Crédit Agricole Corporate and Investment Bank ("**Ca-Cib**") accepts responsibility for the information in respect of itself contained in this Prospectus in Part (B) of the section headed "*The Account Banks*" and, to the best of the knowledge of Ca-Cib (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. Ca-Cib accepts

responsibility for the information contained in Part (B) of the section headed "*The Account Banks*", but does not accept responsibility for any other part of this Prospectus.

The Arranger, the Joint Lead Managers and the Representative of the Noteholders have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Arranger, the Joint Lead Managers and the Representative of the Noteholders or any of them as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or Compass Banca S.p.A. (in any capacity) in connection with the Notes or their distribution.

No person has been authorised to give any information or to make any representation concerning the issue of the Notes other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arranger, the Representative of the Noteholders, the Issuer, the Corporate Services Provider, the Quotaholders, the Originator (in any capacity), the Paying Agent, the Account Banks, the Hedging Counterparty, the Custodian, the Calculation Agent, the Cash Manager, the Joint Lead Managers, 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 change in the affairs of the Issuer or Compass Banca S.p.A. (in any capacity) or the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

Limited recourse

The Notes constitute limited recourse obligations of the Issuer. Each Note will be secured, in each case, over certain of the assets of the Issuer pursuant to and as more fully described in the sections titled "*The Master Receivables Purchase Agreement*", "*The Servicing Agreement*" and "*The Other Transaction Documents"*, below. Furthermore, by operation of Italian law, the Issuer's right, title and interest in and to the Receivables will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes, to pay any costs, fees, expenses and other amounts required to be paid to the Corporate Services Provider, the Representative of the Noteholders, the Calculation Agent, the Paying Agent, the Account Banks, the Custodian, the Headging Counterparty, the Cash Manager, the Servicer, the Listing Agent, the Arranger and the Originator, and to any third-party creditor in respect of any costs, fees, expenses or liabilities incurred by the Issuer to such third-party creditor in relation to the securitisation of the Receivables contemplated by this document (the "**Securitisation**"). Furthermore, none of such persons accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. Amounts derived from the Receivables will not be available to any other creditors of the Issuer and will be applied by the Issuer in accordance with the applicable order of priority.

Selling restrictions

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

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular nor any prospectus, form of application, advertisement, other offering material nor other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom of Great Britain, the European Economic Area and the

United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which could allow an offering (*appello al pubblico risparmio*) of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see "*Subscription and sale"*, below.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and sale"*, below.

The Issuer will not be required to register as an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer is being structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule under the Dodd-Frank Act.

The Transaction and the issuance of the Notes was not designed to comply with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended and implemented from time to time (the "**U.S. Risk Retention Rules**"), and no steps have been taken by the Issuer or the Joint Lead Managers or any of their affiliates or any other party to accomplish such compliance, but rather it is intended to rely on the safe harbor exemption for certain non-U.S. transactions set forth in the U.S. Risk Retention Rules.

All of the Issuer's assets are located outside the United States. Not all of the officers and directors of the Issuer are residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons not residing in the United States with respect to matters arising under the federal or state securities laws of the United States, or to enforce against them judgements of courts of the United States predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for the enforcement of judgements of U.S. courts, of civil liabilities predicated solely upon such securities laws.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (UE) 2016/97 ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 as amended, (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION OR ANY OTHER U.S. OR STATE REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Investors' responsibility to consult advisors

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, Compass Banca S.p.A. (in any capacity), the Joint Lead

Managers or the Arranger that any recipient of this Prospectus should purchase any of the Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the Receivables, the Portfolio and the Issuer and the terms of the offering including the merits and the risks involved, and its own determination of the suitability of any such investment, with particular reference to its own investment, objectives and experience and any other factors which may be relevant to it in connection with such an investment. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the Issuer, the Originator, the Joint Lead Managers, the Arranger nor the Representative of Noteholders accepts responsibility to investors for the regulatory treatment of their investment in the Notes (including (but not limited to) whether any transaction or transactions pursuant to which the Notes are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of the Securitisation Regulation and the domestic implementing regulations and the application of such articles to any such transaction) in any jurisdiction or by any regulatory authority. If the regulatory treatment of an investment in the Notes is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to the "*Risk factors*" and "*Regulatory Disclosure and Retention Undertaking*" section of this Prospectus for further information.

The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

Foreward looking statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to certain other characteristics of the Receivabales and the Portfolio and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "projects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax in the Republic of Italy. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger has not attempted to verify any such statements, nor do they make any representation, express or implied, with respect thereto.

Interpretation

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

All references in this document to "**Euro**", "**€**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

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.

Other relevant information

The Issuer is not, and will not be, regulated by the Central Bank of Ireland by virtue of the issuance of the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank of Ireland.

Offeree acknowledgements

Each person receiving this Prospectus, by acceptance hereof, hereby acknowledges that this Prospectus has been prepared by the Issuer solely for the purpose of article 6.3 of Prospectus Regulation in connection with the application for the Series A Notes to be admitted to the official list of the Euronext Dublin and article 2, sub-section 3 of Securitisation Law. Notwithstanding any investigation that the Arranger or the Joint Lead Managers may have made with respect to the information set forth herein, this Prospectus does not constitute, and will not be construed as, any representation or warranty by the Arranger or the Joint Lead Managers to the adequacy or accuracy of the information set forth herein. Delivery of this Prospectus to any person other than prospective investors and those persons, if any, retained to advise such prospective investors with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective investor will not be entitled to, and must not rely on this Prospectus unless it was furnished to such prospective investor directly by the Issuer or the Arranger or each of the Joint Lead Managers. The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described in this Prospectus, and all of the statements and information contained in this Prospectus are qualified in their entirety by reference to such documents. This Prospectus contains summaries of certain of these documents, which the Issuer believes to be accurate to the extent that the relevant statements constitute a summary of such documents, but for a complete description of the rights and obligations summarised herein, reference is hereby made to the actual documents, copies of which are available for inspection by physical or electronic means free of charge during usual business hours (on giving reasonable notice) at the specified office of the Paying Agent and the Servicer and at the registered office of the Issuer (see "*General Information – Documents available for inspection*", below).

EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT (A) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN, (B) SUCH PERSON HAS NOT RELIED ON THE ARRANGER OR THE JOINT LEAD MANAGERS OR ANY PERSON AFFILIATED WITH THE ARRANGER OR THE JOINT LEAD MANAGERS IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION, (C) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED, AND (D) NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS AT ANY TIME AFTER THE DATE HEREOF. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE NOTES.

TABLE OF CONTENTS

OVERVIEW OF THE TRANSACTION

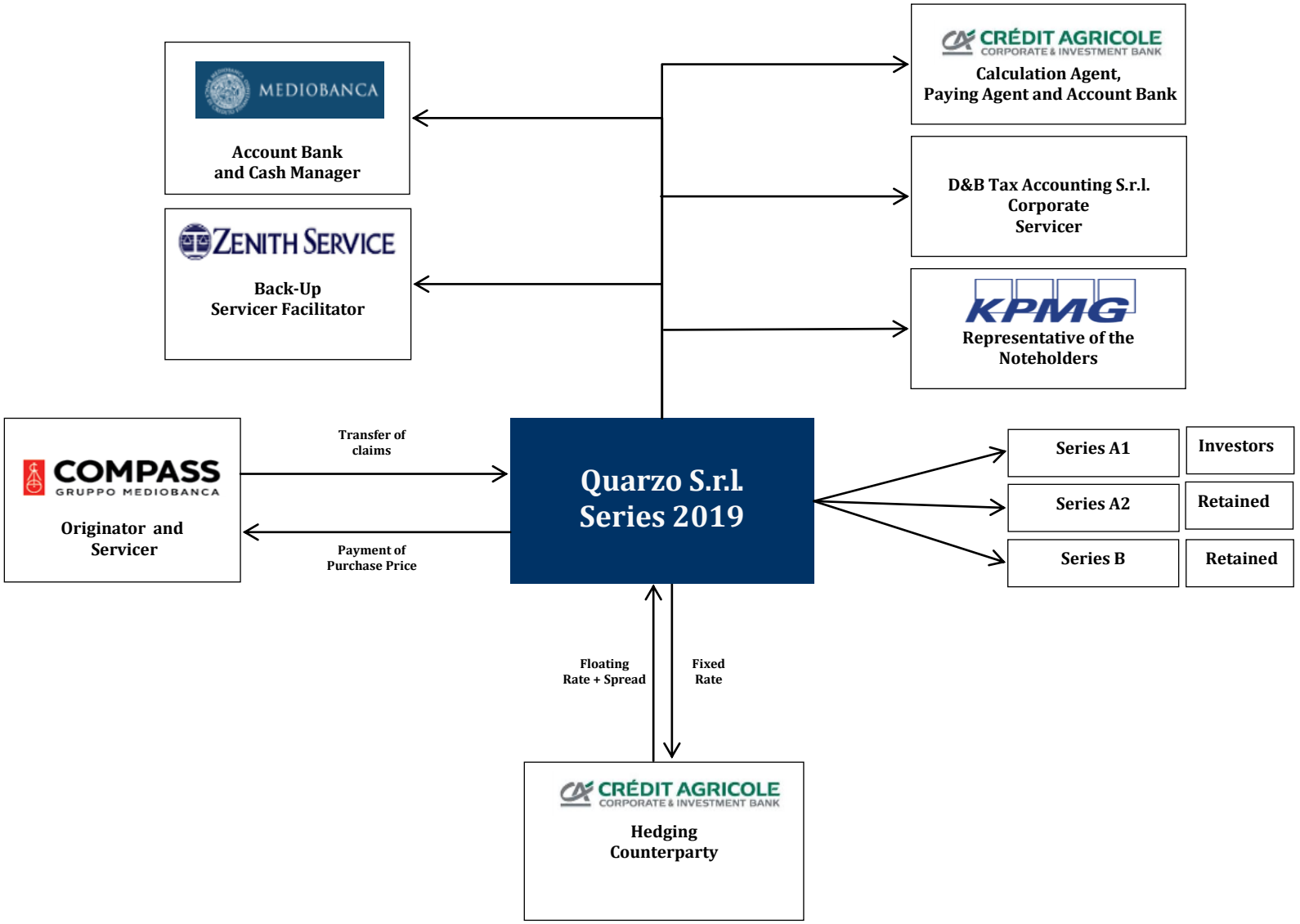
This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole. Following the implementation of the relevant provisions of the Prospectus Regulation in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

The following information summarises the structure diagram of the transaction, as well as the principal parties in general and the asset ownership structure, the financing parties, the principal characteristics of the Notes, the Transaction Documents and generally matters relating to this transaction. This summary should be read in conjunction with and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus. Capitalised terms used but not defined in this summary, have the meanings given to them elsewhere in this Prospectus, see the "Glossary".

Structure diagram of the transaction

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this structure diagram.

STRUCTURE DIAGRAM



1. The Principal Parties

Issuer

Quarzo S.r.l. (the "**Issuer**"), a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy under article 3 of Law 30 April 1999, No. 130 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), having its registered office at Galleria del Corso, 2, 20122, Milan, Italy, VAT number 10536040966, Fiscal code and registration with the Companies' Register of Milan No. 03312560968, registered under No. 32609.0 on the register of special purpose vehicles (*Elenco delle società veicolo di cartolarizzazione* – SPV) held by the Bank of Italy pursuant to (a) article 3, paragraph 3, of the Securitisation Law, and (b) the order of the Bank of Italy (*provvedimento*) dated 7 June 2017 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*), under the direction and coordination of Mediobanca – Banca di Credito Finanziario S.p.A.

The issued corporate capital of the Issuer is equal to Euro 10,000 and is held by the Originator 90% and SPV Holding S.r.l. 10% (the "**Quotaholders**").

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities within the context of one or more securitisation transaction; accordingly it has carried out the Quarzo 2002 Securitisation, the Quarzo 2008 Securitisation, the Quarzo 2009 Securitisation, the Quarzo 2013 Securitisation, the Quarzo 2015 Securitisation, the Quarzo 2016 Securitisation, the Quarzo 2017 Securitisation and the Quarzo 2018 Securitisation and it may carry out other securitisation transactions in accordance with the Securitisation Law, in addition to the one contemplated in this Prospectus, subject to certain conditions as specified in the Conditions.

See "*The Issuer*" and "*Overview of the Transaction - The Portfolio*", below.

Originator

Compass Banca S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office at via Caldera 21, 20153 Milan, Italy, VAT number 10536040966, Fiscal Code and enrolment with the companies' register of Milan No. 00864530159, enrolled under No. 8045 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act, under the direction and coordination of Mediobanca – Banca di Credito Finanziario S.p.A. ("**Compass**").

See "*The Originator and the Servicer*", "*Overview of the Transaction - The Portfolio*", "*The Master Receivables Purchase Agreement*", below.

Representative of the Noteholders	**KPMG Fides Servizi di Amministrazione S.p.A.**, a joint stock company incorporated under the laws of the Republic of Italy, having its registered office at Via Vittor Pisani, 27, 20124, Milan, Italy, registered with the Companies' Register of Milan under No. 00731410155 ("**KPMG Fides**"), is the representative of the holders of the Notes and of the other Issuer Secured Creditors (the "**Representative of the Noteholders**") pursuant to the Intercreditor Agreement and the Subscription Agreements (both as defined below), all dated on or about the Issue Date. See "*The Other Transaction Documents – The Intercreditor Agreement*", below.
Corporate Services Provider	**D&B Tax Accounting S.r.l. – Società tra professionisti**, with registered office at Galleria del Corso, 2, 20122, Milan, Italy, VAT number 08881690963, is the corporate services provider to the Issuer (the "**Corporate Services Provider**") pursuant to the terms of the Corporate Services Agreement. See "*The Other Transaction Documents - The Corporate Services Agreement*", below.
Servicer	**Compass** will collect, recover and administer the Receivables on behalf of the Issuer pursuant to the terms of the Servicing Agreement. See "*Overview of the Transaction - The Portfolio*", "*The Credit and Collection Policies*", "*The Originator and the Servicer*" and "*The Servicing Agreement*", below.
Back-Up Servicer Facilitator	**Zenith Service S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Vittorio Betteloni 2, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Milan number 02200990980, enrolled in the register of financial intermediaries ("**Albo Unico**") held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, registered under the number 30, ABI Code 32590.2. , will act as back-up servicer facilitator (the "**Back-Up Servicer Facilitator**") pursuant to the terms of the Servicing Agreement. See "*The Servicing Agreement*", below.
Account Bank, Calculation Agent and Paying Agent	**Crédit Agricole Corporate & Investment Bank,** a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, registered with the Registre Commerciale et des Sociétés de Nanterre with No. SIREN 304 187 701, acting through its Milan branch with office at Piazza Cavour, 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Banking Act and enrolled with the register of banks held by the Bank of Italy under number 5276, will act as account bank in relation to the Payments Account (in such capacity, "**Ca-Cib Milan Branch**" or the "**Account Bank**"), as calculation agent and as paying agent (in such capacities, the "**Calculation Agent**" and the "**Paying Agent**") to the

	Issuer pursuant to the Cash Allocation, Management and Agency Agreement. See "*The Other Transaction Documents - The Cash Allocation, Management and Agency Agreement*" and "*The Paying Agent*", below.
Account Bank, Custodian and Cash Manager	**Mediobanca – Banca di Credito Finanziario S.p.A.**, a bank incorporated under the laws of Republic of Italy, whose registered office is at Piazzetta Cuccia No. 1, Milan, Italy, registered with the Companies Register in Milan under No. 00714490158, enrolled under No. 74753.5.0 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act under the laws of Republic of Italy ("**Mediobanca**") will act as the account bank with respect to all the Accounts other than the Payments Account, custodian and the cash manager (in such capacity, respectively, the "**Account Bank**" – and, together with Ca-Cib Milan Branch, the "**Account Banks**" – the "**Custodian**" and the "**Cash Manager**") to the Issuer pursuant to the Cash Allocation, Management and Agency Agreement. See "*Overview of the Transaction - The Accounts of the Issuer*", "*The Other Transaction Documents - The Cash Allocation, Management and Agency Agreement*", "*The Issuer Accounts*" and Part (A) of "*The Account Banks*", below.
The Arranger	**Mediobanca – Banca di Credito Finanziario S.p.A.** will act as the arranger (in such capacity, the "**Arranger**")
The Joint Lead Managers	Each of **Mediobanca – Banca di Credito Finanziario S.p.A., Crédit Agricole Corporate & Investment Bank**, **Banca Akros S.p.A. Gruppo Banco BPM** and **UniCredit Bank A.G.** will act as a joint lead manager pursuant to the Senior Notes Subscription Agreement (each of them, a "**Joint Lead Manager**" and collectively, the "**Joint Lead Managers**").
The Hedging Counterparty and the Reporting Delegate	**Crédit Agricole Corporate & Investment Bank**, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, registered with the Registre Commerciale et des Sociétés de Nanterre with No. SIREN 304 187 701 ("**Ca-Cib**"), will act as hedging counterparty and reporting delegate (in such capacity, the "**Hedging Counterparty**" and the "**Reporting Delegate**") to the Issuer pursuant to the Hedging Agreement.
Listing Agent	**Mccann FitzGerald Listing Services Limited**, a company incorporated under the law of the Republic of Ireland, having registered office at McCann FitzGerald Listing Services Limited, Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland will act as listing agent (the "**Listing Agent**").

Reporting Entity	Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation. In such capacity as Reporting Entity, the Originator has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).
Other Parties Relevant for the Transaction	**Euronext Dublin**: Euronext Dublin plc, with registered office at 28 Anglesea Street, Dublin 2, Ireland. **Clearing System**: Monte Titoli S.p.A., with registered office at Piazza degli Affari 6, 20123 Milan, Italy. **Rating Agencies**: DBRS Ratings GmbH, with registered office at Neue Mainzer Straße 75, Frankfurt am Main, 60311 Germany (DBRS) and Moody's Investors Service España, S.A., with registered office at Principe de Vergara, 131 – 6th floor, 28002 Madrid, Spain (Moody's).

2. Summary of the Notes

The Notes	On 25 November, 2019 (the "**Issue Date**"), the Issuer will issue: (a) € 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036 (the "**Series A1 Notes**"); and (b) € 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036 (the "**Series A2 Notes**" and, together with the Series A1 Notes, the "**Series A Notes**" or the "**Senior Notes**"); and (c) € 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036 (the "**Series B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"). The Notes will constitute direct, secured, limited recourse obligations of the Issuer. It is not anticipated that the Issuer will make any profits from this Securitisation. The Notes will be governed by Italian law.
Form and Denomination of the Notes	The Notes are issued in denominations of € 100,000 or integral multiples of Euro 1,000 in excess thereof. The Notes will be issued in dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act, only with respect to the Senior Notes, as depository for Clearstream and Euroclear. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* and following of the Legislative Decree 24

February 1998, No. 58, as amended and supplemented from time to time, and the Joint Resolution. No certificate or physical document of title will be issued in respect of the Notes. Shall the Notes be issued in paper form they would circulate as registered notes (*titoli nominativi*).

The entity in charge of keeping the records of the book entries will be Monte Titoli, with address in Piazza degli Affari no. 6, 20123 Milan, Italy.

Issue Price

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

SERIES	Issue Price
Series A1 Notes	100.30%
Series A2 Notes	100%
Series B Notes	103.95%

Ranking

In respect of repayment of principal and payment of interest and other amounts, the Notes will rank among themselves in accordance with the applicable Priority of Payments.

Limited recourse nature of the Issuer's obligations under the Notes

The obligations of the Issuer to each of the holders of the Notes will be limited recourse obligations of the Issuer. The Noteholders will have a claim against the Issuer only to the extent of the actual amount received or recovered from time to time by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Receivables and the other Transaction Documents, in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

See "*The Terms and Conditions of the Notes*", below.

Costs

The costs of the transaction including the amounts payable to the various agents of the Issuer appointed in connection with the issue of the Notes, will be funded from the Issuer Available Funds and will therefore be included in the Priority of Payments.

Interest on the Notes

The Notes will bear interest on their Principal Amount Outstanding payable from time to time in relation to each Interest Period (including the Initial Interest Period) at a rate equal to:

(a) in respect of the Series A1 Notes and the Series A2 Notes, the higher of (i) the aggregate of Euribor and 70 basis points per annum and (ii) zero (the "**Series A1 Notes Rate of Interest**"); and

(b) in respect of the Series B Notes, 200 bps *per annum* (the "**Series B Notes Rate of Interest**").

In addition to the Series B Notes Rate of Interest, any other residual amount available after all the other payments in accordance with the

applicable Priority of Payments have been made in full, will be paid on the Series B Notes.

Interest on the Notes is payable in Euro quarterly in arrears on the 15th day of January, April, July and October in each year (or if such day is not a Business Day, the immediately following Business Day) (each, a "**Quarterly Payment Date**"). The first Quarterly Payment Date will be on January 2020 (the "**First Quarterly Payment Date**"). The period from and including the Issue Date to but excluding the First Quarterly Payment Date is referred to herein as the "**Initial Interest Period**" and each successive period from and including a Quarterly Payment Date to but excluding the next succeeding Quarterly Payment Date is referred to an "**Interest Period**".

Interest shall cease to accrue on any part of the Principal Amount Outstanding of a Note from (and including) the Final Maturity Date unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well after as before judgement) at the rate from time to time applicable to each Series of Notes until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and

(ii) the Cancellation Date.

Final Maturity Date of the Notes

Unless previously redeemed in full as provided in Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem the Notes of each Series at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Quarterly Payment Date falling in October 2036 (the "**Final Maturity Date**").

Without prejudice to Condition 10 (*Purchase Termination Events*) and Condition 11 (*Trigger Events*), the Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 6.2 (*Optional Redemption*), Condition 6.3 (*Redemption for Taxation*) or Condition 6.4 (*Mandatory Redemption*).

If the Notes of any Series cannot be redeemed in full on their Final Maturity Date as a result of the Issuer having insufficient Quarterly Available Funds for application in or towards such redemption, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of such Notes until the earlier of: (i) the date on which such Notes are redeemed in full; and (ii) the Payment Date falling in October 2038, at which date (the "**Cancellation Date**") any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes of any Series shall be finally and definitively cancelled.

If the whole amount of the Notes of any Series is not redeemed on the Final Maturity Date, a notice will be published to the relevant

Noteholders in accordance with Condition 14 (*Notices*), and Monte Titoli will be informed in due time of the extension of the Final Maturity Date.

See "*Overview of the Transaction - Redemption of the Notes*" and "*The Terms and Conditions of the Notes*", below.

Purchase Termination Events

If, during the Revolving Period, any of the following events occurs:

(A) ***Material Breach of Obligations by the Originator:***

Compass is in material breach of its obligations or has not observed its obligations under the Master Receivables Purchase Agreement or any other Transaction Document to which Compass is a party and such breach or non-observance has been continuing for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer and to Compass declaring that, in its justified opinion, such breach or non-observance is materially prejudicial to the interests of the Senior Noteholders; or

(B) ***Breach of Representations and Warranties by the Originator:***

any of the representations and warranties given by Compass under the Master Receivables Purchase Agreement or under the Servicing Agreement is breached or is untrue, incomplete or inaccurate and such situation remains unremedied for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer, copying Compass, declaring that, in its justified opinion, such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders; or

(C) ***Insolvency of the Originator:***

(i) an administrator, administrative receiver or liquidator is appointed over the Originator or in respect of the whole or any part of its assets or the Originator becomes subject to (or an application has been made for the commencement of) proceedings for the declaration of its insolvency or any other applicable bankruptcy, liquidation, composition or reorganisation proceedings or the submission of all or a substantial part of the assets of the Originator to foreclosure (*esecuzione forzata*); or

(ii) proceedings are commenced against the Originator under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; or

(D) ***Restructuring Agreements:***

Compass carries out any action for the purpose of rescheduling

its own debts or postponing the maturity dates thereof, enters into any extrajudicial arrangement with its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Compass's financial conditions; or

(E) ***Winding-up of the Originator:***

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator; or

(F) ***Bank of Italy order:***

Bank of Italy issued an extraordinary order towards Compass, in accordance with Title VIII, chapter 2, section II, paragraph 1 of the Bank of Italy Instructions; or

(G) ***Transaction Documents:***

the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or administrative authority on the basis of arguments which, in the justified opinion of the Representative of the Noteholders, are grounded, where any such challenge is or may be, in the justified opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders; or

(H) ***Termination of the appointment of the Servicer:***

the Issuer terminates the appointment of Compass, in its capacity as Servicer, in accordance with the provisions of the Servicing Agreement; or

(I) ***Trigger Notice:***

a Trigger Notice is delivered to the Issuer;

(J) ***Breach of the Portfolio Default Ratio:***

for three consecutive Collection Periods the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Defaulted Receivables during each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 0.35%; or

(K) ***Breach of the Cumulative Default Ratio:***

the Instalment Principal Component of the Outstanding Amount

of the Receivables comprised in the Gross Portfolio become Defaulted Receivables is higher than 1.5% of the sum between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Initial Portfolio as at the Initial Valuation Date and (b) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Subsequent Portfolios as at the relevant Valuation Date; or

(L) ***Collateral Portfolio Performance:***

on a Quarterly Payment Date the sum of (i) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, and (ii) the balance of the Accounts as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, less the payments to be made on such Quarterly Payment Date under item from (i) to (v) of the Quarterly Priority of Payments, is lower than the Instalment Principal Component of the Outstanding Amount of the Initial Portfolio as at the Initial Valuation Date;

(M) ***Portfolio Delinquency Ratio:***

the average of three consecutive Collection Periods of the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables (that are not Defaulted Receivables) with at least three instalments due but unpaid as at the end of each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 2.5%;

(N) ***Non disposal of the Monthly Available Funds/Revolving Available Amount:***

following the purchase by the Issuer of each Subsequent Portfolio, the Monthly Available Funds or the Revolving Available Amount (as the case may be) which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio;

(O) ***Subsequent Portfolios:***

the Originator fails, during the Revolving Period, to offer for sale Subsequent Portfolios to the Issuer for 3 (three) consecutive Offer Dates,

(each, a "**Purchase Termination Event**"), then the Representative of the Noteholders, if so requested by the Most Senior Series of Noteholders in accordance with the Rules shall forthwith serve to the

Issuer, the Paying Agent, the Calculation Agent, the Servicer, the Originator and the Rating Agencies a notice (the "**Purchase Termination Notice**") pursuant to which: (i) the Issuer shall not purchase any further Subsequent Portfolio, (ii) the Amortisation Period will begin and (iii) the Issuer Available Funds will be applied in accordance with the applicable Quarterly Priority of Payments.

Trigger Events

If any of the following events occurs:

(A) ***Non-payment:***

(a) on each Quarterly Payment Date, the Issuer defaults in any payment of interest due on the Senior Notes then outstanding; or

(b) on the Final Maturity Date, the Issuer defaults in the payment of the Principal Amount Outstanding of the Senior Notes,

being understood and agreed that in case the non-payment of interest is attributable to temporary technical problems a maximum grace period of 7 (seven) calendar days shall apply; or

(B) ***Breach of other Obligations by the Issuer:***

the Issuer defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is a party or any obligations under the Notes (other than the payment obligation under (A) (*Non-Payment*) above and such default continues and remains unremedied for 15 (fifteen) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in its reasonable opinion, materially prejudicial to the interests of the Senior Noteholders. If according to the reasonable opinion of the Representative of the Noteholders, the above mentioned breach is incapable of being remedied, following notice by the Representative of the Noteholders, the breach will be considered as verified starting from the date on which it has occurred; or

(C) ***Breach of Representations and Warranties by the Issuer:***

the Issuer breaches in any material respect any representation or warranty made by it pursuant to the Notes or any other Transaction Document to which it is a party or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with a Transaction Document to which it is a party and, in any case (except when the Representative of the Noteholders certifies that, in its opinion, the circumstances giving rise to such breach are incapable of remedy when no notice will be required) the circumstances giving rise to such breach shall have continued to be unremedied for 15 (fifteen) days following the service by the

Representative of the Noteholders on the Issuer of the notice requiring the same to be remedied; or

(D) ***Insolvency of the Issuer:***

1. an administrator, administrative receiver or liquidator is appointed over the Issuer or in respect of the whole or any part of the undertaking, assets and/or revenues of the Issuer or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation (including, without limitation, "*fallimento*", "*concordato preventivo*" and "*amministrazione controllata*", in accordance with the meaning ascribed to those expressions by Italian law) or similar proceedings (or application for the commencement of any such proceedings) or any substantial part of the assets of the Issuer is subject to foreclosure or other similar procedure having a similar effect; or

2. proceedings are commenced against the Issuer under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; or

(E) ***Winding-up of the Issuer:***

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (except a winding up for the purposes of or pursuant to a merger or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or by an Extraordinary Resolution of the Meeting of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs; or

(F) ***Unlawfulness:***

it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) 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, or any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained or purported to be contained therein is not effective or is alleged by the Issuer to be ineffective for any reason, or any of the Issuer's rights under the Notes or any of the Transaction Documents are or will (by reason of a change in law or the interpretation or administration thereof since the Issue Date) be prejudiced;

(each, a "**Trigger Event**"), then the Representative of the

Noteholders:

(i) shall upon the occurrence of a Trigger Event referred to under (A) (*Non-payment*), (D) (*Insolvency of the Issuer*) and (E) (*Winding-up of the Issuer*) above; or

(ii) shall, if so requested by an Extraordinary Resolution of the Meeting of the Most Senior Series of Noteholders, upon the occurrence of a Trigger Event referred to under (B) (*Breach of other Obligations by the Issuer*), (C) (*Breach of Representations and Warranties by the Issuer*) and (F) (*Unlawfulness*) above,

subject, in each case, to it being indemnified to its satisfaction, deliver a Trigger Notice to the Issuer and the Servicer declaring the Notes to be immediately due and payable in an amount equal to the Principal Amount Outstanding together with accrued interest without further action or formality.

After the service of a Trigger Notice (i) the Issuer shall (to the extent the Revolving Period has not otherwise terminated) not purchase any further Subsequent Portfolio and the Issuer Available Funds shall be applied in accordance with the applicable Priority of Payments, (ii) the Amortisation Period will begin and (iii) the Representative of the Noteholders shall, subject to it being indemnified to its satisfaction, proceed to sell, in whole or in part, the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders.

Withholding tax on the Notes

Certain Italian resident Noteholders as well as non-Italian resident Noteholders who are resident for tax purposes in a country which does not allow for a satisfactory exchange of information with the Republic of Italy will receive amounts of interest payable on the Notes net of Italian tax deduction referred to as a substitutive tax (any such deduction for or on account of Italian tax under Decree 239, a "**Decree 239 Deduction**").

Upon the occurrence of any withholding or deduction for or on account of tax, whether or not through a substitutive tax, from any payments of amounts due under the Notes, neither the Issuer, the Originator, the Representative of the Noteholders, the Paying Agent nor any other person (unless differently agreed among them) shall have any obligation to pay any additional amount to any Noteholders.

See "*Taxation in the Republic of Italy*", below.

Intercreditor Agreement

On or about the Issue Date, the Issuer, the Representative of the Noteholders on its own behalf and on behalf of the Noteholders, the Paying Agent, the Calculation Agent, the Series A2 Subscriber, the Arranger, the Cash Manager, the Account Banks, the Custodian, the Hedging Courtparty, the Quotaholders and the other parties to the

	Transaction Documents have entered into an intercreditor agreement (the "**Intercreditor Agreement**") pursuant to which the Issuer Secured Creditors, *inter alia*, (i) have agreed to the limited recourse nature of the obligations of the Issuer and to the Priority of Payments described below and (ii) have empowered the Representative of the Noteholders to take such action in the name of the Issuer, following the delivery of a Trigger Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the other Issuer Secured Creditors. The Intercreditor Agreement is governed by Italian law.
Purchase of the Notes	The Issuer may not purchase any Notes at any time, save as permitted under the Conditions and the other provisions of the Transaction Documents.
Approval, Listing and Admission to trading of the Notes	This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Regulation. Application has been made to the Euronext Dublin for the Series A1 Notes and Series A2 Notes to be admitted to the Official List and trading on the regulated market of Euronext Dublin. Such approval relates only to the Series A1 Notes and Series A2 Notes which are to be admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of the Prospectus Regulation or which are to be offered to the public in any Member State of the European Economic Area.
Rating	Upon issue it is expected that: (a) the Series A1 Notes and the Series A2 Notes will be rated "Aa3(sf)" by Moody's Investors Service España, S.A.and "AA(sf)" by DBRS Ratings GmbH (respectively "**Moody's**" and "**DBRS**", including any successor thereof and together the "**Rating Agencies**"); and (b) the Series B Notes will be unrated. 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 if, in its judgment, circumstances (including, without limitation, the underlying characteristics of the Originator's business from time to time) in the future so warrant.
STS-securitisation	The Securitisation is intended to qualify as a simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 (the "**Securitisation Regulation**"). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and has been notified by the Originator to be included in the list published by ESMA referred to in article 27,

paragraph 5, of the Securitisation Regulation. The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts- verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future**. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

Selling Restrictions

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

See "*Subscription and sale*", below.

Governing law

The Notes are governed by, and shall be construed in accordance with, Italian law.

3. The Portfolio

Transfer of the Initial Portfolio

On 14 October, 2019 the Issuer purchased from Compass without recourse (*pro soluto*) a portfolio of monetary receivables and other connected rights (the "**Initial Portfolio**") arising out of consumer loan agreements entered into between Compass, in its capacity as lender, and certain debtors, in their capacity as borrowers.

Under the provisions of the Master Receivables Transfer Agreement, Compass has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Initial Portfolio and each Subsequent Portfolio and has agreed to (i) indemnify the Issuer or, alternatively, (ii) repurchase the relevant Receivables, in respect of certain liabilities incurred by the Issuer should any representation given by Compass be untrue, incorrect or misleading. The Master Receivables Transfer Agreement is governed by Italian law.

The payment of the purchase price of the Initial Portfolio will be

financed through the proceeds of the issue of the Notes on the Issue Date.

See "*The Portfolio*", "*Use of Proceeds*" and "*The Master Receivables Purchase Agreement"*, below.

Servicing and Collection Policies

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio on behalf of the Issuer and, in particular, to administer and manage each Receivable, including the Defaulted Receivables and the Delinquent Receivables, as well as the relationship with any person who is a debtor under a Consumer Loan (a "**Debtor**").

Any monies received or recovered in respect of the Consumer Loans and the related Receivables (the "**Collections**") are initially paid to Compass in its capacity as Servicer and will remain in the accounts of Compass until transferred to the Collection Account of the Issuer. All Collections are required to be transferred by the Servicer into the Collection Account on a daily basis and in any case not later than 5 p.m. (Italian time) of the second Business Day after the date on which such amounts have been duly collected or recovered in accordance with the Collection Policies described in the Servicing Agreement.

Collections in respects of the Consumer Loans will be calculated by reference to monthly periods. The first Collection Period will begin on (and excluding) the Initial Valuation Date and end on (and including) the first Collection Date; each Collection Period thereafter will begin (and excluding) a Collection Date and end on (but including) the next succeeding Collection Date.

"**Collection Date**" means the last day of each calendar month of each year. The Servicer has undertaken to prepare and submit to, *inter alios*, the Cash Manager, the Calculation Agent, the Paying Agent, the Representative of the Noteholders, the Rating Agencies and the Issuer by no later than the 8th day of each calendar month, and if such day is not a Business Day, on the next succeeding Business Day (each such date, a "**Monthly Report Date**"), monthly reports (each, a "**Monthly Report**") in the form set out in the Servicing Agreement and containing information as to the Portfolio and any Collection in respect of the preceding Collection Period.

See "*The Servicing Agreement*" and "*The Credit and Collection Policies*", below.

Servicing fees

As a consideration for the services provided by the Servicer pursuant to the Servicing Agreement, and in accordance with the applicable Priority of Payments, the Issuer will pay to the Servicer a fee as better described under the Servicing Agreement.

See "*The Servicing Agreement*", below.

Back-Up Servicer Facilitator

Under the Servicing Agreement, upon the occurrence of certain events, the Back-Up Servicer Facilitator shall carry out all its best efforts to co-operate with the Issuer in finding a Back-Up Servicer, having the requirements specified in article 9.5 of the Servicing Agreement.

See "*The Servicing Agreement*", below.

Loan by Loan Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on a quarterly basis by no later than 1 month after each Quarterly Payment Date, and make available to potential investors and any holder of position towards the Securitisation, the Loan by Loan Report in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

4. The Accounts of the Issuer

The Accounts

Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, the Issuer has opened the following accounts, with the Account Banks:

(a) a Euro denominated bank account, IBAN IT75E1063101600000070202100 (the "**Collection Account**"): for the deposit of all amounts collected or recovered by the Servicer in respect of the Receivables pursuant to the Servicing Agreement; funds standing to the credit of the Collection Account (and referred to the immediately preceding Collection Period, as evidenced in the relevant Payment Report) (i) during the Revolving Period, will be used to pay the Purchase Price of the relevant Subsequent Portfolio on each Monthly Payment Date which is not also a Quarterly Payment Date; and (ii) will be transferred to the Payments Account two Business Days prior to: (a) each Monthly Payment Date which is also a Quarterly Payment Date, during the Revolving Period, and (b) on each Quarterly Payment Date;

(b) a Euro denominated bank account, IBAN IT96R0343201600002212120790 (the "**Payments Account**"): for the deposit of the amounts standing to the credit of the other Accounts (other than the Collateral Account, subject to the provision below) two Business Days prior to each Quarterly Payment Date; for the deposit of the cash proceeds of the Eligible Investments, including for the avoidance of doubt any interest accrued on such Eligible Investments and proceeds deriving from the liquidation of such Eligible Investments and for the deposit prior to each Quarterly Payment Date or, in any case, by 9:00 a.m. CET of the second Business Day prior to each Quarterly Payment Date of the amounts paid by the Hedging Counterparty; one Business Day prior to each Quarterly Payment Date no later than 10:00 am C.E.T., funds standing to the credit of the Payments Account will be transferred to the Paying Agent to make payments and transfers

on behalf of the Issuer in accordance with the applicable Priority of Payments;

(c) a Euro denominated bank account IBAN IT13G1063101600000070202099 (the "**Expense Account**"): for the deposit of (i) the residual amount of the proceeds arising from the issuance of the Junior Notes after the payment of the Purchase Price of the Initial Portfolio and the credit of the Liquidity Reserve on the Liquidity Reserve Account, on the Issue Date; and (ii) the retention amount up to Euro 40,000 (the "**Retention Amount**"), starting from the first Quarterly Payment Date; funds standing to the credit of the Expense Account will be used for (i) the payments of any up-front costs due by the Issuer on the Issue Date; and (ii) the payment of any Expenses which fall due on a date which is not a Quarterly Payment Date; funds standing to the credit of the Expense Account will be transferred to the Payments Account two Business Days prior to each Quarterly Payment Date;

(d) a bank account IBAN IT29G1063101600000070202102 (the "**Liquidity Reserve Account**"): (a) on the Issue Date, of the Target Liquidity Reserve Amount out of the proceeds arising from the subscription of the Junior Notes, and (b) on each Quarterly Payment Date, of amounts available under item (vi) of the Quarterly Priority of Payments to be applied by the Issuer during the Revolving Period and under item (v) of the Quarterly Priority of Payments to be applied by the Issuer during the Amortising Period but prior to the delivery of a Trigger Notice; funds standing to the credit of the Liquidity Reserve Account will be transferred to the Payments Account two Business Days prior to each Quarterly Payment Date, only to the extent that such amounts qualify as Available Funds, subject to the provisions of the Conditions; and

(e) a bank account IBAN IT52F1063101600000070202101 (the "**Collateral Account**"): for the deposit of the collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement. The amounts standing to the credit of the Collateral Account will be transferred to the Payments Accounts two Business Days prior to each Quarterly Payment Date only to the extent that such amounts qualify as Available Funds, or returned to the Hedging Counterparty in accordance with the Hedging Agreement.

The above Accounts (other than the Payments Account) are held with Mediobanca. The Payments Account is held with Ca-Cib Milan Branch.

The Issuer has opened with Mediobanca a Euro denominated account No. IT06H1063101600000070202103 (the "**Eligible Investments Account**" and, together with the Italian Accounts, the "**Accounts**") for

	the deposit of the Eligible Investments made on behalf of the Issuer (in so far as such investments can be deposited in such account) out of the funds credited on the Collection Account and the Liquidity Reserve Account; the cash proceeds of the Eligible Investments, including for the avoidance of doubt any interest accrued on such Eligible Investments and proceeds deriving from the liquidation of such Eligible Investments, will be transferred to the Payments Account in accordance with the Cash Allocation, Management and Agency Agreement. In addition, the Issuer has opened a Euro denominated account IBAN IT60R1063101600000070201172 (the "**Corporate Capital Account**") which will be held in Italy with Mediobanca, into which the issued and paid up corporate capital of the Issuer has been deposited. In addition, the Issuer has opened certain other accounts in the context of the Previous Securitisation. See "*The Issuer Accounts*", and the "*Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*" below.
Provisions relating to the Cash Manager	The Cash Manager has agreed to give instructions to the relevant Account Bank to invest in Eligible Investments on behalf of the Issuer. See "*Credit Structure*" and the "*Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*", below.
Provisions relating to the Account Bank and the Cutodian	The Account Banks and the Custodian have, *inter alia*, agreed to provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies and securities, as applicable, from time to time standing to the credit of the Accounts.
Provisions relating to the Paying Agent	Pursuant to the Cash Allocation, Management and Agency Agreement, the Paying Agent has, *inter alia*, agreed to provide the Issuer with certain services in connection with the determination of amounts due under the Notes and payments to the Noteholders and the other Issuer Secured Creditors.
Calculation Agent	Pursuant to the Cash Allocation, Management and Agency Agreement, the Calculation Agent has agreed to provide the Issuer with certain calculation, notification and reporting services in relation to the Receivables and the Notes. By close of business on each Calculation Date, the Calculation Agent will prepare and deliver a report (the "**Payments Report**") setting out, *inter alia*, the amount of the Available Funds and the payments to be made in accordance with the Priority of Payments set out in the Intercreditor Agreement. Within two Business Days following each Quarterly Payment Date, the Calculation Agent will prepare and deliver a quarterly report (the "**Investor Report**") setting out certain information with respect to the

Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

Inside Information and Significant Event Report

Under the Cash Allocation, Management and Agency Agreement, the Calculation Agent has undertaken to prepare the Inside Information and Significant Event Report, setting out the information under letter f) and letter g) of article 7, paragraph 1 of the Securitisation Regulation respectively, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Inside Information and Significant Event Report (simultaneously with the Loan by Loan Report and the Investor Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date and also without undue delay upon the occurrence of the relevant event.

Payments under the Notes

Based on the Payments Report, the Paying Agent will make the payments under the Notes set forth in the relevant Priority of Payments described below.

5. Priority of Payments

Issuer Available Funds

The Issuer Available Funds shall be comprised of the aggregate amount of:

(i) on each Monthly Payment Date which is not also a Quarterly Payment Date, the Monthly Available Funds; and

(ii) on each Quarterly Payment Date, the Quarterly Available Funds.

Monthly Available Funds

On each Calculation Date immediately preceding a Monthly Payment Date which is not also a Quarterly Payment Date and in respect of the immediately following Monthly Payment Date, the Calculation Agent will calculate the Monthly Available Funds in an amount equal to the sum of:

(a) any Instalment Principal Component received or recovered (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding Collection Period pursuant to the Servicing Agreement and standing to the credit of the Collection Account; and

(b) any Instalment Principal Component received or recovered (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables and not utilised in the preceding

Monthly Payment Dates or Quarterly Payment Dates and standing to the credit of the Collection Account and/or the Eligible Investments Account.

Quarterly Available Funds

On each Calculation Date prior to the relevant Quarterly Payment Date and in respect of the immediately following Quarterly Payment Date, the Calculation Agent will calculate the Quarterly Available Funds in an amount equal to the sum of:

(a) any Collection and any recovery received (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding three Collection Periods (avoiding double counting) (including, for the avoidance of doubt, penalties and any other sum paid by the Debtor pursuant to the relevant Consumer Loan Agreement during the immediately preceding three Collection Periods) and not utilized in the two immediately preceding Monthly Payment Date;

(b) any amount deriving from the disinvestment of the Eligible Investments including, without limitation, any interest and *premia* received during the immediately preceding three Collection Periods in respect thereof and credited to the Payments Account, avoiding double counting under item (a) above and not utilised in the two immediately preceding Monthly Payment Date;

(c) any amounts paid to the Issuer by the Hedging Counterparty under the Hedging Agreement, other than any collateral posted by the Hedging Counterparty on the Collateral Account;

(d) following the date on which the Hedging Agreement is terminated, any amounts standing to the credit of the Collateral Account, up to the amount (if any) that would be payable as termination amount by the Hedging Counterparty to the Issuer in accordance with the Hedging Agreement;

(e) any other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Liquidity Reserve Account) as at the end of the immediately preceding Collection Period – including, without limitation, any interest accrued thereon during the immediately preceding three Collection Periods – (to the extent not already calculated under item (a) and (b) above or item (f) below); and

(f) any other amount received by the Issuer under the Transaction Documents during the immediately preceding three Collection Periods, including, without limitation the purchase price of the outstanding Portfolio paid in relation to the exercise of the

Clean-up Option to such Quarterly Payment Date,

provided that, for the avoidance of doubt, after the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Quarterly Available Funds shall also comprise (to the extent not already included) the proceeds from the sale (if any) of all or part of the Portfolio.

Priority of Payments

The Monthly Available Funds in respect of each Monthly Payment Date which is not also a Quaterly Payment Date and the Quarterly Available Funds in respect of each Quarterly Payment Date, shall be applied in accordance with the priority of payments set forth below for the application, before and after the delivery of a Purchase Termination Event and/or the service of a Trigger Notice, of the Monthly Available Funds and the Quarterly Available Funds (each, a "**Priority of Payments**").

Revolving Period

Monthly Priority of Payments

During the Revolving Period, the Monthly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Monthly Payment Date which is not also a Quarterly Payment Date – shall be applied on each Monthly Payment Date to pay to the Originator the Purchase Price of each Subsequent Portfolio purchased by the Issuer on the relevant Monthly Payment Date which is not also a Quarterly Payment Date.

Quarterly Priority of Payments

During the Revolving Period, the Quarterly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

(i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) with respect to the First Quarterly Payment Date, to fund the Expense Account, and thereafter to pay any Expenses (to the extent that amounts standing to the credit of the Expense Account have been insufficient to pay such costs during the immediately preceding three Collection Periods) and (b) to refill the Expense Account up to the Retention Amount;

(ii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent,

the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (x) below, but including in any event any Hedging Replacement Premium to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and Series A2 Notes;

(vi) *Sixth*, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount;

(vii) *Seventh*, to pay to the Originator (i) the Purchase Price of the *Subsequent* Portfolio purchased on such Quarterly Payment Date and (ii) any amounts due and payable by the Issuer to the Originator pursuant to clause 5.4 of the Master Receivables Purchase Agreement, up to the Revolving Available Amount;

(viii) *Eighth*, to credit the Collection Account with the difference if positive between the Revolving Available Amount and the amount paid under item (vii) above;

(ix) *Ninth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreements;

(x) *Tenth*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the sole "*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(xi) *Eleventh*, to pay the interests in respect of the Series B Notes; and

(xii) *Twelfth*, to pay to the Series B Notes the Additional Return.

Amortisation Period

Quarterly Priority of Payments

During the Amortisation Period but prior to the service of a Trigger Notice, the Quarterly Available Funds – calculated by

the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

(i) *First*, to pay, *pari passu* and pro rata according to the respective amounts thereof, (a) any Expenses (to the extent that amounts standing to the credit of the Expense Account have been insufficient to pay such costs during the immediately preceding three Collection Periods) and (b) to refill the Expense Account up to the Retention Amount;

(ii) *Second*, to pay, *pari passu* and pro rata according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (viii) below, but including in any event any Hedging Replacement Premium, or a portion of it, to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and the Series A2 Notes;

(vi) *Sixth*, prior to the service by the Representative of the Noteholders of the Trigger Notice, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount;

(vii) *Seventh*, to repay, *pari passu* and *pro* rata, the Principal Amount Outstanding on the Series A1 Notes and the Series A2 Notes in an amount equal to the excess, if any, of their Principal Amount Outstanding over the Series A Notes Target Principal Amount;

(viii) *Eighth*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the so*le*

"*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(ix) *Nineth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement;

(x) *Tenth*, to pay the interests in respect of the Series B Notes;

(xi) *Eleventh*, following redemption in full of the Series A1 Notes and the Series A2 Notes, to repay the Principal Amount Outstanding on the Series B Notes, until the aggregate Principal Amount Outstanding of the Series B Notes is equal to € 30,000;

(xii) *Twelfth*, to pay to the Series B Notes the Additional Return; and

(xiii) *Thirteenth*, on the Final Redemption Date, to repay the principal on the Series B Notes and to pay the additional remuneration (if any) to the same.

During the Amortisation Period but following the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Quarterly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

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

(ii) *Second*, to pay, *pari passu* and pro rata according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (vi) below, but including in any event any Hedging Replacement Premium, or a portion of it, to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and the Series A2 Notes;

(vi) *Sixth*, to repay, *pari passu* and *pro* rata, the Principal Amount Outstanding on the Series A1 Notes and the Series A2 Notes;

(vii) *Seventh*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the sole "*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(viii) *Eighth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement

(ix) *Nineth*, to pay the interests in respect of the Series B Notes;

(x) *Tenth*, following redemption in full of the Series A1 Notes and the Series A2 Notes, to repay the Principal Amount Outstanding on the Series B Notes;

(xi) *Eleventh*, to pay to the Series B Notes the Additional Return.

6. Redemption of the Notes

Mandatory redemption of the Notes

The Notes of each Series will be subject to mandatory redemption in full or in part, in accordance with the applicable Quarterly Priority of Payments, starting from the earlier of (i) the Quarterly Payment Date falling in July 2020, (ii) the first Quarterly Payment Date immediately following the date on which a Purchase Termination Notice has been served, (iii) to the extent that Condition 6.2 (*Optional Redemption*) is applicable, the Quarterly Payment Date immediately following the servicing by the Originator to the Issuer of the written notice under Condition 6.2 (*Optional Redemption*) above, in each case, if and to the extent that there are sufficient Quarterly Available Funds on the relevant Quarterly Payment Date which may be applied for redemption of the Senior Notes in accordance with the applicable Quarterly Priority of Payments, and (iv) to the extent that Condition 6.3 (*Redemption for taxation*) is applicable, the Quarterly Payment Date immediately following the date on which the prior written notice under Condition 6.3 (*Redemption for taxation*) above has been served by the Issuer to the Representative of the Noteholders, in each case, if and to the extent that

there are sufficient Quarterly Available Funds on such Quarterly Payment Date which may be applied for redemption of the Notes of such Series in accordance with the applicable Quarterly Priority of Payments.

Optional redemption of the Notes

Starting from the Quarterly Payment Date on which the residual outstanding Instalment Principal Components of all the Receivables included in the Portfolio purchased by the Issuer is equal to or lower than 10% of the Residual Amount of the Initial Portfolio, provided that (i) any Purchase Termination Events referred to under Condition 10.1 (*Purchase Termination Events*) (C) (*Insolvency of the Originator*), (D) (*Restructuring Agreements*) and (E) (*Winding-up of the Originator*) has not occurred and (ii) the Amortisation Period has begun, the Originator under the provisions of the Master Receivables Purchase Agreement may exercise an option (the "**Clean-up Option**") to repurchase (pursuant to article 58 of the Banking Act) from the Issuer all the then outstanding Receivables, subject to it giving to the Issuer a 10 Business Days prior written notice before the relevant Quarterly Payment Date (the "**Relevant Quarterly Payment Date**") and *provided that*:

1. the consideration therefore (the "**Clean-up Option Purchase Price**"), as set out in the relevant provision of the Master Receivables Purchase Agreement, is equal to or greater than: (x) the amount required by the Issuer to discharge, on the Relevant Quarterly Payment Date, the Principal Amount Outstanding of the Notes together with all accrued but unpaid interest thereon as well as any amounts required under the Conditions to be paid in priority to or *pari passu* with the Notes pursuant to the then applicable Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Relevant Quarterly Payment Date;

2. the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Clean-up Option, in compliance with article 58 of the Banking Act;

3. the Originator has delivered to the Issuer (i) a solvency certificate signed by its legal representative and dated as at a date not earlier than the date of exercise of the option thereof and (ii) a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) as at a date not earlier than 5 days before the date of the exercise of the option thereof.

The Clean-up Option Purchase Price shall be equal to the sum of: (a) the Outstanding Amount of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the Quarterly Payment Date immediately following the date of exercise of the Clean-up Option; and (b) the market value of the Defaulted Receivables and Delinquent Receivables, as determined by a third party arbitrator appointed jointly by the Issuer and Compass and, in the absence of agreement between the parties, by the Chairman of the Italian Banking

Association.

The Issuer shall apply all the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming all the Notes together with all interests accrued thereon subject to and in accordance with Condition 4 (*Priority of Payments*).

The provisions specified in clause 16 of the Master Purchase Receivables Agreement shall apply.

Redemption for taxation

If at any time, the Issuer confirms to the Representative of the Noteholders that, following the occurrence of legislative or regulatory changes, or official interpretations or administration or application thereof by competent authorities:

1. the Issuer would incur increased costs or charges of a fiscal nature which would materially affect payments due under the Notes; or

2. on the next Quarterly Payment Date: (x) the Issuer or the Paying Agent would be required to make a Tax Deduction (other than a Decree 239 Deduction) in respect of any payment of principal, premium or interest on the Notes of any Series; or (y) amounts payable to the Issuer in respect of the Receivables would be subject to a Tax Deduction, or

3. the segregated assets (*patrimonio separato*) of the Issuer in respect of the Securitisation becomes subject to Tax prior to the Final Maturity Date,

the Issuer may redeem at its option (i) all but not some only of the Series A Notes and (ii) to the extent the Series A Notes have been redeemed in full, all but not some of the Series B Notes, at their Principal Amount Outstanding together with accrued but unpaid interest in accordance with the then applicable Priority of Payments and subject to the Issuer:

(i) having sufficient funds to redeem respectively all the Series A Notes and, to the extent the Series A Notes have been redeemed in full, all the Series B Notes and to make all payments ranking in priority thereto or *pari passu* therewith; and

(ii) providing the Representative of the Noteholders with:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a primary law firm (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or interpretation or administration or application thereof; and

(B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such Tax Deduction, the suffering

by the Issuer of such Tax Deduction or of costs or charges of a fiscal nature or the Tax imposed on the segregated assets of the Issuer prior to the Final Maturity Date, will apply and cannot be avoided by the Issuer taking reasonable endeavours.

The Issuer's right to redeem the Series A Notes and the Series B Notes in accordance with the then applicable Priority of Payments shall be subject to it giving not more than 60 nor less than 30 days' written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 15 (*Notices*).

In order to finance the redemption of the Series A Notes and the Series B Notes in the circumstances described above, the Issuer (and the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolio. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming the Series A Notes and the Series B Notes, to the extent that the Series A Notes have been redeemed in full, together with all interests accrued thereon subject to and in accordance with Condition 4 (*Priority of Payments*). In such event, the Originator will have a right of first refusal in relation to the Portfolio to be sold. The Issuer shall enable the Originator to exercise its right of first refusal on the same terms and conditions offered by any third party by notifying in writing the Originator of its intention to sell, specifying the price, the terms and the conditions of the sale and that part of the Portfolio on offer. The Originator shall have 60 days from the receipt of such notice to notify in writing the Issuer whether or not it intends to acquire the Portfolio or (as the case may be) that part of the Portfolio on sale, subject to any authorisation required by relevant law and regulations.

In case of redempition of the Notes by the Issuer pursuant to the provisions provided for under Condition 6.3 (*Redemption for taxation*) the Issuer shall inform in advance the Rating Agencies.

Estimated weighted average life of the Series A Notes and assumptions

The estimated weighted average life of the Notes cannot be predicted as the actual rate at which the Consumer Loan Agreements will be repaid and a number of other relevant factors are unknown. Calculations of the possible estimated weighted average life of the Series A Notes have been based on certain assumptions including, *inter alia*, that the Consumer Loans are subject to a dynamic prepayment rate as shown in "*Estimated Weighted Average Life of the Series A Notes*", below.

7. Credit Structure

Liquidity Reserve

On the Issue Date, the Issuer has established a reserve fund on the Liquidity Reserve Account through the proceeds of the subscription of the Junior Notes. On each Quarterly Payment Date prior to the service of a Trigger Notice, the Issuer will replenish the Liquidity Reserve Account in accordance with the applicable Quarterly Priority of

	Payments. **Liquidity Reserve** means the monies standing to the credit of the Liquidity Reserve Account at any given time. The Liquidity Reserve will be included in the Quarterly Available Funds. **Target Liquidity Reserve Amount** € 3,915,000 and, following the earlier of (i) the Quarterly Payment Date on which the Series A1 Notes and the Series A2 Notes are redeemed in full (including) and (ii) the date on which the Trigger Notice has been delivered by the Representative of the Noteholders (excluding) and therefore the replenishment of the Liquidity Reserve will not be effected anymore, zero.
Eligible Investments	Pursuant to the Cash Allocation, Management and Agency Agreement, the Cash Manager shall, on behalf of the Issuer and upon specific direction received from the Issuer through an investments direction letter, invest in Eligible Investments amounts standing to the credit of the Collection Account and the Liquidity Reserve Account.
Governing Law	The Notes and the Transaction Documents are governed by Italian law (other than the Hedging Agreement and the English Deed of Charge, which are governed by English law).
Material net economic interest in the Securitisation	Under Subscription Agreements, Compass has undertaken to retain, on an on- going basis, a material net economic interest which, in any event, shall not be less than 5 per cent. in the Securitisation in accordance with article 6 of the Securitisation Regulation and the applicable Regulatory Technical Standards. As at the Issue Date, such interest will consist of the retention by Compass of the Junior Notes, in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standard. For further details see the sections headed "*Subscription and Sale*" and "*Compliance with STS Requirements*".

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under 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 that the Issuer believes material for the purpose of assessing the market risks associated with Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, repay principal or pay other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Should any of such predictable or unpredictable events occur, the value of the Notes may decline, the Issuer may not be able to pay all or part of the interest or principal on the Notes and investors may lose all or part of their investment.

Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Prospectus have the same meaning in this section.

1) RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

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

The Notes constitute direct, secured and limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of Compass Banca S.p.A. (in any capacity), Mediobanca (in any capacity), the Representative of the Noteholders, the Paying Agent, the Calculation Agent, the Corporate Services Provider, the Quotaholders, the Back-Up Servicer Facilitator, or any other person. None of the aforementioned parties accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

The Issuer has limited sources available to make payments on the Notes

The Issuer's principal assets are the Receivables. As at the date of this Prospectus, the Issuer has no assets other than the Receivables and the other Issuer's Rights as described in this Prospectus.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon, among other things, the timely payment of amounts due under the Consumer Loans by the Debtors, the receipt by the Issuer of the Collections made on its behalf by the Servicer from the Portfolio, the receipt of any payments required to be made by the Hedging Counterparty under the Hedging Agreement as well as any other amounts required to be paid to the Issuer by the various agents and counterparties pursuant to the terms of the Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

There is no assurance that, over the life of the Notes or on the redemption date of any Note (whether on maturity, on the Cancellation Date, or 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 repay the Senior Notes in full.

Given the limited recourse nature of the Notes, if there are not sufficient funds available to the Issuer to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the service of a Trigger Notice, the Issuer (or the Representative of the Noteholders on its behalf) could attempt to sell all, or part, of the Receivables, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

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

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, each Series of Notes will rank as set out in Condition 4 (Priority of Payments).

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

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

The Issuer is subject to the risk that any payments due by the Debtors under the Consumer Loans are paid after the scheduled payment dates. The Issuer is also subject to the further risk of failure by the Servicer to collect or recover sufficient funds in respect of the Portfolio in order to discharge all amounts payable under the Notes when they fall due, as well as to the risk of default in payment by the Debtors and failure to realise or recover sufficient funds in respect of the Defaulted Receivables in order to discharge all amounts due by the Debtors under the relevant Consumer Loans. With respect to Series A Notes, this risk is mitigated by the credit support provided by the Series B Notes.

However, in each case, there can be no assurance that the levels of collections and recoveries received from the Portfolio together with such credit and liquidity support will be adequate to ensure timely and full receipt of amounts due under the Notes.

Interest rate risk arising from the mismatch between the interest rate applicable on the Loans and the Notes may affect the ability of the Issuer to meet its payment obligations under the Notes in case of termination of the Hedging Agreement

The Issuer is, as a result of issuing the Notes, exposed to the risks of adverse interest rate movements between the interest on the Portfolio received by the Issuer and the payment obligations of the Issuer with respect to the Notes. In order to hedge itself against such risk, the Issuer will enter into the Hedging Agreement with the Hedging Counterparty. Nonetheless, should the Hedging Counterparty fails to provide the Issuer with all amounts owing to the Issuer (if any) on any payment date under the Hedging Agreement, or should the Hedging Agreement be otherwise terminated, then the Issuer may have insufficient funds to make payments of principal and interest on Notes.

The Hedging Agreement will contain certain termination events and events of default which will entitle either party to terminate the Hedging Agreement. If the Hedging Agreement is terminated for any reason, the Issuer may be required to pay an amount to the Hedging Counterparty as a result of the termination. Following such a termination any payments by the Issuer to the Hedging Counterparty will be made in accordance with the applicable Priority of Payments.

For further details, see the sections headed "Transaction Overview - Credit Structure" and "The Other Transaction Documents - The Hedging Agreement".

Commingling risk may affect availability of funds to pay the Notes

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

Indeed, although article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the Issuer or the Servicer with an account bank (whether before or during the relevant insolvency proceeding of such account bank) will not subject to suspension of payments or will not be deemed to form part of the estate of the servicer and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the

distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof.

Prospective Noteholders should note that, in order to mitigate any possible risk of commingling (i) pursuant to the Cash Allocation, Management and Payments Agreement, it is required that the Account Bank shall at all times be an Eligible Institution, and (ii) under the Servicing Agreement, the Servicer has undertaken to transfer any Collections received or recovered by itself into the Collection Account on a daily basis and in any case within the second Business Day immediately following the date on which the relevant payment has been made by the relevant Debtor. In addition, pursuant to the Servicing Agreement, if the appointment of Compass as Servicer is terminated, the Debtors, upon direction of the Issuer, will be notified to pay any amount due in respect of the Receivables directly into the Collection Account. *For further details, please see the sections headed "The other Transaction Documents - The Cash Allocation, Management and Payments Agreement" and "The Servicing Agreement".*

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

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

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

By operation of the Securitisation Law, the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections are segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the other Issuer Secured Creditors and to any third-party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation. The Notes have also the benefit of the security interests over certain assets of the Issuer pursuant to the English Deed of Charge.

Pursuant to the Conditions and the Intercreditor Agreement, until the later of (i) one year and one day after the Final Maturity Date of the Notes or, in case of prepayment in full of the Notes, two years and one day after the date on which the Notes have been repaid in full and cancelled in accordance with the relevant terms and conditions, or (ii) one year and one day after the date on which any notes issued by the Issuer pursuant to the Securitisation Law (other than the Notes), have been redeemed in full and cancelled in accordance with the relevant terms and conditions, no Noteholder and no other Issuer Secured Creditor shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, other than in the circumstances expressly referred to in the Rules of the Organisation of the Noteholders.

If any Insolvency Event were to be initiated against the Issuer, no creditors other than the Representative of the Noteholders on behalf of the Noteholders, the other Issuer Secured Creditors and any 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 would have the right to claim in respect of the Receivables. However, there can in any event be no assurance that the Issuer would be able to meet all of its obligations under the Notes.

2) RISKS RELATING TO THE UNDERLYING ASSETS

The performance of the Portfolio may deteriorate in case of default by the Debtors

The Initial Portfolio is comprised of Consumer Loans which were classified as performing *(crediti in bonis)* by the Originator in accordance with the Bank of Italy's supervisory regulations as at the Initial Portfolio Legal Effective Date. The Subsequent Portfolios, if any, will be comprised only of Consumer Loans classified as performing *(crediti in bonis)* by the Originator in accordance with the same supervisory regulations, as at each date on which a transfer of a Subsequent Portfolio will be proposed. *For further details, see the section headed "The Portfolio".*

However, there can be no guarantee that the Debtors will not default under such Consumer 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 Debtors to repay the Consumer Loans.

The recovery of overdue amounts in respect of the Consumer Loans will be affected by the length of enforcement proceedings in respect of the Consumer Loans, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and on 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 Consumer Loans and (ii) more time will be required for the proceedings if it is first necessary to obtain a payment injunction *(decreto ingiuntivo)* or if the Debtor raises a defence or counterclaim to the proceedings. See "*Selected aspects of Italian law*" below.

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

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

In addition, the yield to maturity, the amortisation and the weighted average life of the Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Consumer Loans, the exercise by the Originator of its right to repurchase individual Receivables or the outstanding Portfolio pursuant to the Master Receivables Purchase Agreement, the renegotiation by the Servicer of any of the terms and conditions of the Consumer Loans in accordance with the provisions of the Servicing Agreement and/or the early redemption of the Notes pursuant to the Condition 6.2 (Optional redemption) and Condition 6.3 (Redemption for taxation).

Prepayments may result in connection with refinancing or sales of properties by Debtors voluntarily. The receipt of proceeds from the Insurance Policies may also impact on the way in which the Consumer Loans are repaid. The level of delinquency and default on payment of the relevant Instalments or request for renegotiation under the Consumer Loans cannot be predicted and is influenced by a wide variety of economic, market industry, social and other factors, including prevailing loan market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation that may affect the refinancing terms.

The impact of the above on the yield to maturity and the weighted average life of the Notes cannot be predicted. Based, *inter alia*, on assumed rates of prepayment, the estimated average life of the Notes is set out in the section headed "*Estimated weighted average life of the Series A Notes*". However, the actual characteristics and performance of the Consumer Loans may differ from such assumptions and any difference will affect the

percentages of the Principal Amount Outstanding of the Notes over time and the weighted average life of the Notes. *For further details, see the sections headed "Estimated weighted average life of the Series A Notes".*

No Independent Investigation has been or will be made in relation to the Receivables

The Issuer has entered into the Master Receivables Purchase Agreement with the Originator on the basis of, and upon reliance on, the representations and warranties made by the Originator under the Master Receivables Purchase Agreement.

The Issuer would not have entered into the Master Receivables Purchase Agreement without having received such representations and warranties given that neither the Issuer, nor the Arranger, the Joint Lead Managers or any other transaction party (other than the Originator), has carried out any due diligence in respect of the Receivables and the relevant Consumer Loan Agreements. More generally, none of the Issuer, the Arranger, the Joint Lead Managers nor any other transaction party (other than the Originator) has undertaken or will undertake any other investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

Therefore, the only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damages deriving therefrom or repurchases the relevant Receivable. *See the section headed "The Master Receivables Purchase Agreement" below*. In particular, the indemnification obligations or the obligation to pay the repurchase price undertaken by the Originator under the Master Receivables Purchase Agreement are unsecured claims of the Issuer and no assurance can be given that the Originator will pay the relevant amounts if and when due.

Assignment of Receivables may be subject to claw-back upon certain conditions being met

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

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

In order to mitigate such risk, according to the Master Receivables Purchase Agreement and with respect of the assignment of each Subsequent Portfolio, the Originator has provided or will provide, as the case may be, the Issuer with, *inter alia*, (a) a certificate of the competent companies register, dated not prior to 3 Business Day before the relevant Transfer Proposal, stating that no insolvency proceeding is pending against the Originator and (b) a solvency certificate issued by a legal representative of the Originator confirming that the Originator is solvent at the date of the relevant Transfer Proposal. Furthermore, under the Master Receivables Purchase Agreement, the Originator has represented that it was solvent as at the execution date of the Master Receivables Purchase Agreement.

For further details, see the sections entitled "The Master Receivables Purchase Agreement" and "Selected aspects of Italian law relevant for the transaction".

Payments made to the Issuer may be subject ot claw-back upon certain conditions being met

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

More in detail, payments made to the Issuer by any transaction party in the 1 (one) year or 6 (six) month suspect period, as applicable, prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation, may be subject to claw-back (*revocatoria fallimentare*) according to article 67 of the Bankruptcy Law (or any equivalent rules under the applicable jurisdiction of incorporation of the Transaction Party). In case of application of article 67, paragraph 1, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the Issuer does not give evidence that it did not have knowledge of the state of insolvency of the relevant Transaction Party when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the receiver gives evidence that the Issuer had knowledge of the state of insolvency of the relevant Transaction Party. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court in its discretion may consider all relevant circumstances.

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

Consumer Loans for the purchase of used vehicles have historically a lower performance

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. Indeed, it has been observed that the performance of the debtors who have purchased used vehicles is worse than that of the debtors who have purchased new vehicles.

A worse performance by the Debtors who have used the Consumer Loans to purchase used cars may negatively affect the ability of the Issuer to fulfil its payment obligations under the Notes.

In order to mitigate such risk, it is provided, under the Master Receivables Purchase Agreement, that a Subsequent Portfolio may be transferred from Compass to the Issuer *inter alia* only if the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables included in the Pool of the Used Car Loans is not higher than 10% of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables.

In such this respect, please refer to sections entitled headed "The Portfolio" and "The Master Receivables Purchase Agreement" below.

Eligible Investments may not be fully recoverable in certain circumstances

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

Such risk is mitigated by the provisions of the Cash, Allocation Management and Payments Agreement pursuant to which should any such investment cease to be at any time an Eligible Investment, the Cash

Manager will liquidate such investment within three Business Days from the date on which such investment ceased to be an Eligible Investment and in any event at least five Business Days prior to the relevant Monthly Payment date or Quarterly Payment Date (as the case may be), at the best available market price which is at least equal to the principal invested.

None of the Originator, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents will be responsible for any loss or shortfall deriving therefrom.

3) OTHER RISKS RELATING TO THE NOTES AND THE STRUCTURE

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

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

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

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

Individual Noteholders have limited enforcement rights

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

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

Conflicts of interest will be managed by the Representative of the Noteholders in a manner which may not be in line with the interests of the Junior Noteholders

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders, with respect to all of its powers, authorities, duties and discretion, to regard the interests of the Noteholders of both Series as if they formed a single Series (except where expressly provided otherwise) but such Conditions also require the Representative of the Noteholders, in the event of a conflict among the interests of the Noteholders of different Series, to regard only the interests of the Senior Noteholders, ranking highest in the applicable Priority of Payments. Remedies pursued by the Representative of the Noteholders in such circumstances may be adverse to the interests of the Junior Noteholders.

Direction of the holders of the Senior Noteholders following the delivery of a Trigger Notice may affect the interests of the holders of the Junior Noteholders

Pursuant to the Intercreditor Agreement and the Rules of the Organisation of the Noteholders, at any time after the delivery of a Trigger Notice, the Representative of the Noteholders shall proceed to sell all or part of the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders.

In addition, at any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice (by informing thereof the Rating Agencies), take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Portfolio and to enforce the English Deed of Charge and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it shall have been directed by an Extraordinary Resolution of the then Most Senior Series of Noteholders and, in all cases, it shall have been indemnified and/or secured to its satisfaction.

Consequently, the directions of the holders of the Most Senior Series of Notes in such circumstances will prevail over any different directions of the holders of the other Series of Notes and may be adverse to the interests of the holders of such other Series of Notes.

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

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

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

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

4) RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS

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

Pursuant to the Rules of the Organisation of the Noteholders: (a) any resolution involving any matter other than the ones provided for in Article 20 (*Powers exercisable by Extraordinary Resolution*) that is passed by the Senior Noteholders shall be binding upon all the Junior Noteholders irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Series of Notes duly convened and held in

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

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

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

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may, from time to time and without the consent or sanction of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or waiver to these Conditions and the Transaction Documents if, in the opinion of the Representative of the Noteholders, such amendment or waiver:

(a) is necessary or expedient in order to cure any ambiguity or correct any manifest error, or to comply with any changes in applicable law or in its interpretation;

(b) is not, in the opinion of the Representative of the Noteholders, materially prejudicial to the interest of any Most Senior Series of Noteholders;

(c) is formal, minor or technical in nature;

(d) is necessary for the purpose of enabling the Series A Notes to be (or remain) listed on the Euronext Dublin;

(e) is necessary or expedient in order to comply with Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**"), and/or the Securitisation Regulation, in each case as supplemented and implemented by the relevant regulatory technical standards and delegated regulations; or

(f) at the option and upon request of the Originator, is necessary or expedient in order to ensure that the Securitisation complies with the STS criteria and deliver a STS notification in accordance with the Securitisation Regulation (it being understood, for the avoidance of doubt, that none of the Issuer, the Originator, the Arranger, the Joint Lead Managers or any other party assumes any undertaking to deliver such a notification or makes any representation that the Securitisation complies or will in the future comply with any STS criteria, provided that amendments or waiver under paragraphs (e) above and under this paragraph (f) will be permitted only to the extent they would not result in (or have the effect of) (i) a Basic Term Modification, (ii) an increase in the Expenses of the Issuer or (iii) be otherwise prejudicial to the interests of the holders of the Most Senior Series of Noteholders and, in respect of the amendments or waivers and delivery of a STS notification referred to in this paragraph (f) only, the Originator bears all fees, costs and expenses arising therefrom.

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

5) COUNTERPARTY RISKS

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

The Portfolio has always been serviced by Compass up to the transfer of the relevant Receivables as owner of the Consumer Loans and the relevant Receivables and, following the transfer of the Receivables to the Issuer,

as Servicer pursuant to the Servicing Agreement. As a result, the net cash flows from the Portfolios may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

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

Following the termination of the appointment of the Servicer pursuant to the Servicing Agreement, the obligations of such Servicer under the Servicing Agreement will be undertaken by the Back-up Servicer (if appointed) or a Substitute Servicer. There can be no assurance that the Back-up Servicer (if appointed) or a Substitute Servicer who is able and willing to service the Portfolio could be found. Any delay or inability to appoint a Back-up Servicer or a Substitute Servicer may affect payments on the Notes.

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

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

The timely payment of amounts due on the Notes will depend on the performance of other Issuer's counterparties, including, without limitation, the ability of (i) the Hedging Counterparty to make the payments due under the relevant Hedging Agreement, and (ii) the Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer, the Paying Agent and the Account Bank to duly perform their obligations under the relevant Transaction Documents. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Master Receivables Purchase Agreement in respect of the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents may be influenced by the solvency of each relevant party.

The inability of any of the above-mentioned third parties to provide their services to the Issuer may ultimately affect the Issuer's ability to make payments on the Notes.

6) MACRO-ECONOMIC AND MARKET RISKS

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

There is not at present an active and liquid secondary market for the Notes. The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The offering of the Notes will be made pursuant to the exemption from registration provided under Regulation S of the Securities Act. No Person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Offers and sales of the Notes will be subject to significant restrictions on resale. *In this respect, please refer to the section "Subscription and Sale" below*.

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

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

Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit) may affect the market value/liquidity of the Notes in the secondary market

The market value and the liquidity of the Notes may be affected by disruptions and volatility in the global financial markets.

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

In addition, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the article 50 withdrawal agreement). It remains uncertain whether the article 50 withdrawal agreement will be finalised and ratified by the UK and the European Union ahead of the 31 October 2019 deadline. If it is not ratified, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from that date. Whilst the UK Government has commenced preparations for a to minimise the risks for firms and businesses associated with an exit with no transitional agreement, the European authorities have not provided UK firms and businesses with similar assurances in preparation for a "hard" Brexit.

The exit of the United Kingdom from the European Union, the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom, the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities and this could adversely affect the market value and/or the liquidity of the Notes in the secondary market (either because the Notes could not be traded in UK or because less potential investors could be interested in investing in the Notes, also in other EU countries).

Changes or uncertainty in respect of Euribor may affect the value or payment of interest under the Notes

Various interest rate benchmarks (including the Euro Interbank Offered Rate (EURIBOR)) are the subject of recent national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes. Regulation (EU) no. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an

equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on the Notes, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes (which are linked to EURIBOR).

While (i) an amendment may be made under Condition 5.3 (*Fallback provisions*) to change the base rate on the Notes from EURIBOR to a Successor Rate or an Alternative Rate under certain circumstances broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions being satisfied, (ii) the Issuer is under an obligation to appoint an Independent Adviser - which must be an independent financial institution of international repute or an independent financial adviser with appropriate expertise - to determine a Successor Rate or an Alternative Rate in accordance with Condition 5.3 (*Fallback provisions*), there can be no assurance that any such amendments will be made or, if made, that they (a) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (b) will be made prior to any date on which any of the risks described in this risk factor may become relevant.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to the Notes.

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

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

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

third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Notes may be affected.

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

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

7) LEGAL AND REGULATORY RISKS

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

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

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

requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various type of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Originator, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

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

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

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

EU Securitisation Regulation has introduced new requirements some of which are not yet in final form

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The EU Securitisation Regulation creates a single set of common rules for European

"institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("**STS-securitisations**"). The risk retention, transparency, due diligence and underwriting criteria requirements set out in the Securitisation Regulation apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger, the Joint Lead Managers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, including with regard to the risk retention requirements under article 6 of the Securitisation Regulation and transparency obligations imposed under article 7 of the Securitisation Regulation. The Regulatory Technical Standards relating to the risk retention requirements are not yet in final form, whilst the Regulatory Technical Standards relating to the transparency obligations have been adopted by the EU Commission but remain subject to a non-objection procedure by the EU Parliament and Council. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and, prior to the Issue Date, has been notified by the Originator to be included in the list published by ESMA referred to in article 27, paragraph 5, of the Securitisation Regulation. The Originator has used the service of PCS, as a verification agent authorised under article 28 of the Securitisation Regulation, in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the "**STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus.

It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessment and assessments with respect to the Securitisation Regulation and the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments,

the STS notification or other disclosed information. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Joint Lead Managers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time. Non-compliance with the status of an STS-securitisation may result in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

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

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

(a) that institutional investor has verified that:

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

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

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

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

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

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

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

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

Disclosure requirements under CRA Regulation and Securitisation Regulation are uncertain in some respects

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 ("**SFIs**"). According to the CRA Regulation, such disclosure needs to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the CRA Regulation, came into force on 26 January 2015. These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation no. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to article 8b of the CRA Regulation by that date. In the press release ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the Securitisation Regulation. Accordingly, pursuant to the obligations set forth in article 7, paragraph 2, of the EU Securitisation Regulation, the originator, sponsor and securitisation special purpose entity ("**SSPE**") of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation, will in turn disclose information on securitisation transactions to the public. With the application of these provisions, the disclosure requirements of the CRA Regulation concerning SFI's are also addressed.

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the EU Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the EU Securitisation Regulation which included revised draft reporting templates". As at the date of this Prospectus, such disclosure technical standards have been adopted by the EU Commission but are still subject to a non-objection procedure by the EU Parliament and Council. The transitional provision of article 43, paragraph 8, of the Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 of the Securitisation Regulation become applicable, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy. In addition, there remains uncertainty as to the nature and detail of the information to be published and the manner in which it will need to be published.

Non-compliance with final Regulatory Technical Standards on reporting obligations may adversely affect the value, liquidity of, and the amount payable under the Notes, since certain costs connected to the compliance with the reporting requirements (including the ones connected with any potential breach of such requirements) (i) could be borne by the Issuer and, consequently, adversely affect the payment obligations of the Issuer under the Notes or, otherwise, (ii) if borne by the Originator, could have a negative impact on the fulfilment of the contractual obligations assumed by the Originator under the Transaction Documents.

Italian consumer legislation contains certain protections in favour of debtors

The Portfolio comprises only Receivables deriving from Consumer Loans which qualify 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, amongst other things: (a) by articles 121 to 126 of the Banking Act; and (b) the regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*) as amended and supplemented from time to time. Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by sub-section 1 of article 122 of the Banking Act, such levels being currently fixed at Euro 75,000 and Euro 200 respectively (save in case of unsecured loans granted for the purpose of refurbishing a property, which are not subject to the Euro 75,000 threshold).

The following risks, amongst others, could arise in relation to a *Credito al Consumo* loan contract:

(i) pursuant to paragraphs 1 and 2 of article 125-*quinquies* of the Banking Act, borrowers under consumer loan agreements 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 paragraph 4 of article 125-quinquies of the Consolidated Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan agreements any of the defences mentioned under paragraphs 1 to 3 of the same article, which they had against the original lender. It should, however, be noted that, Compass has represented under the Master Receivables Purchase Agreement that the Receivables do not derive from Consumer Loans (other than Personal Loans) where the financed asset has not yet been delivered to the relevant Debtor.

(ii) pursuant to sub-section 1 of article 125-*sexies* of the Banking Act, debtors under *credito al consumo* 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; and

(iii) pursuant to sub-section 1 of article 125-*septies* of the Banking Act, debtors are entitled to exercise, against the assignee of any lender under a *credito al consumo* 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 debtor has accepted the assignment or has been given written notice thereof). This could result in debtors obtaining a right of set-off or other right of defence against the

Issuer in respect of any of the Originator's obligations to the debtor.

It should, in any case, be considered that, pursuant to article 4 of the Securitisation Law (as amended by Law Decree No. 145/2013, as converted into law by Law No. 9/2014 (the so called, "***Destinazione Italia* Decree**")), irrespective of any other different provisions of law, the debtors assigned in the context of securitisation transactions cannot raise any set-off exception towards the assignee with respect to the assigned receivables and any claim arisen following the date of publication of the assignment in the Italian Official Gazette or following the implementation of the formalities provided for by law 21 February 1991, n. 52. Accordingly, in the context of the Securitisation, the Debtors should be entitled to exercise a right of set-off against the Issuer in respect of the Originator's obligations towards the relevant Debtor only up to the date on which the formalities described above are satisfied. Furthermore, in the Master Receivables Purchase Agreement the Originator has represented that it has no knowledge of any fact or matter which might cause a non-reimbursement or a delayed reimbursement of any of the Consumer Loans (with the exception of the postponement of one or more instalments at the end of the relevant amortisation plan (so called "*accodamento*" of the instalments) described therein). For further details, see also the paragraph "The Assignment" under the section headed "Selected Aspects of Italian Law relevant to the transaction" below.

Application of the Securitisation Law has a limited interpretation

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

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

The U.S. Risk Retention Rules came into effect on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined in the U.S. Risk Retention Rules, and generally prohibit the sponsor" from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Securitisation will not involve risk retention by the Originator for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on the safe harbor exemption for certain non-U.S. transactions set forth in the U.S. Risk Retention Rules. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. Persons (in each case, as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**") or for the account or benefit of Risk Retention U.S. Persons; (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law, is a branch or office of an entity organized under U.S. law, or is a branch or office of a non-U.S. organized entity located in the United States; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Securitisation provides that the Notes may not be purchased by Risk Retention U.S. Persons. Prospective investors should note that whilst the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and persons who are not "**U.S. persons**" under Regulation S may be "**U.S. persons**" under the U.S. Risk Retention Rules.

Each holder of a Note or a beneficial interest therein acquired in the primary offering by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and, in certain circumstances, will be required to represent to the Issuer, the Originator, the Arranger and the Joint Lead Managers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the safe harbor exemption for non-U.S. transactions set forth in the U.S. Risk Retention Rules described herein).

There can be no assurance that the exemption of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the Securitisation to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

The Originator makes no representation to any prospective investor or purchaser of the Notes and none of the Joint Lead Managers, the Arranger or any of their respective affiliates takes any responsibility whatsoever as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

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

Under each of the Notes Subscription Agreements, the Issuer has represented that (i) it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, will not be required to be registered as an "investment company," as such term is defined in the Investment Company Act; and (ii) it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, should not be a "covered fund" within the meaning of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**") because the Issuer may rely on an exception from the "covered fund" definition provided for entities involved in the securitization of loans. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Arranger, the Joint Lead Managers or any other person makes any representation to any prospective investor regarding the application of the Volcker Rule to the Issuer or to such prospective investor's investment in the Notes, as of the date hereof or at any time in the future. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal

BRRD may apply to some parties to the Transaction Documents

The directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force on 2 July 2014.

The BRRD is designed to provide national authorities in Member States with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.
The BRRD contains four resolution tools and powers which may be used alone (except for asset separation tool) or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business -which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution -which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation -which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in -which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (i.e. shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44, paragraph 2, of the BRRD.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools (including the General Bail-In Tool) to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework and the BRRD.

The BRRD Directive applies, *inter alia*, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

On 31 July 2015, the "European Delegation Law 2014" – Law No. 114 of 9 July 2015 – was published on the Italian Official Gazette containing, inter alia, principles and criteria for the implementation by the Government of the BRRD in Italy. Subsequently, on 16 November 2015, the Bank Recovery and Resolution Directive was implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the "**BRRD Decrees**"), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Consolidated Banking Act and deals mainly with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (*i.e.* 16 November 2015), save that: (i) the bail-in tool has applied since 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those

protected by the deposit guarantee scheme and those of individuals and SME's apply from 1 January 2019.

BRRD may apply to some parties to the Transaction Documents. It should be noted that the powers set out in the BRRD may impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Given the recent enactment of the Bank Recovery and Resolution Directive in Italy, as at the date of this Prospectus it is not possible to precisely assess the potential impact of the BRRD Directive and the Italian BRRD Decrees on the Securitisation.

EMIR may impact the obligations of the Hedging Counterparty and the Issuer under the Hedging Agreement

The European Market Infrastructure Regulation EU no. 648/2012 ("**EMIR**") entered into force on 16 August 2012. EMIR and the regulations made under it impose certain obligations on parties to over the counter ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties".

Financial counterparties and non-financial counterparties exceeding the clearing threshold~~s~~ will be subject to a general obligation (the "**Clearing Obligation**") to clear through a duly authorised or recognised central counterparty all "eligible" OTC derivative contracts entered into with other counterparties subject to the Clearing Obligation. All counterparties must report the details of all derivative contracts to a trade repository (in which respect the Issuer may appoint one or more reporting delegates) and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**Risk Mitigation Obligations**"). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged. To the extent that the Issuer becomes a financial counterparty or a non-financial counterparty exceeding the clearing threshold, this may lead to a termination of the Hedging Agreements.

Non-financial counterparties are excluded from the Clearing Obligation and certain of the Risk Mitigation Obligations provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group" (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the Clearing Obligation. Whilst the Hedging Agreement entered into by the Issuer are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view. If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the full set of Risk Mitigation Obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Hedging Counterparty may also be unable to enter into Hedging Agreement with the Issuer. Any termination of the Hedging Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty or a non-financial counterparty exceeding the clearing threshold as described above or otherwise could expose the Issuer to costs and increased interest rate risk.

Prospective investors should also be aware that EMIR has been subject to a review with a view to effect a number of amendments. In particular, on 4 May 2017 the European Commission published its proposal for a Regulation amending EMIR as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (the "**Proposal**"). The Proposal contained features which may have impacted the Issuer's ability to hedge the Notes: securitisation special purpose entities such as the Issuer were to be classified as financial counterparties (FCs). FCs (to be subject to a newly introduced clearing threshold per asset class for FCs) are subject to the clearing obligation under EMIR. While the clearing threshold is unlikely to be exceeded by the Issuer, an FC is

subject to the margin rules for uncleared swaps as summarised above. A requirement on the Issuer to post margin, as highlighted above, will adversely affect its ability to enter into Hedging Agreement and manage interest rate risk. On 15 November 2017 and 28 November 2017, the Council of the European Union published its amendments to the Proposal (the "**Compromise Proposal**"). The Compromise Proposal deleted the inclusion of securitisation special purpose entities in the FC definition and this position was confirmed in the text adopted by the European Parliament in plenary session on 12 June 2018. The European Parliament and the Council reached a political agreement on the Compromise Proposal on 5 February 2019 and published the final compromise text, which was approved to come into force on 17 June 2019.

It should also be noted that the Securitisation Regulation (which applies in general from 1 January 2019), among other things, makes provisions for the development of technical standards in connection with the EMIR regime specifying (i) an exemption from clearing obligations and (ii) a partial exemption from the collateral exchange obligations for non-cleared OTC derivatives, in each case for "simple, transparent and standardised" securitisation swaps (subject to the satisfaction of the relevant conditions). The final draft technical standards have been prepared by the European Supervisory Authorities and submitted to the European Commission in December 2018 and these are now subject to the EU political negotiation process. As a result, the time of entry into force and the date of application of the new technical standards are unknown at this point.

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

Italian Law no. 108 of 7 March 1996 (as amended and supplemented, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 24 September, 2019). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to the entering into force of the Usury Law, the Italian Government has specified with Law Decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Recently, such opinion seems confirmed by the Italian Supreme Court (Cass. Sez. I, 11.01.2013, number 602 and Cass. Sez. I, 11.01.2013, number 603), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans.

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

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

Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such Decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

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

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

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

Pursuant to the Master Receivables Purchase Agreement, the Originator has represented that the rates of interest relating to the Consumer Loans, as specified in schedule 2 to the Master Receivables Purchase Agreement with reference to the Receivables comprised in the Initial Portfolio and in schedule C to the relevant Transfer Proposal with reference to each Subsequent Portfolio, have at all times been applied and will at all times be applied in accordance with the laws applicable from time to time (including the Usury Law, if applicable). The Originator has consequently undertaken to (i) indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer as a consequence of any breach of such representation or, alternatively, (ii) repurchase the relevant Receivables. However, if a Consumer Loan is found to contravene the Usury Law, the relevant Debtor might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

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

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than 6 (six) months only (i) under an agreement entered into after the date on which it has become due and payable or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("usi") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice ("uso normativo"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (Corte di Cassazione) number 2374/99, number 2593/03, number 21095/2004 as confirmed by judgement no. 24418/2010 of the same Court) have held that such practices may not be defined as customary practices ("uso normativo").

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

It should be noted that paragraph 2 of article 120 of the Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by article 17-*bis* of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Paragraph 2 of article 120 of

the Banking Act also requires the Comitato Interministeriale per il Credito e il Risparmio (CICR) to establish the methods and criteria for the compounding of interest. Decree no. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of article 120 of the Banking Act, has been published in the Official Gazette no. 212 of 10 September 2016. Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

In this respect, Compass has represented in the Master Receivables Purchase Agreement that the Consumer Loans do not violate any provision under articles 1283 (*Anatocismo*) and has consequently undertaken to (i) indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer as a consequence of any breach of such representation or, alternatively, (ii) repurchase the relevant Receivables.

Debtors may become subject to restructuring arrangements in accordance with Law no. 3 of 27 January 2012

Articles from 6 to 19 of Italian Law no. 3 of 27 January 2012, as amended by Italian Law Decree no. 179 of 18 October 2012 converted into Law no. 221 of 17 December 2012 (the "**Law no. 3**"), have introduced a special composition procedure for the situations of crisis due to over-indebtedness (procedimento per la composizione delle crisi da sovraindebitamento) (the "**Over-Indebtedness Composition Procedure**").

The Over-Indebtedness Composition Procedure applies to debtors who/which (i) are in a situation of persisting financial stress between their assets and liabilities which can be promptly liquidated and are seriously not capable of fulfilling their obligations or definitively not capable of fulfilling on a regular basis their obligations, (ii) may not be subject to any other insolvency proceedings, and (iii) have not entered into the Over-Indebtedness Composition Procedure for the last 5 (five) years. Law no. 3 applies both to small enterprises which are not subject to any other insolvency proceedings and to consumers.

The Over-Indebtedness Composition Procedure consists of a restructuring agreement between the debtor and its creditors (the "**Restructuring Agreement**"). The Restructuring Agreement is proposed by the debtor on the basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the "**Plan**").

The Plan shall contain, *inter alia*: (i) the terms of the debt restructuring, including the re-scheduled payment dates and the modalities of payments, (ii) the modalities of liquidation (if any) of the assets; (iii) the security interests (if any) created in favour of the creditors. In addition, the Plan may provide for a payment standstill (moratoria) in respect of amounts due to the creditors who/which do not adhere to the Plan for a period not exceeding 1 (one) year, subject to the conditions that (i) the Plan is capable of ensuring the payment of such amounts at the expiry of the standstill period, and (ii) the Plan is executed by an administrative receiver (liquidatore) appointed by the court upon proposal of the Crisis Composition Body (as defined below), and (iii) the standstill (moratoria) does not apply to claims which may not be subject to attachment or seizure (crediti impignorabili).

The Restructuring Agreement shall be approved by such creditors representing at least 60 (sixty) per cent. of the indebtedness of the debtor. If the approval is achieved, the Restructuring Agreement shall be validated by the court, upon verification that all the requirements provided for by Law no. 3 are satisfied. The court may order that until the Restructuring Agreement is approved (omologazione), any individual action is forbidden or suspended (if already pending). Law no. 3 provides for the establishment of composition bodies (*organismi di conciliazione*) (the "**Crisis Composition Bodies**"). The Crisis Composition Bodies should cooperate with the debtor and its creditors in any activity relating to the Over-Indebtedness Composition Procedure in order to achieve a successful composition. It is only in December 2013 that the first Restructuring Agreement obtained the approval of the court (reference is made to court order (*decreto di omologa*) issued by Court of Pistoia on 27 December 2013) and, as at the date of this Prospectus, the number of Restructuring Agreements being reviewed by courts is still limited.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out

therein within 90 (ninety) days from the relevant due date or if the relevant debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

Prospective Noteholders should note that, as at the relevant Valuation Date, all the Receivables comprised in the Portfolio were classified as performing (in bonis) by the Originator. However, it cannot be excluded that any Debtor may become subject to a Restructuring Agreement after the relevant Legal Effective Date.

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

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the 1 (one) year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originator in the Master Receivables Purchase Agreement, on the ground that such provisions may not be derogated from by the parties to a sale contract (*contratto di compravendita*) (such as the Master Receivables Purchase Agreement and the relevant transfer agreemenet to be entered into pursuant to Clause 6 of the Master Receivables Purchase Agreement).

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

Change of law may impact the Securitisation

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

In the event of any change in the law and/or tax regulations and/or their official interpretations after the Issue Date, the performance of the Securitisation and the ratings assigned to the Notes may be affected. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of any transaction described in this Prospectus or of any party under any applicable law or regulation.

8. TAX RISKS

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

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

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders. *For further details, see the section headed "Taxation in the Republic of Italy".*

Scope of application of FATCA is unclear in some respects

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as "FATCA"), provides that various information reporting requirements must be satisfied with respect to (i)

certain payments from sources within the United States, (ii) "foreign pass-through payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments.

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

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

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

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

Taxable income of the Issuer is determined, without any special rights, in accordance with the Italian Presidential Decree No. 917 of 22 December, 1986 as subsequently amended ("**ITC**"). Pursuant to the general rules and the basic criteria (*presupposto*) for the application of corporate income taxes is the possession (*possesso*) by the Issuer of business income. Such taxable income should be calculated on the basis of the total net income as resulting from the Issuer's statutory income statement, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. For entities applying international accounting principles pursuant to EU Regulation No. 1606/2002 of 19 July 2002, the qualification, accrual and definition criteria provided for under such principles are also relevant for tax purposes.

The Revenue Agency, through Circular No. 8/E of 6 February 2003, has taken the position that the Issuer cannot be deemed to have possession (*possesso*), in the meaning of article 72 of ITC, of the assets and liabilities acquired and assumed by the Issuer in connection with the Securitisation, with the consequence that only amounts, if any, available to a securitisation vehicle after fully discharging its obligations towards its noteholders and other creditors in respect of costs, fees and expenses in relation to the relevant securitisation transaction should be imputed for tax purposes to the same securitisation vehicle.

It is possible, however, that the Ministry of Finance or another competent authority may issue regulations, letters or rulings relating to the Securitization 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.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus:

1. the audited financial statements of the Issuer for the financial year ending 30 June 2019;
2. the audited financial statements of the Issuer for the financial year ending 30 June 2018.

Any statement contained in a document or part of 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, be part of this Prospectus.

All documents incorporated by reference in this Prospectus will be published on the internet site of Euronext Dublin at the following link https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=3117&FIELDSORT=docId.

For the avoidance of doubt, unless specifically incorporated by reference in this Prospectus, information contained on any website does not form part of this Prospectus.

CREDIT STRUCTURE

1. Ratings of the Senior Notes

Upon issue it is expected that:

(i) the Series A1 Notes and the Series A2 Notes will be rated "Aa3(sf)" by Moody's and "AA(sf)" by DBRS; and

(ii) the Series B Notes will be unrated.

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 relevant Rating Agency.

2. Cash flow through the Accounts

Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, the Issuer has opened with the Account Bank in Italy the following accounts: the Expense Account, the Collection Account, the Liquidity Reserve Account, the Eligible Investments Account, the Collateral Account and the Corporate Capital Account. Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, the Issuer has opened with the Paying Agent the Payments Account.

Eligible Investments, if any, will be deposited in the Eligible Investments Accounts.

3. Liquidity Reserve

On the Issue Date, the Issuer has established a reserve fund on the Liquidity Reserve Account through the proceeds of the subscription of the Junior Notes. On each Quarterly Payment Date prior to the service of a Trigger Notice, the Issuer will replenish the Liquidity Reserve Account in accordance with the applicable Quarterly Priority of Payments.

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

The Liquidity Reserve will be included in the Quarterly Available Funds.

Target Liquidity Reserve Amount means € 3,915,000 and, following the earlier of (i) the Quarterly Payment Date on which the Series A1 Notes and the Series A2 Notes are redeemed in full (including) and (ii) the date on which the Trigger Notice has been delivered by the Representative of the Noteholders (excluding) and therefore the replenishment of the Liquidity Reserve will not be effected anymore, zero.

THE PORTFOLIO

The Consumer Loans comprising the Initial Portfolio have been selected on the basis of certain criteria, which are set out in the Master Receivables Purchase Agreement. The Consumer Loans comprising each Subsequent Portfolio will also be selected on the basis of certain criteria which are set out in the Master Receivables Purchase Agreement (substantially in line with the selection criteria of the Initial Portfolio) (see "*The Master Receivables Purchase Agreement*").

Furthermore, pursuant to the Master Receivables Purchase Agreement, the Originator has warranted that the Initial Portfolio meet, on the Initial Valuation Date, certain transferability conditions on an aggregate basis set out in the Master Receivables Purchase Agreement and has undertaken not to sell to the Issuer Subsequent Portfolios which do not, as at the relevant Valuation Date immediately preceding the relevant Acceptance Date, meet such transferability conditions on an aggregate basis (see "*The Master Receivables Purchase Agreement*").

All the Receivables have a maturity date which falls before the Final Maturity Date.

Eligibility Criteria

Receivables deriving from consumer loan agreements entered into by the Originator, in its capacity as lender, that as at the relevant Valuation Date have the following characteristics:

(i) consumer loan agreements entered into with individuals;

(ii) the individuals (in their capacity as either borrower or guarantor or obligor) which have entered into the consumer loan agreements are resident in the Republic of Italy;

(iii) consumer loan agreements in relation to which all the instalments which at the relevant Valuation Date were due by at least 1 month have been fully paid;

(iv) consumer loan agreements with at least one paid instalment;

(v) consumer loan agreements which have not been disbursed by Compass (also in its previous denomination of Compass S.p.A.) to individuals (in their capacity as either borrower or guarantor or obligor) for an aggregate principal amount higher than euro 75,000.00;

(vi) consumer loan agreements which have not been granted in favour of employees of Compass or other companies controlled by Compass or associated to Compass or of other companies comprised in the Mediobanca banking group;

(vii) receivables which do not derive from Flexible & LibeRata Loans.

Main characteristics of the Initial Portfolio

The following tables set forth certain information as at 9 October 2019. The Initial Portfolio, that has been derived from information provided by the Originator in connection with the Master Receivables Purchase Agreement, reflects the estimated position of the relevant Receivables as at 9 October 2019. The characteristics of the Initial Portfolio at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of (i) any change in the Receivables which has the result of causing such Receivable to be not in compliance with the Eligibility Criteria, or (ii) the execution of new Consumer Loans Agreements under which Receivables meeting the Eligibility Criteria arose prior to 9 October 2019.

In the Initial Portfolio are comprised 52,554 Receivables for a total amount in principal of Euro 899,981,085.62.

Summary Statistics - 10.10.2019

	Total	01 - New Vehicle	02 - Used Vehicle	03 - Purpose	04 - Personal
Number of Claims	52,554	8,500	5,779	16,655	21,620
Tot Outstanding Principal	**899,981,085.62**	152,991,822.79	81,003,134.74	99,000,478.55	566,985,649.54
% Composition	100.00%	17.00%	9.00%	11.00%	63.00%
Weight Avg Rate	8.90%	7.04%	7.62%	7.59%	9.81%
Interest	260,942,997.74	34,679,896.37	16,565,415.84	14,686,107.86	195,011,577.67
Fees	4,289,121.50	872,767.50	503,697.00	943,020.00	1,969,637.00
Rateo Cessione	3,635,626.89	478,881.40	277,800.15	334,129.39	2,544,815.95
Weight Avg Original Term	75.90	75.86	63.52	49.14	82.34
Weight Avg Remaining Term	68.80	68.99	58.52	42.75	74.77
Weight Avg Seasoning	7.09	6.88	5.00	6.39	7.57
Avg Outstanding Principal	17,124.88	17,999.04	14,016.81	5,944.19	26,225.05
Avg Original Principal	18,438.81	19,252.93	14,873.07	6,728.61	28,092.81

Original Term

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
6 to 7 months	1	3,375.93	0.00							1	3,375.93	0.00			
10 to 11 months	10	41,482.33	0.00							10	41,482.33	0.04			
11 to 12 months	6	29,651.72	0.00							6	29,651.72	0.03			
12 to 18 months	177	808,353.05	0.09							177	808,353.05	0.82			
18 to 24 months	389	1,801,930.70	0.20				1	10,281.26	0.01	384	1,699,855.06	1.72	4	91,794.38	0.02
24 to 30 months	1,839	9,480,753.60	1.05	9	159,063.90	0.10	15	205,368.00	0.25	1,783	8,307,706.56	8.39	32	808,615.14	0.14
30 to 36 months	1,058	6,296,733.12	0.70	9	151,114.00	0.10	27	322,795.21	0.40	983	4,771,807.89	4.82	39	1,051,016.02	0.19
36 to 42 months	3,857	27,166,051.00	3.02	81	1,327,698.16	0.87	161	2,041,510.30	2.52	3,423	18,675,595.55	18.86	192	5,121,246.99	0.90
42 to 48 months	1,017	9,425,906.57	1.05	59	917,214.55	0.60	130	1,593,469.40	1.97	720	4,130,413.76	4.17	108	2,784,808.86	0.49
48 to 54 months	4,476	46,398,457.53	5.16	388	6,211,264.74	4.06	771	9,956,135.15	12.29	2,803	16,984,336.49	17.16	514	13,246,721.15	2.34
54 to 60 months	1,028	14,653,932.78	1.63	143	2,320,428.18	1.52	191	2,554,905.10	3.15	415	2,732,271.86	2.76	279	7,046,327.64	1.24
60 to 66 months	11,413	151,130,146.87	16.79	1,562	25,595,952.13	16.73	2,738	37,262,380.51	46.00	4,977	33,178,251.39	33.51	2,136	55,093,562.84	9.72
66 to 72 months	817	17,333,732.84	1.93	181	3,210,111.49	2.10	97	1,471,072.70	1.82	60	441,033.62	0.45	479	12,211,515.03	2.15
72 to 78 months	4,568	90,506,418.91	10.06	1,542	26,508,761.65	17.33	855	12,612,328.40	15.57	272	2,386,599.83	2.41	1,899	48,998,729.03	8.64
78 to 84 months	1,000	23,116,945.98	2.57	171	3,158,510.53	2.06	47	741,992.66	0.92	45	344,275.60	0.35	737	18,872,167.19	3.33
84 to 90 months	17,904	417,020,247.57	46.34	3,972	74,913,942.58	48.97	723	11,770,550.62	14.53	596	4,465,467.91	4.51	12,613	325,870,286.46	57.47
90 to 96 months	118	3,031,677.86	0.34	30	648,912.14	0.42	4	79,776.15	0.10				84	2,302,989.57	0.41
Over 96 months	2,876	81,735,287.26	9.08	353	7,868,848.74	5.14	19	380,569.28	0.47				2,504	73,485,869.24	12.96
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Remaining Term

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
2 to 3 months	3	10,773.68	0.00							3	10,773.68	0.01			
3 to 4 months	8	36,760.24	0.00							8	36,760.24	0.04			
4 to 5 months	9	46,353.27	0.01							9	46,353.27	0.05			
5 to 6 months	11	47,653.53	0.01							11	47,653.53	0.05			
6 to 7 months	19	80,763.72	0.01							19	80,763.72	0.08			
7 to 8 months	37	162,702.34	0.02							37	162,702.34	0.16			
8 to 9 months	40	190,516.43	0.02							40	190,516.43	0.19			
9 to 10 months	54	241,849.92	0.03							54	241,849.92	0.24			
10 to 11 months	29	124,607.58	0.01							29	124,607.58	0.13			
11 to 12 months	28	131,288.51	0.01							28	131,288.51	0.13			
12 to 18 months	940	4,448,729.08	0.49							929	4,199,553.89	4.24	11	249,175.19	0.04
18 to 24 months	1,671	9,194,117.01	1.02	11	200,012.66	0.13	19	248,561.43	0.31	1,594	7,546,641.77	7.62	47	1,198,901.15	0.21
24 to 30 months	2,217	14,573,370.48	1.62	33	544,151.03	0.36	50	610,599.23	0.75	2,026	10,593,290.67	10.70	108	2,825,329.55	0.50
30 to 36 months	2,653	20,360,232.10	2.26	94	1,506,686.74	0.98	146	1,854,334.75	2.29	2,233	12,223,480.45	12.35	180	4,775,730.16	0.84
36 to 42 months	2,523	25,388,708.70	2.82	157	2,452,052.17	1.60	236	2,934,434.62	3.62	1,743	10,314,743.78	10.42	387	9,687,478.13	1.71
42 to 48 months	3,504	42,190,439.55	4.69	440	7,051,735.17	4.61	711	9,309,771.77	11.49	1,752	10,837,855.16	10.95	601	14,991,077.45	2.64
48 to 54 months	4,924	62,389,175.78	6.93	653	10,240,114.70	6.69	819	10,880,381.78	13.43	2,498	16,797,406.24	16.97	954	24,471,273.06	4.32
54 to 60 months	7,434	105,602,935.35	11.73	1,101	18,662,476.84	12.20	2,076	28,509,735.88	35.20	2,683	17,862,519.28	18.04	1,574	40,568,203.35	7.16
60 to 66 months	3,038	66,009,715.87	7.33	729	12,484,457.27	8.16	251	3,724,595.16	4.60	135	1,207,528.95	1.22	1,923	48,593,134.49	8.57
66 to 72 months	4,753	99,123,609.54	11.01	1,317	23,293,885.77	15.23	684	10,092,556.71	12.46	193	1,610,100.21	1.63	2,559	64,127,066.85	11.31
72 to 78 months	5,761	133,184,426.70	14.80	1,580	28,445,496.89	18.59	206	3,322,713.19	4.10	207	1,724,964.18	1.74	3,768	99,691,252.44	17.58
78 to 84 months	10,094	236,529,806.36	26.28	2,041	40,417,992.07	26.42	558	9,055,104.79	11.18	424	3,009,124.75	3.04	7,071	184,047,584.75	32.46
84 to 90 months	321	8,152,403.98	0.91	103	2,252,077.94	1.47	2	37,689.76	0.05				216	5,862,636.28	1.03
90 to 96 months	578	14,379,630.01	1.60	241	5,440,683.54	3.56	21	422,655.67	0.52				316	8,516,290.80	1.50
Over 96 months	1,905	57,380,515.89	6.38										1,905	57,380,515.89	10.12
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Seasoning

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
1 to 2 months	638	10,817,026.58	1.20	53	924,749.94	0.60	107	1,423,001.69	1.76	201	1,101,778.10	1.11	277	7,367,496.85	1.30
2 to 3 months	7,614	135,049,122.52	15.01	1,185	22,399,632.02	14.64	1,254	17,932,729.40	22.14	2,081	12,301,413.98	12.43	3,094	82,415,347.12	14.54
3 to 4 months	6,853	118,900,019.91	13.21	1,176	22,012,319.80	14.39	946	13,375,832.09	16.51	2,002	11,683,682.84	11.80	2,729	71,828,185.18	12.67
4 to 5 months	6,591	111,199,178.83	12.36	980	18,484,433.84	12.08	936	13,077,477.74	16.14	2,134	12,779,146.65	12.91	2,541	66,858,120.60	11.79
5 to 6 months	5,451	92,833,473.08	10.32	737	13,552,001.24	8.86	816	11,347,520.74	14.01	1,720	10,495,671.23	10.60	2,178	57,438,279.87	10.13
6 to 7 months	5,809	101,598,644.14	11.29	811	14,604,598.23	9.55	693	9,583,250.49	11.83	1,845	11,628,109.53	11.75	2,460	65,782,685.89	11.60
7 to 8 months	4,464	74,615,126.01	8.29	607	10,485,476.61	6.85	378	5,312,476.56	6.56	1,707	10,204,168.13	10.31	1,772	48,613,004.71	8.57
8 to 9 months	3,751	60,537,449.89	6.73	579	9,985,076.61	6.53	342	4,633,435.30	5.72	1,467	8,813,218.02	8.90	1,363	37,105,719.96	6.54
9 to 10 months	1,857	21,155,555.66	2.35	402	6,811,676.34	4.45	176	2,347,532.98	2.90	1,048	6,064,109.40	6.13	231	5,932,236.94	1.05
10 to 11 months	1,875	21,312,206.50	2.37	400	6,853,570.60	4.48	30	430,004.94	0.53	1,164	6,877,979.81	6.95	281	7,150,651.15	1.26
11 to 12 months	1,702	23,894,171.17	2.65	467	7,760,908.16	5.07	36	482,266.25	0.60	740	4,180,426.57	4.22	459	11,470,570.19	2.02
12 to 18 months	3,682	71,482,319.37	7.94	1,002	17,037,053.49	11.14	47	724,740.86	0.89	515	2,652,270.84	2.68	2,118	51,068,254.18	9.01
18 to 24 months	2,267	56,586,791.96	6.29	101	2,080,325.91	1.36	18	332,865.70	0.41	31	218,503.45	0.22	2,117	53,955,096.90	9.52
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Region

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
ABRUZZO	1,386	25,570,634.29	2.84	162	2,800,978.48	1.83	118	1,577,962.94	1.95	378	2,308,214.62	2.33	728	18,883,478.25	3.33
BASILICATA	772	14,735,711.45	1.64	85	1,704,126.26	1.11	110	1,517,694.18	1.87	199	1,384,232.55	1.40	378	10,129,658.46	1.79
CALABRIA	2,240	35,697,547.60	3.97	410	7,101,892.37	4.64	202	2,806,095.25	3.46	856	5,576,134.38	5.63	772	20,213,425.60	3.57
CAMPANIA	5,542	90,700,459.44	10.08	1,638	28,877,266.20	18.88	947	13,030,289.59	16.09	1,433	8,683,569.14	8.77	1,524	40,109,334.51	7.07
EMILIA ROMAGNA	3,010	43,915,390.15	4.88	272	4,956,336.18	3.24	230	3,311,484.84	4.09	1,415	7,382,174.17	7.46	1,093	28,265,394.96	4.99
FRIULI VENEZIA GIULIA	692	11,567,674.42	1.29	59	1,082,458.05	0.71	84	1,163,570.51	1.44	242	1,334,694.68	1.35	307	7,986,951.18	1.41
LAZIO	4,359	79,886,770.65	8.88	575	10,112,383.62	6.61	388	5,351,497.13	6.61	1,200	6,636,090.41	6.70	2,196	57,786,799.49	10.19
LIGURIA	809	12,783,098.28	1.42	98	1,711,643.20	1.12	60	881,104.90	1.09	336	2,007,806.96	2.03	315	8,182,543.22	1.44
LOMBARDIA	6,766	112,785,591.54	12.53	953	17,437,535.77	11.40	556	8,210,120.53	10.14	2,461	14,453,261.97	14.60	2,796	72,684,673.27	12.82
MARCHE	1,472	27,405,851.44	3.05	280	5,052,553.25	3.30	93	1,350,448.98	1.67	383	2,243,841.70	2.27	716	18,759,007.51	3.31
MOLISE	410	6,674,546.41	0.74	60	1,124,751.55	0.74	62	872,249.43	1.08	151	1,022,709.31	1.03	137	3,654,836.12	0.64
PIEMONTE	2,333	36,925,666.01	4.10	541	10,317,851.56	6.74	270	3,912,542.97	4.83	852	5,295,894.66	5.35	670	17,399,376.82	3.07
PUGLIA	5,853	100,130,693.17	11.13	1,207	22,359,329.21	14.61	877	12,208,639.64	15.07	1,688	10,161,692.48	10.26	2,081	55,401,031.84	9.77
SARDEGNA	2,188	34,685,305.74	3.85	318	5,598,864.97	3.66	200	2,844,762.09	3.51	880	5,572,370.09	5.63	790	20,669,308.59	3.65
SICILIA	6,098	104,181,542.68	11.58	917	15,908,357.11	10.40	989	13,542,582.40	16.72	1,785	11,078,788.37	11.19	2,407	63,651,814.80	11.23
TOSCANA	4,535	91,777,827.68	10.20	496	8,962,185.41	5.86	193	2,707,267.93	3.34	1,034	6,454,294.23	6.52	2,812	73,654,080.11	12.99
TRENTINO ALTO ADIGE	222	3,260,363.55	0.36	24	425,592.47	0.28	43	624,361.74	0.77	94	617,054.83	0.62	61	1,593,354.51	0.28
UMBRIA	791	15,908,424.66	1.77	131	2,409,425.68	1.57	68	941,309.58	1.16	147	861,581.58	0.87	445	11,696,107.82	2.06
VALLE D'AOSTA	39	663,039.21	0.07	3	59,075.23	0.04	3	39,533.82	0.05	16	101,498.16	0.10	17	462,932.00	0.08
VENETO	3,037	50,724,947.25	5.64	271	4,989,216.22	3.26	286	4,109,616.29	5.07	1,105	5,824,574.26	5.88	1,375	35,801,540.48	6.31
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Interest Rate (TAN)

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
0%	6	97,482.34	0.01	6	97,482.34	0.06									
<= 3%	174	2,157,338.87	0.24	73	1,252,699.71	0.82	15	219,293.87	0.27	86	685,345.29	0.69			
<= 4%	760	7,551,282.92	0.84	192	3,522,094.44	2.30	47	686,747.26	0.85	521	3,342,441.22	3.38			
<= 5%	1,809	18,659,270.60	2.07	447	8,179,446.16	5.35	182	2,632,743.13	3.25	1,177	7,770,172.44	7.85	3	76,908.87	0.01
<= 6%	3,678	51,719,781.58	5.75	927	16,729,092.39	10.93	547	7,919,997.32	9.78	1,585	9,963,350.58	10.06	619	17,107,341.29	3.02
<= 7%	6,952	102,302,056.35	11.37	2,581	46,491,190.26	30.39	1,120	15,984,032.19	19.73	2,328	14,781,240.30	14.93	923	25,045,593.60	4.42
<= 8%	10,338	156,002,584.91	17.33	2,222	40,262,783.35	26.32	1,438	20,631,208.20	25.47	4,109	26,473,232.50	26.74	2,569	68,635,360.86	12.11
<= 9%	10,868	178,429,906.00	19.83	1,658	29,450,793.57	19.25	1,978	26,726,622.04	32.99	3,262	17,984,248.31	18.17	3,970	104,268,242.08	18.39
<=10%	8,899	181,153,217.78	20.13	312	5,590,246.23	3.65	368	5,033,047.03	6.21	2,136	11,397,509.94	11.51	6,083	159,132,414.58	28.07
<=11%	3,550	75,896,521.45	8.43	75	1,304,676.09	0.85	74	1,028,891.11	1.27	734	3,484,819.16	3.52	2,667	70,078,135.09	12.36
<=12%	2,729	60,010,573.78	6.67	7	111,318.25	0.07	8	115,473.34	0.14	456	1,924,390.90	1.94	2,258	57,859,391.29	10.20
<=13%	1,632	37,318,036.18	4.15				2	25,079.25	0.03	220	942,364.25	0.95	1,410	36,350,592.68	6.41
<=14%	426	10,304,726.35	1.14							32	208,653.18	0.21	394	10,096,073.17	1.78
<=15%	733	18,378,306.51	2.04							9	42,710.48	0.04	724	18,335,596.03	3.23
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Payment Method

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
Postal Payment	7,517	81,293,880.76	9.03	1,018	16,975,726.38	11.10	952	12,502,495.55	15.43	4,466	24,347,253.80	24.59	1,081	27,468,405.03	4.84
Direct Debt	45,037	818,687,204.86	90.97	7,482	136,016,096.41	88.90	4,827	68,500,639.19	84.57	12,189	74,653,224.75	75.41	20,539	539,517,244.51	95.16
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Original Principal

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
Up to 3500	696	2,310,150.98	0.26							696	2,310,150.98	2.33			
Up to 4000	2,905	10,207,950.12	1.13							2,905	10,207,950.12	10.31			
Up to 4500	1,551	5,908,233.49	0.66							1,551	5,908,233.49	5.97			
Up to 5000	2,504	10,594,185.51	1.18							2,504	10,594,185.51	10.70			
Up to 6000	2,187	10,535,472.98	1.17							2,187	10,535,472.98	10.64			
Up to 7000	1,561	8,880,969.69	0.99							1,561	8,880,969.69	8.97			
Up to 8000	1,131	7,547,369.41	0.84							1,131	7,547,369.41	7.62			
Up to 9000	772	5,862,771.00	0.65							772	5,862,771.00	5.92			
Up to 10000	1,103	9,454,178.44	1.05							1,103	9,454,178.44	9.55			
Up to 11000	737	7,165,246.09	0.80				202	2,114,501.27	2.61	535	5,050,744.82	5.10			
Up to 12000	1,287	13,826,658.00	1.54				900	9,803,108.26	12.10	387	4,023,549.74	4.06			
Up to 13000	1,307	15,171,696.66	1.69				955	11,162,906.56	13.78	352	4,008,790.10	4.05			
Up to 14000	1,184	14,911,139.02	1.66	75	1,020,494.62	0.67	848	10,712,068.76	13.22	261	3,178,575.64	3.21			
Up to 15000	1,837	25,152,577.80	2.79	823	11,464,649.81	7.49	687	9,370,447.96	11.57	327	4,317,480.03	4.36			
Up to 16000	2,254	32,573,127.63	3.62	1,523	22,027,812.13	14.40	624	9,047,249.61	11.17	107	1,498,065.89	1.51			
Up to 17000	1,651	25,154,310.82	2.79	1,174	17,788,332.05	11.63	438	6,799,481.25	8.39	39	566,497.52	0.57			
Up to 18000	1,232	19,909,688.77	2.21	928	14,899,754.89	9.74	268	4,445,480.34	5.49	36	564,453.54	0.57			
Up to 19000	961	16,454,539.74	1.83	737	12,561,584.87	8.21	207	3,610,912.34	4.46	17	282,042.53	0.28			
Up to 20000	753	13,685,636.94	1.52	561	10,162,634.90	6.64	158	2,906,067.31	3.59	34	616,934.73	0.62			
Up to 22500	3,308	68,411,615.48	7.60	1,123	22,233,696.07	14.53	241	4,801,452.85	5.93	34	675,835.22	0.68	1,910	40,700,631.34	7.18
Up to 25000	4,206	94,939,891.57	10.55	568	12,748,821.50	8.33	104	2,341,351.06	2.89	40	919,548.76	0.93	3,494	78,930,170.25	13.92
Up to 27500	5,627	137,312,372.84	15.26	350	8,714,326.59	5.70	86	2,114,750.50	2.61	17	404,996.96	0.41	5,174	126,078,298.79	22.24
Up to 30000	3,680	98,218,077.97	10.91	197	5,437,276.38	3.55	21	578,114.90	0.71	48	1,269,294.07	1.28	3,414	90,933,392.62	16.04
Up to 35000	7,119	210,483,576.18	23.39	292	8,848,971.17	5.78	32	936,842.31	1.16	10	283,280.29	0.29	6,785	200,414,482.41	35.35
Over 35000	1,001	35,309,648.49	3.92	149	5,083,467.81	3.32	8	258,399.46	0.32	1	39,107.09	0.04	843	29,928,674.13	5.28
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Outstanding Principal

	Total			01 - New Vehicle Loans			02 - Used Vehicle Loans			03 - Purpose Loans			04 - Personal Loans		
	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
Up to 3500	2,687	9,017,223.69	1.00							2,687	9,017,223.69	9.11			
Up to 4000	3,027	11,287,149.81	1.25							3,027	11,287,149.81	11.40			
Up to 4500	1,926	8,189,120.29	0.91							1,926	8,189,120.29	8.27			
Up to 5000	1,620	7,660,465.57	0.85							1,620	7,660,465.57	7.74			
Up to 6000	1,835	10,054,110.63	1.12							1,835	10,054,110.63	10.16			
Up to 7000	1,260	8,170,545.43	0.91							1,260	8,170,545.43	8.25			
Up to 8000	1,004	7,526,390.06	0.84							1,004	7,526,390.06	7.60			
Up to 9000	850	7,229,410.98	0.80							850	7,229,410.98	7.30			
Up to 10000	744	7,051,871.51	0.78							744	7,051,871.51	7.12			
Up to 11000	1,324	14,029,974.06	1.56				906	9,632,843.27	11.89	418	4,397,130.79	4.44			
Up to 12000	1,359	15,636,341.80	1.74				1,014	11,667,423.43	14.40	345	3,968,918.37	4.01			
Up to 13000	1,142	14,246,600.60	1.58				852	10,636,770.41	13.13	290	3,609,830.19	3.65			
Up to 14000	2,125	28,922,510.15	3.21	1,118	15,329,454.35	10.02	778	10,500,122.91	12.96	229	3,092,932.89	3.12			
Up to 15000	2,497	36,134,159.57	4.01	1,739	25,168,374.61	16.45	597	8,648,948.06	10.68	161	2,316,836.90	2.34			
Up to 16000	1,553	24,013,722.38	2.67	1,059	16,378,504.11	10.71	453	7,003,012.76	8.65	41	632,205.51	0.64			
Up to 17000	1,183	19,487,133.75	2.17	859	14,152,226.54	9.25	306	5,037,810.70	6.22	18	297,096.51	0.30			
Up to 18000	903	15,779,894.74	1.75	653	11,411,973.29	7.46	219	3,825,104.40	4.72	31	542,817.05	0.55			
Up to 19000	720	13,306,625.09	1.48	530	9,795,799.62	6.40	171	3,158,638.25	3.90	19	352,187.22	0.36			
Up to 20000	652	12,695,526.57	1.41	514	10,011,612.47	6.54	119	2,315,555.06	2.86	19	368,359.04	0.37			
Up to 22500	5,548	119,470,908.53	13.27	760	16,101,936.13	10.52	171	3,608,398.83	4.45	32	679,014.53	0.69	4,585	99,081,559.04	17.48
Up to 25000	5,670	134,663,679.66	14.96	469	11,095,917.32	7.25	97	2,290,713.73	2.83	42	988,834.17	1.00	5,062	120,288,214.44	21.22
Up to 27500	4,573	119,525,835.77	13.28	265	6,939,641.25	4.54	52	1,359,812.67	1.68	31	822,296.64	0.83	4,225	110,404,085.21	19.47
Up to 30000	3,954	113,811,058.53	12.65	252	7,254,499.13	4.74	29	840,084.59	1.04	25	706,623.68	0.71	3,648	105,009,851.13	18.52
Up to 35000	3,919	123,482,426.53	13.72	223	7,179,410.47	4.69	14	430,670.28	0.53				3,682	115,872,345.78	20.44
Over 35000	479	18,588,399.92	2.07	59	2,172,473.50	1.42	1	47,225.39	0.06	1	39,107.09	0.04	418	16,329,593.94	2.88
Total	52,554	899,981,085.62	100.00	8,500	152,991,822.79	100.00	5,779	81,003,134.74	100.00	16,655	99,000,478.55	100.00	21,620	566,985,649.54	100.00

Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that:

1. The Receivables arise from Consumer Loan Agreements which are denominated in Euro.

2. Each Receivable is fully and unconditionally owned by and available directly to Compass and is not subject to any lien *(pignoramento)*, seizure *(sequestro)* or other charge in favour of any third party (including, without limitation, any company belonging to Compass's group) nor there are elements that can be foreseen to adversely affect the enforceability of the transfer of such Receivable under the Master Receivables Purchase Agreement pursuant to article 20, paragraph 6, of the Securitisation Regulation and relevant EBA Guidelines on STS Criteria and is freely transferable to the Issuer.

3. The Consumer Loans have been granted in the Compass's ordinary course of business, in accordance with the Loan Disbursement Policy. The Loan Disbursement Policies are no less stringent than those that the Compass applied at the time of origination to similar consumer loan exposures that have not been assigned in the context of the Securitisation, pursuant to article 20, paragraph 10, of the Securitisation Regulation and the relevant EBA Guidelines on STS Criteria.

4. Compass has expertise in originating exposures of a similar nature to those assigned under the Securitisation, pursuant to article 20, paragraph 10, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

5. Compass has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC (article 20, paragraph 10, of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

6. Each of the Receivables derives from duly executed Consumer Loan Agreements. Each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and enforceable and constitutes valid and legal obligations, binding on each party thereto, with full recourse to the Debtors (article 20, paragraph 8, of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

7. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and the Subsequent Portfolio will not, comprise (i) any transferable securities, as defined in point
(44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20, paragraph 8, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, (ii) any securitisation positions, pursuant to article 20, paragraph 9, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, nor (iii) any derivatives, pursuant to article 21, paragraph 2, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

8. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and each Subsequent Portfolio will not, include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit- impaired debtor or guarantor, who, to the best of Compass's knowledge:

   (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Issuer, except if:

I. a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer of the underlying exposures to the Issuer; and

II. the information provided by Compass in accordance with points (a) and (e)(i) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Compass which have not been assigned under the Securitisation,

in each case pursuant to article 20, paragraph 11, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

9. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Receivables included in the Initial Portfolio are, and the Receivables included in each Subsequent Portfolio will be, homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit- risk and prepayment characteristics, pursuant to article 20, paragraph 8, of the Securitisation Regulation and the applicable Regulatory Technical Standards, given that:

(i) all Receivables have been or will be, as the case may be, originated by Compass based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures;

(ii) all Receivables have been or will be, as the case may be, serviced by Compass according to similar servicing procedures;

(iii) all Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities to individuals for personal, family or household consumption purposes" and

(iv) although no specific homogeneity factor is required to be met, as at the relevant Valuation Date all Debtors are (or will be, as the case may be) resident in the Republic of Italy.

11. Pool Audit Report

Pursuant to article 22, paragraph 2, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, the Pool Audit Report has been prepared in respect of the Initial Portfolio prior to the Issue Date and no significant adverse findings have been found.

THE ORIGINATOR AND THE SERVICER

Introduction

Compass Banca S.p.A. ("**Compass**") is the Originator under the Master Receivables Purchase Agreement and will act as Servicer under the Servicing Agreement.

Compass is the Mediobanca Banking Group's consumer credit company and currently operates through 172 direct branches nationwide and a new network of 27 authorized agencies under a mandate, as well as an indirect channel that includes more than 37,000 dealers and over 200 partnership in the bank, insurance and GDO sector, serving as outsourcer for approximately 5,000 bank branches.

Compass heads a group of companies operating in financial services; it holds 100% of the capital of:

- MB Credit Solutions: leveraging the many years of experience of Creditech, the company offers services for the protection, management, and recovery of credits, whether through out-of-court or court proceedings; it also directly invests in the purchase of non-performing credits;
- Compass RE, a Luxembourg-based reinsurance company, specialized in the reinsurance of policies typically offered in conjunction with financing;

- Futuro S.p.A., active in providing financing repayable through payroll or pension withholding and payment delegation.

Along with its subsidiary, Futuro S.p.A., Compass is Italy's leader in the consumer credit market, with disbursements in the first half of 2019 accounting for a market share of 11.5%.

Historical Background

In 1960 Compass commenced business financing hire-purchase sales of durable consumer goods, mainly domestic appliances. In 1962, the company started providing personal loans to the medical profession, chiefly to buy equipment for medial practices. The first branch offices were opened in Genoa, Turin, Bologna, and Padua. Later, a large number of additional branches were opened, mainly in Central and Southern Italy.

Compass began providing personal loans to households on a large scale in 1964. In 1966, a separate office was set up to handle mortgage lending for first-time house buyers. Beginning in the 1970s, Compass developed its consumer credit business by entering into agreements with manufacturers and retailers, and diversified its business by acquiring or setting up companies engaged in leasing, credit recovery and mortgage lending. These include:

- Selma – Società Esercizio Locazione Macchine e Attrezzature S.p.A. Compass acquired a stake in this machinery and equipment leasing company in 1970, and majority control in 1972. In 1992 the company's name was changed to SelmaBiepimme Leasing after it bought the leasing business of BPM Investimenti;

- Teleleasing S.p.A. - Compass established a leasing business in conjunction with STET, now Telecom Italia, in 1987;

- Cofactor S.p.A. Compass established this company in 1987 as a result of hiving off the legal office of Compass. The purpose of this company was to buy and manage non-performing loans;

- Palladio Leasing S.p.A. is a leasing company operating in the three Venetian provinces. Compass acquired a controlling interest in 1989;

- Micos S.p.A. (now CheBanca! S.p.A.), was set up in 1991, originally as a partnership between Compass and Sovac of France, to develop mortgage lending business;
- Creditech S.p.A., is a servicing company which is a wholly-owned subsidiary of Compass, acquired in 2001;
- Linea S.p.A., a consumer credit company acquired in 2008, together with (i) its fully owned subsidiaries Equilon S.p.A. (personal loans) and Futuro S.p.A. (salary/pension secured loans), and (ii) its 50% of Ducati Financial Services (a joint venture with Ducati Motor Holding);
- Compass RE S.A., a reinsurance company with registered office in Luxembourg.

On 20 October, 2008, the merger of Linea S.p.A. and Equilon S.p.A. into the parent company Compass was completed. The merger has taken effect on 1 November, 2008 but - under a tax and accounting perspective – it takes effects as from 1 July, 2008. As a consequence of the merger, Compass (in its capacity as incorporating company) has assumed – in accordance with Article 2504-bis of the Italian Civil Code – the rights and obligations of each incorporated companies.

In 2012 Compass proceeded with the partial split in favour of Mediobanca of non-core assets, as the stakes in Assicurazioni Generali, CheBanca! and Selma Bipiemme.

In 2013 Bank of Italy authorized Compass to operate as an Institution for Issuance of Electronic Money (IMEL). The month of June brought the launch of CompassPay, the integrated platform for on-line and off-line payments services that Compass used to expand its supply of financial services to the retail market.

In 2014 Cofactor and Creditech were merged into a single company named Creditech.

On the 1st October 2015 Compass becomes a Bank and modifies its company name into Compass Banca S.p.A.

In 2017 Creditech divested its factoring activity and became MB Credit Solutions S.p.A.

Sales Network

Compass markets its products and services through different distribution channels:

- Direct channel – Company branch network

A network of 172 branches nationwide, subdivided into 3 macro areas ("Regions"), each of which covers 18 area coordination units ("Area Coordination Units"). There are also three organizational units ("credit recovery centres") reporting to each Region, and dedicate to managing problem credits.

The network's territorial's hub-and-spoke organizational structure provides for two types of offices: the **satellite office** and the **point of sale**, each of which has its own sphere of activity (for example, the points of sale are not required to handle any dealer management activity). The branch managers are responsible for managing the satellite offices.

- Indirect channel – represented by:
    - 27 authorized agencies operating under agency mandate ;
    - over 37,000 dealers;
    - roughly 200 commercial partnership agreements with banking, insurance, distribution and agency counterparties (the last of which include agents in financial services, credit brokers and insurance agents that distribute Compass financial products on the basis of an agreement or master agreement) and the BancoPosta network operated by the Italian Post Office.

The more than 40 banking partnerships entail service through roughly 5,000 banking facilities, while the BancoPosta has another 12,000 facilities.

- Remote channel: represented by the Compass Internet site or by the Internet sites of its partners or by phone.

Compass's Selected Financial Information

During the year ended 30 June 2019, Compass entered into a total of 1,464,316 contracts for a corresponding financed amount of approximately €6.95 billion (versus approximately €6.63 billion as of 30 June 2018, for a 4.8% increase). While customer loans have continuously grown, Compass has managed to increase its interest income in recent years, due to the diversification of distribution channels and the contribution of the proprietary network. Great attention is paid to the profitability and quality of the new business. The following table shows the steady increase in Compass Banca S.p.A.'s profitability in recent years.

Summary of earnings and financial data

In € 000's	**13/14**	**14/15**	**15/16**	**16/17**	**17/18**	**18/19**
Customer loans and receivables	8,716,784	9,312,821	9,829,522	10,540,696	11,274,655	11,881,131
Other loans and receivables	99,299	88,724	60,149	116,966	43,304	624,893
Tangible / intangible assets	381,671	373,609	371,641	369,050	367,937	370,764
Equity investments	93,681	93,681	103,681	103,681	103,681	103,681
Other assets	569,139	572,749	601,456	559,727	613,888	670,200
Total assets	**9,860,574**	**10,441,584**	**10,966,448**	**11,690,120**	**12,403,465**	**13,650,669**
Interest margin	576,803	629,348	693,838	756,154	806,173	841,081
Total banking income	574,508	598,734	694,882	751,890	796,589	832,701
Pre-tax profit	3,981	72,868	196,403	297,157	375,089	410,706
Net profit	18,006	53,675	143,222	201,178	252,830	274,347

As of 30 June 2019, Compass debt amounted to €10.754 billion, and was 46% satisfied by the holding company, Mediobanca S.p.A. (excluding securitizations).

In addition to the relationship with the holding company, Compass does business with 17 banking groups, including Italy's leading banks, which represent the 18% of the total funding.

With reference to term and form, the debt is roughly 92% medium/long-term (12-/18- month maturities or longer) and 8% short-term, with advances made against the portfolio and overdrafts in current accounts.

Share capital and group structure

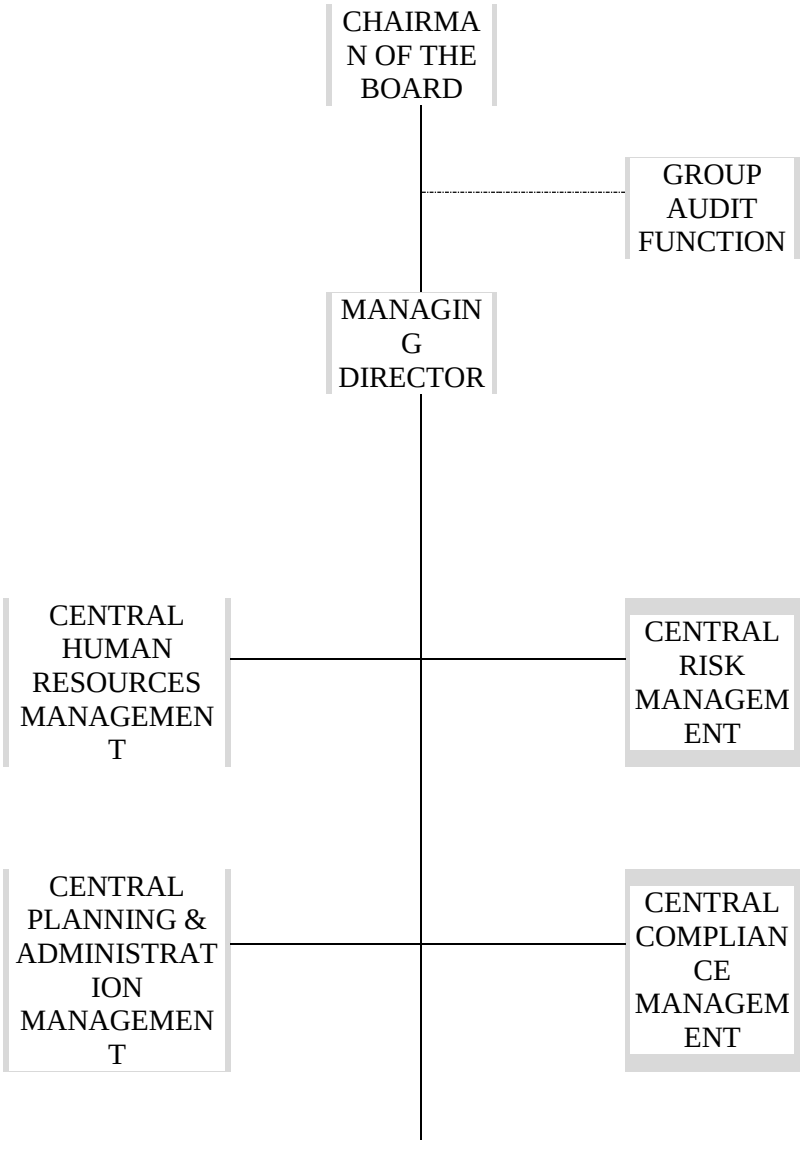
Compass's fully paid up share capital amounts to euro 587,500,000, consisting of 117,500,000 euro 5 par value shares.

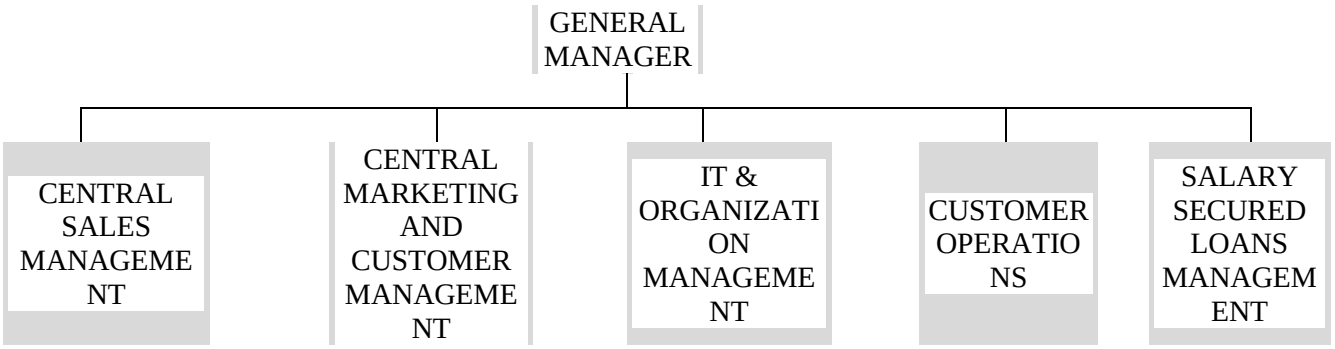
Compass is a wholly-owned subsidiary of Mediobanca - Banca di Credito Finanziario S.p.A.

Compass's Structure

As of 30 June 2019, the work force was made up of 1,358 employees, including 20 executives, 318 middle managers and 1,020 clerical workers.

Following is the organizational chart, updated as of 30 June 2019.





Directors, auditors, and management

Board of Directors

The following are members of the Board of Directors of CompassValentino Ghelli (Chairman), Gian Luca Sichel (Managing Director), Massimo Bertolini, Romina Guglielmetti, Fabio Salvati, Sveva Severi, Marco Pozzi.

Statutory Audit Committee

Compass's standing auditors are Andrea Chiaravalli (Chairman), Francesco Gerla, Mario Ragusa and its alternate auditors are Luca Novarese and Barbara Negri.

External Auditors

The company's financial statements are audited by EY S.p.A.

Management

- Valentino Ghelli (born in 1952) - Chairman ("*Presidente*") since October 2013: he was Managing Director of Linea S.p.A. since 1994 after having been General Manager of the company and Vice-Chairman of Compass since 2008.

- Gian Luca Sichel (born in 1968) – Managing Director ("Amministratore Delegato") since October 2010: in Compass since 2008 as General Manager. He has former professional experience in Barclays Group. Since March 2013, he has also covered the role of Managing Director of CheBanca!.

- Francesco Paolo Caso (born in 1968) – Coming from A.T. Kearney, he joined Compass in 2009 as the Deputy Director of the Head-Office Credit Department ad interim Head of the Head-Office Risks Department. He became Director of the Head-Office Credit Department in July 2012, before becoming General Director in April 2013.

Business of the Originator

Following are some of the products offered by Compass:

- Personal Loans (not special-purpose) ("**PL**") directly funded by the Company's branches located throughout the nation and by primary partners (BancoPosta). With the acquisition of Linea S.p.A., the Company incorporated the production of personal loans booked and sourced from the traditional banking channel, which reflects a strength and the quality of the Linea portfolio; starting on 1 July 2008, Linea was entirely incorporated and the disbursement through the banking channel was transferred to Compass which has expanded over time both the number and the importance of the banking partners with which it works.

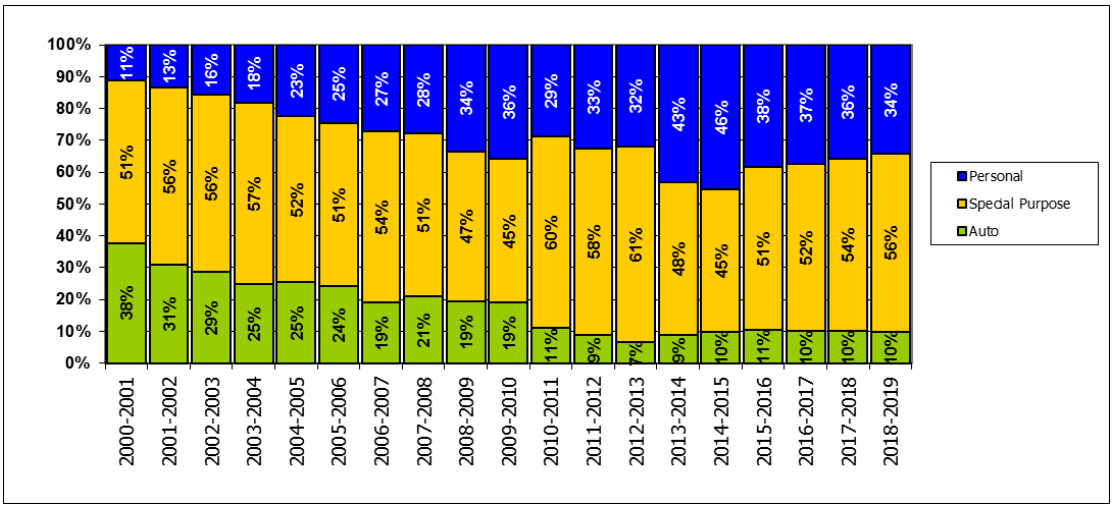
- Auto and Motorcycle Loans ("**AL**") used for financing the purchase of new/used autos and motorcycles;

- Special-purpose Loans ("**SPL**") used for financing the purchase of various goods/services (furnishings, motorbikes, electronics/household appliances, etc.).

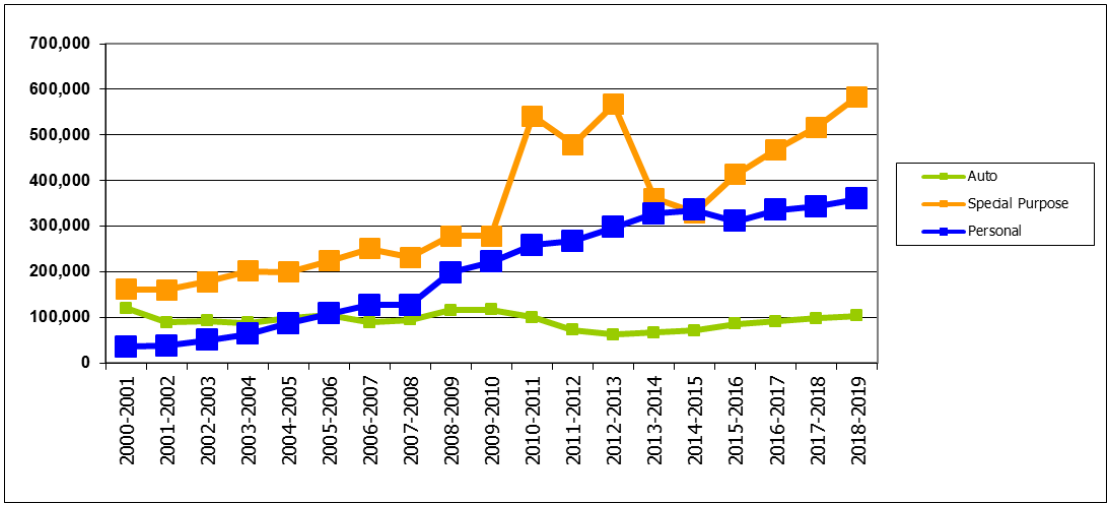
Number of Loans Disbursed through 30 June 2019

	Total	Auto	Special Purpose	Personal
2000-2001	317,247	119,835	161,729	35,683
2001-2002	286,734	88,928	159,665	38,141
2002-2003	320,662	92,122	178,257	50,283
2003-2004	351,978	87,232	201,017	63,729
2004-2005	383,222	97,363	199,591	86,268
2005-2006	436,122	105,212	223,518	107,392
2006-2007	466,940	88,925	250,721	127,294
2007-2008	453,466	94,826	231,849	126,791
2008-2009	591,867	115,235	278,205	198,427
2009-2010	616,672	116,566	278,724	221,382
2010-2011	900,114	100,554	541,297	258,263
2011-2012	818,685	72,561	478,713	267,411
2012-2013	925,914	61,775	566,968	297,171
2013-2014	754,472	66,263	361,226	326,983
2014-2015	736,314	71,417	329,797	335,100
2015-2016	808,912	85,490	412,636	310,786
2016-2017	893,527	91,179	467,362	334,986
2017-2018	958,078	97,408	517,292	343,378
2018-2019	1,046,766	103,734	583,781	359,251

Mix of Production by Number of Loans



Trend of Production by Number of Loans at 30 June 2019 (in € mn)

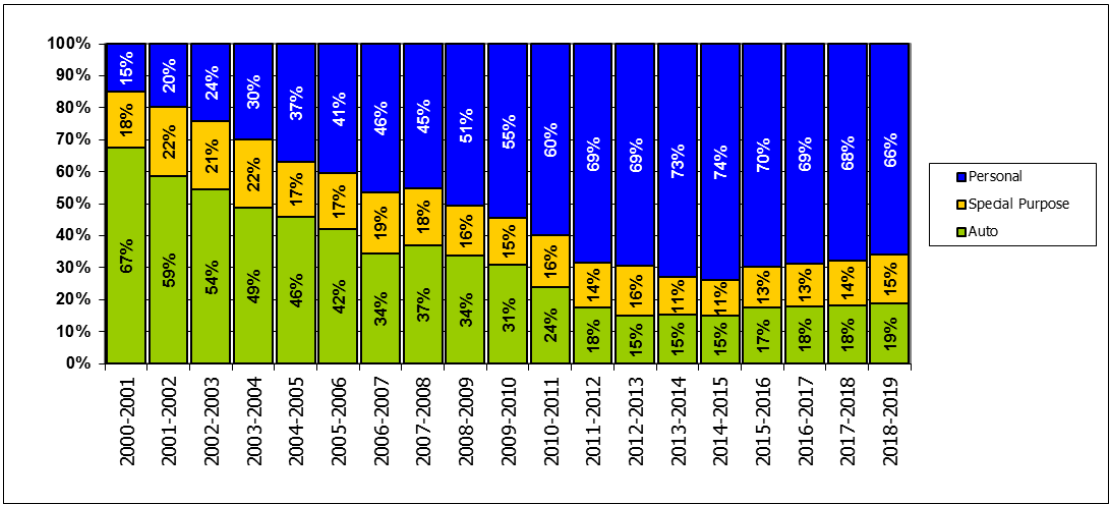


Portfolio mix by amounts disbursed (financial years run from 1st July X to 30 June X+1)

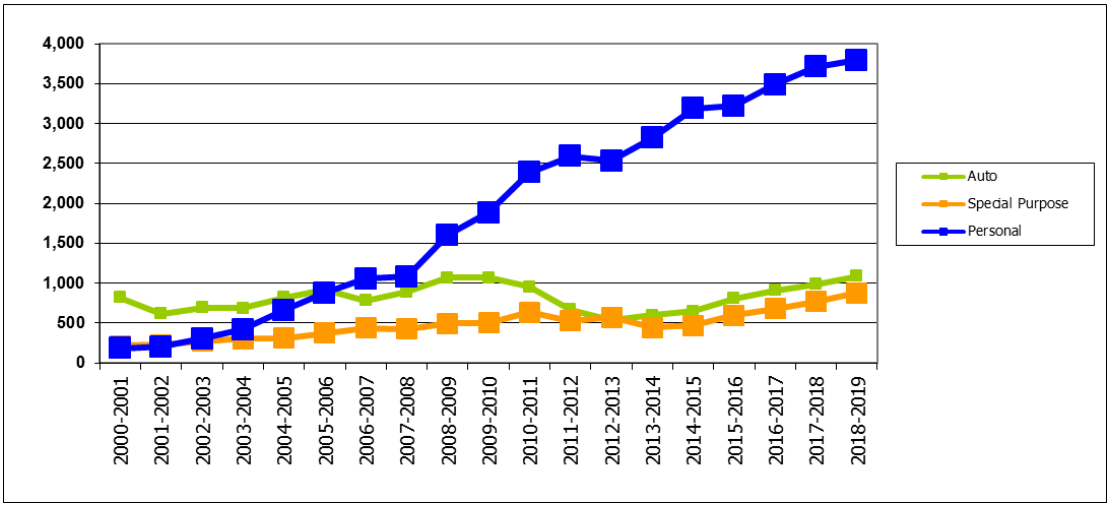
Amounts Disbursed through 30 June 2019 (in € mn)

	Total	Auto	Special Purpose	Personal
2000-2001	1,212.1	816.9	212.6	182.6
2001-2002	1,046.2	614.1	227.3	204.9
2002-2003	1,269.8	691.5	271.2	307.2
2003-2004	1,406.9	684.0	302.6	420.3
2004-2005	1,790.9	821.9	309.7	659.3
2005-2006	2,169.5	913.9	375.5	880.0
2006-2007	2,280.8	784.4	439.2	1,057.2
2007-2008	2,392.5	888.3	423.6	1,080.6
2008-2009	3,171.0	1,068.4	497.6	1,605.1
2009-2010	3,455.7	1,067.4	504.3	1,884.0
2010-2011	3,974.5	954.6	635.8	2,384.1
2011-2012	3,783.3	666.3	524.1	2,592.9
2012-2013	3,649.6	542.3	574.1	2,533.2
2013-2014	3,860.1	597.5	443.1	2,819.4
2014-2015	4,307.3	650.6	469.8	3,186.9
2015-2016	4,624.4	807.9	595.9	3,220.6
2016-2017	5,074.4	906.5	680.8	3,487.2
2017-2018	5,464.2	987.4	767.0	3,709.9
2018-2019	5,755.3	1,086.2	874.2	3,794.8

Mix of Production by Amounts



Trend of Production by Amounts (in € mn)



THE CREDIT AND COLLECTION POLICIES

Peripheral organization structure

The organization of the branches provides for the presence of a branch manager and a number of employees proportional to the business volume generated by the specific office. The personnel (manager and employees) is dedicated to granting credit, business development and dealer assistance. The management of doubtful credits is concentrated at the head office, with specialist organizational units ("Recovery centres") which handle credit collection at a regional level (North Region / Central Region / South Region) with the support of the branches within those regions, The following units have responsibility for the entire national territory: Phone Collection Recovery Centre, the Post-Acceleration-Clause Recovery Centre, the Legal Recovery Centre, General Records Search Centre, the Payments Tracking Office, Recovery Administration Office, Pre-Acceleration Clause Recovery Coordination Office and Problem Credit Coordination Office.

Distribution channels and disbursement/collection procedures

Compass disburses personal loans and salary-/pension-secured loans/payment delegations through its own branches and special-purpose loans for the purchase of goods or services through partner business establishments. Compass also makes available lines of credit or charge cards (whose full balance can be paid off each month or whose balance may be paid in instalments, depending on the option elected by the customer) operational on the Visa and Mastercard circuits through the above mentioned channels (excluding the large retailer channel - partnership channel). Compass has also developed commercial agreements with insurance partners for the distribution, whether or not simultaneous with the financing transaction, of life insurance and property-casualty insurance policies. With reference to the aforementioned coverage, the amount of the insurance premiums represents an integral part of the financed amount; accordingly, the customer reimburses the debt with a single monthly instalment. Compass also sells banking products, such as payment accounts.

Compass reaches its main clientele through:

• **the indirect channel**: affiliated commercial establishments (approximately 37,000 at 30 June 2019) in the auto business and other sectors which are supported by the branches and generate most of Compass contracts. With a total of around 40 active banking partnerships, including those with with Monte dei Paschi di Siena and Poste Italiane, Compass is able to offer its products through around 5,000 branches of its banking partners. In addition, Compass has 10 insurance partnerships (with a network of roughly 2,200 agencies) and 43 partnerships with companies acting as agents in financial activity and lending.

• **the direct channel**: through the personnel of Compass 172 branches located across the nation; direct marketing initiatives with respect to targeted clientele are carried out by the head office to support the branch activities.

Customers can also apply for credit cards, personal loans, and specialized financing through the Internet channel, by directly accessing Compass' or the partners' websites, or through the Compass Banca network of authorized agencies (27 agencies at 30 June 2019).

A special Internet site is also available through which it is possible to apply for and obtain credit cards and personal loans.

Finally, it is possible to apply for credit cards through a special call centre managed by an outside firm.

Direct channel

The direct channel is mainly used by the clientele for personal loans. The phases of the credit approval are outlined below:

Phase 1: The customer is welcomed to the branch by an employee. After having (i) obtained the customer's consent (and the consent of any co-obligor) to the processing of personal data and (ii) provided the customer with a personal loan proposal, supplying clarification about the same, the employee illustrates the disclosure documentation referring to the pre-contractual phase. After having identified the customer (in accordance with prevailing regulations on the subject of privacy, the ethics code for CIS (Credit Information Systems), transparency, and money-laundering prevention), the financing application is input to the system, while the information and documentation supplied by the customer (e,g, copies of tax returns, ID document, and tax identification number) are checked to ensure their accuracy for the purpose of perfecting the financing requested.

Phase 2: Using a scoring process, the system identifies the probability of insolvency by analysing the socio/demographic data supplied by the customer and the data related to repayment performance acquired from the CIS, indicating the extent to which the customer can be financed (positive outcome) or not (negative outcome). In the event of a positive outcome, the branch may still deny the financing if particular events or facts suggest the customer is not sufficiently creditworthy (negative scoring violation). Instead, the approval of a financing application with a negative scoring outcome (positive scoring violation) is not possible for personal loans. In this phase, credit controls may be activated on the basis of specific credit strategies established in the system in relation to the product or acquisition channel; after such controls, further assessment is needed.

Once the assessment is completed, the financing application is definitively approved by the authorizing person (in relation to the credit authority established by the board of directors based on the following criteria: role of authorizing person, macro product, maximum amount financed per individual loan, "percentage range of expected loss" and "risk accumulation").

Phase 3: In the event of approval, Compass gives the customer a copy of the contract, inclusive of a letter of acceptance signed by the Head-Office Sales Director; this document serves as the basis for finalizing the contract. The customer may sign the contract through a graphometric signature, which is legally valid for all effects and which converts the paper contract to an electronic document.

Finally, the financing is disbursed.

Indirect channel: intermediated loans (contract procurement online)

The financing is disbursed against the purchase of a specific good/service at Compass affiliated commercial establishments (dealers), or the financing is in the form of personal loans facilitated by affiliated banks and insurance companies (partners) or companies acting as agents in financial activity and lending (agents). The dealer, partner or agent is given authorized Internet access for loading the data (PassCom application). The dealer, partner or agent is able to communicate the outcome of the scoring (application approved or rejected) to the applicant almost on a real-time basis. Compass' disbursement of the financing is however subordinated to the prior verification of the completeness, consistency and authenticity of the documentation gathered by the dealer, partner or agent, as well as the data input by the same. The key phases are described below:

Phase 1: The customer applies for the Compass financing for the purchase of a specific good/service through a dealer, or requests a personal loan through a banking or insurance partner or through a Compass agent. After having (i) obtained the customer's consent to the processing of personal data, the dealer, partner or agent develops a financing bid for the customer, supplying a special telephone number for clarification about the same, and illustrates the disclosure documentation referring to the pre-contractual phase. After having identified

the customer (in accordance with prevailing regulations on the subject of privacy, the ethics code for CIS (Credit Information Systems), transparency, and money-laundering prevention), the dealer, partner or agent directly inputs the applicant's data to the PassCom information system (Peripheral Access Module), gathers the documentation contemplated and prints (from PassCom) the financing application (automatically drawn up on the basis of the data input to the system), having the applicant sign it (signing of the financing contract) and countersigning it. The customer may sign the contract through an encrypted digital signature, which is legally valid for all effects and which converts the paper contract to an electronic document. Every dealer, partner and agent is associated with a programme for assessing the financing applications (so-called canalization) that runs automatically or is run by the branch responsible,

Phase 2: Using a scoring process, the system identifies the probability of insolvency by analysing the socio/demographic data supplied by the customer and the data related to repayment performance acquired from the CIS, indicating the extent to which the customer can be financed (positive outcome) or not (negative outcome). In the case of dealers/partners/agents associated with the automatic scoring process, the outcome can be negative, positive or conditional. In the event of a positive outcome, the branch may still deny the financing if particular events or facts suggest the customer is not sufficiently creditworthy (negative scoring violation). Instead, in the event of a negative outcome, certain types of financing (for personal property and vehicles) can still be approved on an exceptional basis after appropriate in-depth assessment (positive scoring violation) and subject to the required authorization (which can come from the branch manager, area coordinator, the head of the Acquisition, Assessment and Coordination Office, the Director of Head-Office Sales, or the Director General). In the case of a conditional outcome or when the dealer/partner/agent is not associated with the automatic scoring process, the request is evaluated manually (internal review) by the Compass Operating Support and Approvals Office or by the branch (depending on the processes agreed with the dealer/partner/agent) and is manually approved by the authorizing person (in relation to the credit authority established by the board of directors based on the following criteria: role of authorizing person, macro product, maximum amount financed per individual loan, "percentage range of expected loss" and "risk accumulation").

Phase 3: A Compass branch employee goes to the dealer's/partner's offices and retrieves the documentation related to the financing application, including the original contract. If the customer has finalized the contract through an encrypted digital signature, the contractual documentation is made immediately available through an IT application dedicated to document management. In the case of approved applications, should the documentation be in order in terms of form and substance and consistent with the information previously declared, the branch, after checking that the acceptance has been received by the parties involved, will proceed with disbursing the financing to the dealer or the customer (in the event of personal loans channelled by a partner or an agent).

CREDIT SCORING

The assessment of the creditworthiness is done on a manner consistent with the Company's risk/return objectives. The level of the customer's solvency is estimated through a model for statistical analysis of the probability of insolvency (credit scoring), The scoring takes into account:

- the customer's socio-demographic data;
- the technical characteristics of the financing;
- the type of product/good/service being financed;
- the channel through which the business comes (qualitative data for the dealer/partner/agent);

- information regarding the customer's repayment history (if the customer has already had a relationship with Compass);
- information regarding the customer's repayment performance coming from CIS external databanks, and in particular, the following are consulted:
  - Credit Protection Consortium (CTC);
  - Financial Risks Credit Bureau (CRIF);
  - SIPA S.r.l. (formerly, Datitalia) - protests: list of persons who have been subject of protests;
  - Experian;
  - With respect to financing to legal persons and autonomous clientele, the summary indicators from 2011-2012 used are those issued by CRIBIS ("Paydex" regularity in the maintenance of payment commitments and "Failure Score", probability of failure in the 12 months);
  - With respect to salary-/pension-secured loans and payment delegations, and starting from the 2017-2018 fiscal year, financial statement information and information from the business register for garnishees provided by Cerved.

On the basis of specific processing, the system releases a score outcome. In the case of a negative outcome, the financing is rejected. Positive scoring violations are nonetheless admitted (albeit only if the quality of the dealer and the product permit) in the event of additional information being available that the statistical model does not know and cannot take into account. The branches may not independently approve positive scoring violations; in addition, positive scoring violations are admitted only for certain products (as of 30 June 2019, only furnishings and autos). For financing disbursed through the Compass on-line service, personal loans, and financing disbursed through dealers with specific characteristics (with high rates of default registered in the past), positive scoring violations are not permitted (only negative scoring violations are permitted, which may be independently authorized by the branches, and consist of rejecting the application in the presence of a positive scoring outcome).

Compass may require the financing be made in joint names, with the second person becoming a co-obligor. In particular cases (and, in an event, on a very limited basis with respect to normal operations), Compass may also require unsecured or secured guarantees, including a lien or a mandate to establish a lien (autos), draft with or without endorsement, or the guarantee of third parties. During the process of assessing creditworthiness, the fraud-prevention services of CRIF and Experian are also used on a numerically significant number of applications made to Compass; amongst other things, such services allow for real-time verification of the consistency of the ID data of persons making applications for financing.

MONITORING THE DISTRIBUTION CHANNEL

In order to contain credit risk, the distribution channel (dealer, partner or agent) through which the customer applications arrive is accurately selected and monitored. In setting up an arrangement with a dealer, partner or agent, the assessment of the counterparty's reliability is done by considering various factors, including:

- the regular registration of the counterparty with the Chamber of Commerce and/or specific registers/lists, or the regular incorporation for companies for which registration is not obligatory (professional firms);
- the absence of protests or risks reported in relation to the counterparty or to representatives of the same (via investigation);

- the assessment of creditworthiness and the rating assigned to the dealer, partner or agent, as contained in the information reports produced by specialized agencies used by Compass;
- the verification of any counterparty risk, functional to the assessment of the risk of supplier default;
- the assessment of reputation risk about the business sector to which the dealer, partner or agent belongs.

Indices relating to the quality of the customer portfolio presented by the counterparty are calculated monthly on the basis of the number/percentage of positions referred by the counterparty that have become past-due and/or that have serious irregularities (e,g, non-delivery/disbursement of the good/service that is the subject of the financing). In the event of a negative grading, the counterparty may be:

- placed on a "stop work" status: the counterparty is blocked from the possibility of disbursing new financing until the problems for which the suspension was made have been resolved;
- permanently suspended: the contract will be terminated.

COLLECTION POLICIES

The customer may request instalment reimbursement through authorized direct debit (SDD) (automated processing) or through the use of bills prepared in advance and sent by Compass and payable through the post office, or alternately, with the resetting of the reimbursement plan, through bank bill.

For collections through authorized direct debit (SDD), Compass collects the funds through its banks. Any amounts not collected are reported through receipt of an uncollected items flow normally during the week following the instalment due date, and the amounts are to the customer.

RECOVERY PROCEDURES

Credit risk is mainly managed through three complementary activities. The first regards the management/monitoring of the distribution channel. The second uses statistics and indicators to pinpoint the trend in aggregate terms of the credits that are no longer "performing" and the total status of those outstanding. The third is aimed at credit recovery and consists of an operational process inclusive of various phases that is activated when an amount due remains unpaid.

CUSTOMER MONITORING AND CORRECTIVE ACTIONS

In order to prevent credit losses, customer performance is monitored continuously during the life of the financing, with appropriate actions undertaken at any first delay in payment (e,g, telephone/postal solicitation, the use of external collection companies, the declaration of the application of the acceleration clause, etc.). With the exception of fraud (e,g, non-existence of the customer) or certain positions referring to a dealer having serious irregularities (e,g, non-delivery of the good to the final customer), the administration of the credit is done by the credit recovery centers (*Centro Recupero Crediti*). The aforementioned exceptions are respectively tracked by the Commercial Channels Monitoring Office, Fraud Office, Legal Recovery Centre, and special outside legal counsel. The loans with past-due instalments are managed through a partially automated process activated on the basis of various parameters: number of days past due, balance of the position, date on which loan was originated, etc.

A system for managing positions with past-due instalments is also in place and is based on the Strategy software; the system allows for achieving several significant advantages:

- Use of indicators to forecast the risk on each individual position (performance scoring);
- Possibility of rapidly implementing credit-recovery strategies based on a detailed system of parameters;

- use of threshold levels differentiated by product and balance for deciding whether payment should be solicited telephonically or not;
- models for telephone solicitation that will handle clients on a differentiated basis, depending on whether the customer has a first past-due payment or recurring past-due payments;
- creation of sophisticated review lists for positions that may be transferred/booked as losses, using other delinquency indicators in addition to the number of past-due instalments,

Managing delinquent accounts

Phase 1: from the detection of insolvent positions to the start of the telephone solicitation

The initial phases of the credit recovery process are all automatically managed by the information system which identifies the positions for which the payment is more than 2-7 days past due with respect to the amortization plan. The system uses an historical analysis based on the financed customer's past performance, socio-demographic data and the characteristics of the financing. The positions identified are subject to a telephonic solicitation,

The positions are turned over to companies specializing in phone credit recovery for a one-month period, The collection company is paid only in the event of recovery, with the commission calculated as a percentage of the amount collected.

For positions with an authomatic credit on current account (SDD) as repayment method, the system moreover sends a solicitation by mail as soon as the unpaid instalment is registered.

The recovery activity ends with the customer remedying the past due position or with the position being flagged for further recovery actions.

Should the recovery actions have a negative outcome, the positions requiring automatic direct debit (SDD) payment and payment against a credit card are amended to require payment through the use of bills payable through the post office.

Phase 2: from the telephone solicitation to the direct recovery efforts

Once 30 days have elapsed, the positions are turned over to external collection companies for a second initiative. The collection company has 30 days for attempting to recover the past-due amounts, unless Compass expressly grants an extension to such term (the external collection company may allow the debtor to defer payment through a debt-repayment plan agreed in advance with Compass).

In the case of positions requiring reimbursement with the use of bills payable through the post office or a charge against a credit card, a solicitation letter is sent once the position is 35 days past due. The solicitation urges the customer to make the payment due, namely, to supply the details of the payment made. The letter also contains an advance notice of reporting to credit bureaus.

The external collection company is paid only in the event of recovery, with the commission calculated as a percentage of the amount collected.

Once the 30 days have elapsed from the date on which the position is turned over to an external collection company and if the system indicates that payment has not yet been made (actions with negative outcome), the position is assigned to another collection company for another roughly 30 days with the same means as described above. In the event of a negative outcome, the collection management will continue for another 30 days.

Phase 3: from recovery efforts to the declaration of the application of the acceleration clause

Once 65 days have elapsed from the due date of the first unpaid instalment, for loans with instalments lower than 50,00 €, the system generates and sends a letter of advance warning of the application of the acceleration clause, informing the customer that, considering the continuation of the past-due status, the position will be declared subject to the acceleration clause. Once 90 days have elapsed from the due date of the first unpaid instalment, a registered mail is sent to the client (and to any co-obligors/guarantors) with notice of enforcement of the acceleration clause (pursuant to Article 1186 of the Italian Civil code), with a notice to make a single payment that includes all residual debt as well as interest on past-due amounts and related. Such positions are then once again turned over to collection companies which operate sequentially with three mandates of 60 days. The total term of the mandates in the event of a negative outcome to all of the recovery actions in therefore 180 days.

Once 120 days have elapsed from the first unpaid instalment of an amount of more than €50, the positions are again assigned to specialized collectors for telephone solicitation, for a period of approximately 30 days. The current strategy provides for processing these positions based on the behavioural score which differentiates the positions with the aim of channelling the collector's management toward pre-set objectives. This procedure also provides for the combined contribution of the branches and the recovery centres.

Once 125 days have elapsed from the first unpaid instalment, the system sends a letter of advance warning of the application of the acceleration clause, informing the customer that the acceleration clause will be applied in view of the continuing arrears.

Once 150 days have elapsed, and the previous recovery efforts have not yielded a positive outcome, a registered letter is sent to the customer (and to any co-obligors/guarantors) indicating the declaration of the application of the acceleration clause (pursuant to Article 1186 of the Italian Civil code), and ordering a single payment of all past-due debt, inclusive of the penalty as provided by the contract, interest on past-due amounts and related expenses. Such positions are then once again turned over to collection companies which operate sequentially with three mandates of 60 days. The total term of the mandates in the event of a negative outcome to all of the recovery actions is therefore 180 days

Phase 4: from final recovery attempts to the transfer of the credit

In the event of a negative outcome to the out-of-court recovery efforts following the application of the acceleration clause, other procedures are undertaken by the appropriate offices at the headquarters, depending on the balance due by the customer.

Should the balance, net of interest on past-due amounts, be less than or equal to €5,000, actions are undertaken to factor the credit; credits of this type are factored monthly (revolving transfers). The transactions are perfected with the notification to the customer/co-obligor through a special letter indicating the transfer of the credit. Should the balance be greater than €5,000, the positions may be turned over to legal counsel after a careful assessment of the presence, if any, of capital or earnings balances that can legally be aggregated. If the outcome of that assessment is negative, the positions with balances of up to €25,000 may also be transferred through factoring (revolving transfers) if the market affords this opportunity at an appropriate price, or alternatively, they will be transferred to the non-performing portfolio (which also contains positions with balances exceeding €25,000), which is factored at least annually (stock transfers).

Recovery measures

Compass might undertake four different recovery option to modify the original contractual terms: restructuration and replacement, rollover, recovery plans and settlement agreement.

Restructuration and replacement

- Restructuration (*ridefinizione*): facilitation granted only to current customers (individuals or legal entities) which are facing difficulties in paying regularly the instalments (not yet past due or already unpaid). It consists in the debt consolidation of the outstanding amount of one or more loans granted by Compass to the same debtor in order to create a single loan with a new amortising plan and an instalment lower than the sum of the instalments of the original loans. This option does not foresees the possibility to pair additional insurance policies.
- Replacement (*subentro*): facilitation set out to allow a subject (successor) to take out a loan whose entire amount is used to pay off the outstanding debt of one or more loans which Compass had previously provided to another subject. For instance, for loans without death insurance policies, both a subject already specified in the contract or an outsider often asks to step in as borrower following the death of the previous debtor.

Restructurations and replacements are carried out exclusively on loans originated by Compass, Linea, Equilon or DFS and never on loans of other originators.
The action of restructuration or replacement can be undertaken on a single loan or on multiple loans. Neither the restructuration nor the replacement provide for additional liquidity granting.
Hereinafter are listed the characteristics/conditions of the restructuration and replacement actions:

- Financed amount limits: minimum € 2.000, maximum € 50.000. Any exceptions to the maximum financed amount limit shall be submitted to the formal approval of the General Manager;
- Maximum duration: 120 month;
- Payment method: direct debit (preferred) or postal slips;
- No costs for the origination of the new loan and for the early resolution of the original ones are charged.

Rollover

The rollover (*accodamento*) is a facilitation which consists in postponing one or more instalments as compared with the original instalment due date (e.g. postponing the instalment/instalments at the end of the amortisation plan).
A rollover can be broken down in different categories, depending on the nature of the loan and the underlying cause.
The following types of rollover may be performed for personal loans, special-purpose loans and car loans:

- Spontaneous rollover: it's performed following a request from the debtors that shows difficulties in repaying regularly one or more instalments in arrears or still not past due;
- Product rollover: it's performed following a request from the debtors that can take advantage of special options of their loan, offered as form of flexibility along with the loan, which gives them the possibility to postpone one or more instalments of the amortisation plan (known as "*instalment jump*");
- Due by law rollover: it's performed on particular portfolio segments following legislative measures (e.g. rollover for debtors living in area affected by cataclysmic event/humanitarian emergency) or it's performed on particular loans following provisions of the competent authorities for the protection of customers victims of usury.

- Strategy defined rollover: it's performed on single instalments or on particular portfolio segments, following a pronouncement of the Credit Management in the framework of the recovery strategies.

Recovery Plans

The recovery plan (*piano di rientro cambiario*) is a facilitation that allows the right-off debtor to defer the payment of its outstanding amount signing a set of monthly promissory notes.

Settlement agreement

The settlement agreement (*saldo e stralcio*), which allows the debtor to pay a partial sum of its debt outstanding amount while the residual unpaid part is cancelled, shall be employed in order to resolve serious insolvency situations for debtors whose ability to cure their outstanding debt with Compass is impaired by at least one of the following critical issues:

- Poor economic-financial position notified by the debtor (e.g. serious employment problems, family issues and/or health complications) which makes impossible to envisage the recovery of the amount due in the short/medium term;

- Loans in arrears that, over time, could be difficultly recovered also partially and/or whose only option could be the sale of the loan.

THE ISSUER ACCOUNTS

Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, the Issuer has opened in Italy with Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") the following accounts:

1.1 a Euro denominated bank account, IBAN IT75E1063101600000070202100 (the "**Collection Account**"), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank is an Eligible Institution, for the deposit of all amounts collected and/or recovered by Compass in its capacity as the Servicer in respect of the Receivables pursuant to the Servicing Agreement; and out of which funds standing to the credit of the Collection Accounts (i) during the Revolving Period, will be used to pay the Purchase Price of the relevant Subsequent Portfolio on each Monthly Payment Date which is not also a Quarterly Payment Date; and (ii) will be transferred to the Payments Account two Business Days prior to: (a) each Monthly Payment Date which is also a Quarterly Payment Date, during the Revolving Period, and (b) on each Quarterly Payment Date;

1.2 a Euro denominated bank account IBAN IT13G1063101600000070202099 (the "**Expense Account**"), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank is an Eligible Institution, for the deposit of (i) the residual amount of the proceeds arising from the issuance of the Junior Notes after the payment of the Purchase Price of the Initial Portfolio and the credit of the Liquidity Reserve on the Liquidity Reserve Account, on the Issue Date; and (ii) the retention amount up to Euro 40,000 (the "**Retention Amount**"), starting from the first Quarterly Payment Date; funds standing to the credit of the Expense Account will be used for (i) the payments of any up-front costs due by the Issuer on the Issue Date; and (ii) the payment of any Expenses which fall due on a date which is not a Quarterly Payment Date; funds standing to the credit of the Expense Account will be transferred to the Payments Account two Business Days prior to each Quarterly Payment Date;

1.3 a Euro denominated bank account No. IT06H1063101600000070202103 (the "**Eligible Investments Account**"), which will be held in Italy with the Account Bank in the name of the Issuer, for the deposit of the Eligible Investments made on behalf of the Issuer (in so far as such investments can be deposited in such account);

1.4 a Euro denominated bank account IBAN IT29G1063101600000070202102 (the "**Liquidity Reserve Account**"), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank is an Eligible Institution, for the deposit, for the deposit, (a) on the Issue Date, of the Target Liquidity Reserve Amount out of the proceeds arising from the subscription of the Junior Notes, and (b) on each Quarterly Payment Date, of amounts available under item (vi) of the Quarterly Priority of Payments to be applied by the Issuer during the Revolving Period and under item (v) of the Quarterly Priority of Payments to be applied by the Issuer during the Amortising Period but prior to the delivery of a Trigger Notice; and out of which funds standing to the credit of the Liquidity Reserve Account will be transferred to the Payments Account two Business Days prior to each Quarterly Payment Date, only to the extent that such amounts qualify as Available Funds, subject to the provisions of the Conditions;

1.5 the Collateral Account, IBAN IT52F1063101600000070202101,which will be held in Italy with the Account Bank in the name of the Issuer for so long as it is an Eligible Institution, for the deposit of the collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement; and out of which the amounts standing to the credit of the Collateral Account will be transferred to the Payments Accounts two Business Days prior to each Quarterly Payment Date only to the extent that such amounts qualify as Available Funds, or returned to the Hedging Counterparty in accordance with the Hedging Agreement.

1.6 a Euro denominated bank account IBAN IT60R1063101600000070201172 (the "**Corporate Capital Account**" and, together with the Collection Account, the Payments Account, the Collatera Account, the Liquidity Reserve Account, the Expense Account and the Eligible Investments Account, the "**Accounts**"), which will be held in Italy with the Account Bank in the name of the Issuer, for the deposit of the issued and paid-up corporate capital of the Issuer.

Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, the Issuer has opened in Italy with Crédit Agricole Corporate and Investment Bank, Milan Branch the following account:

1.7 a Euro denominated bank account, IBAN IT96R0343201600002212120790 (the "**Payments Account**"), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank is an Eligible Institution, for the deposit of (i) the amounts standing to the credit of the other Accounts (other than the Collateral Account, subject to the provision below) two Business Days prior to each Quarterly Payment Date; (ii) the cash proceeds of the Eligible Investments, including for the avoidance of doubt any interest accrued on such Eligible Investments and proceeds deriving from the liquidation of such Eligible Investments and (iii) prior to each Quarterly Payment Date or, in any case, by 9:00 a.m. CET of the second Business Day prior to each Quarterly Payment Date, of the amounts paid by the Hedging Counterparty; and out of which on the Quarterly Payment Date no later than 10:00 am C.E.T., funds standing to the credit of the Payments Account will be transferred to the Paying Agent to make payments and transfers on behalf of the Issuer in accordance with the applicable Priority of Payments.

THE ACCOUNT BANKS

(A) WITH RESPECT TO ALL THE ACCOUNTS OTHER THAN THE PAYMENTS ACCOUNT

Mediobanca – Banca di Credito Finanziario S.p.A. is a joint stock company incorporated under Italian law registered in the Milan Companies' Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. no. (0039) 02-88291. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it.

Since 30 June 2019 there have been no negative changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.

Neither Mediobanca, nor any company in the Group, have carried out transactions that have materially affected, or that might be reasonably expected to materially affect, Mediobanca's ability to meet its obligations towards third parties.

As at the date of this Prospectus Mediobanca is rated "F3" (short-term debt) and "BBB" (long-term debt) with negative outlook by Fitch and "A-2" (short-term debt), "BBB" (long-term debt) with negative outlook by S&P and "P-2" (bank deposits) and "Baa1" (long term debt) with stable outlook by Moody's – see https://www.mediobanca.com/it/investor-relations/finanziamento-rating/rating.html.

(B) WITH RESPECT TO THE PAYMENTS ACCOUNT

Crédit Agricole Corporate and Investment Bank is a French Société Anonyme (joint stock company) with a Board of Directors governed by ordinary company law, in particular the Second Book of the French Commercial Code (Code de commerce).

Crédit Agricole Corporate and Investment Bank is registered at the Registre du Commerce et des Sociétés de Nanterre under the reference SIREN 304 187 701 and its registered office is located at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (Code Monétaire et Financier). In this respect, Crédit Agricole CIB is subject to oversight of the European and French responsible supervisory authorities, particularly the European Central Bank and the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, Crédit Agricole Corporate and Investment Bank is subject to the French Monetary and Financial Code (Code Monétaire et Financier), particularly the provisions relating to the activity and control of credit institutions and investment service providers.

As of 31 December 2018, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to Euro € 7,851,636,342 divided into 290,801,346 shares with a nominal value of €27. Crédit Agricole Corporate and Investment Bank's share capital is held at more than 99% by the Crédit Agricole Group. Crédit Agricole S.A. holds more than 97% of the share capital.

Crédit Agricole Corporate and Investment Bank is the corporate and investment banking arm of the Crédit Agricole Group.

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its two main activities are financing activities and capital markets and investment banking. Financing activities include French and international commercial banking and structured finance: project finance, aircraft finance

shipping finance, acquisition finance, real estate finance and international trade. Capital markets and investment banking covers capital market activities (interest rate derivatives, foreign exchange, debt markets), treasury activities and investment banking activities (mergers and acquisitions and equity capital markets).

Crédit Agricole Corporate and Investment Bank also runs an international wealth management business in Europe, the Middle East, Asia Pacific and the Americas.

The long term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A+" by Standard & Poor's Rating Services, "Aa3" by Moody's and "A+" by Fitch Ratings at the date of this Prospectus.

The short term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A-1" by Standard & Poor's Rating Services, "P-1" by Moody's and "F1" by Fitch Ratings at the date of this Prospectus.

Any further information on Crédit Agricole Corporate and Investment Bank can be obtained on Crédit Agricole Corporate and Investment Bank's website at www.ca-cib.com. This website does not form part of this Prospectus.

THE HEDGING COUNTERPARTY AND THE REPORTING DELEGATE

Crédit Agricole Corporate and Investment Bank is a French Société Anonyme (joint stock company) with a Board of Directors governed by ordinary company law, in particular the Second Book of the French Commercial Code (Code de commerce).

Crédit Agricole Corporate and Investment Bank is registered at the Registre du Commerce et des Sociétés de Nanterre under the reference SIREN 304 187 701 and its registered office is located at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (Code Monétaire et Financier). In this respect, Crédit Agricole CIB is subject to oversight of the European and French responsible supervisory authorities, particularly the European Central Bank and the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, Crédit Agricole Corporate and Investment Bank is subject to the French Monetary and Financial Code (Code Monétaire et Financier), particularly the provisions relating to the activity and control of credit institutions and investment service providers.

As of 31 December 2018, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to Euro € 7,851,636,342 divided into 290,801,346 shares with a nominal value of €27. Crédit Agricole Corporate and Investment Bank's share capital is held at more than 99% by the Crédit Agricole Group. Crédit Agricole S.A. holds more than 97% of the share capital.

Crédit Agricole Corporate and Investment Bank is the corporate and investment banking arm of the Crédit Agricole Group.

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its two main activities are financing activities and capital markets and investment banking. Financing activities include French and international commercial banking and structured finance: project finance, aircraft finance shipping finance, acquisition finance, real estate finance and international trade. Capital markets and investment banking covers capital market activities (interest rate derivatives, foreign exchange, debt markets), treasury activities and investment banking activities (mergers and acquisitions and equity capital markets).

Crédit Agricole Corporate and Investment Bank also runs an international wealth management business in Europe, the Middle East, Asia Pacific and the Americas.

The long term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A+" by Standard & Poor's Rating Services, "Aa3" by Moody's and "A+" by Fitch Ratings at the date of this Prospectus.

The short term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A-1" by Standard & Poor's Rating Services, "P-1" by Moody's and "F1" by Fitch Ratings at the date of this Prospectus.

Any further information on Crédit Agricole Corporate and Investment Bank can be obtained on Crédit Agricole Corporate and Investment Bank's website at www.ca-cib.com. This website does not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders attached hereto.

The Euro 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036 (the "**Series A1 Notes**"), the Euro 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036 (the "**Series A2 Notes**" and, together with the Series A1 Notes, the "**Series A Notes**" or the "**Senior Notes**") and the Euro 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036 (the "**Series B Notes**" or the "**Junior Notes**" and together with the Senior Notes, the "**Notes**") have been issued by the Issuer on or about 25 November, 2019 (the "**Issue Date**") pursuant to Law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Securitisation Law**"), to finance the purchase from Compass Banca S.p.A. ("**Compass**" or the "**Originator**") of consumer loan receivables and connected rights (the "**Receivables**") deriving from payments due under a portfolio of consumer loans agreements (the "**Consumer Loan Agreements**") entered into between the Originator and the debtors thereunder.

Any reference in these Conditions to (i) a "**Series**" of Notes, Noteholders of a "**Series**" or a "**Series**" of Noteholders shall be a reference to the Series A1 Notes, the Series A2 Notes or the Series B Notes (as the case may be) or to the respective holders thereof; and (ii) any agreement or document shall be construed as 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 payment of amounts due and payable under the Notes will be the Collections made in respect of the Receivables comprised in the initial portfolio purchased by the Issuer from the Originator (the "**Initial Portfolio**") and in each subsequent portfolio (each, a "**Subsequent Portfolio**") to be purchased by the Issuer from the Originator during the Revolving Period, pursuant to a master receivables purchase agreement dated the Initial Portfolio Legal Effective Date (the "**Master Receivables Purchase Agreement**"). Under the terms of the Master Receivables Purchase Agreement the Originator has made certain representations and warranties to the Issuer in relation to the Receivables comprised in the Initial Portfolio and each Subsequent Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer or, upon occurrence of certain circumstances, to repurchase the relevant Receivables, should any representation be untrue, incorrect or misleading. The Receivables and any sums collected on the Receivables will be segregated from all other assets of the Issuer by operation of the Securitisation Law (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the other Issuer Secured Creditors and any third party creditors to whom the Issuer owes any costs, fees or expenses in relation to the securitisation of the Receivables made by the Issuer through the issuance of the Notes (the "**Securitisation**").

By a senior notes subscription agreement governed by Italian law entered into on or about the Issue Date among the Issuer, Compass, Mediobanca, Ca-Cib, UniCredit and Banca Akros (in their capacity as "**Joint Lead Managers**") and KPMG Fides Servizi di Amministrazione S.p.A. (the "**Senior Notes Subscription Agreement**"), the parties have agreed, *inter alia*, (i) upon the subscription of the Series A1 Notes by the Joint Lead Managers, the price at which the relevant Series A1 Notes will be purchased, the commissions or other agreed deductibles (if any) payable or allowable in respect of such purchase and the form of such indemnity to the Joint Lead Managers against certain liabilities in connection with the representations given and the covenants undertaken by the Issuer and the Originator thereunder in favour of them and (ii) upon the subscription of the Series A2 Notes by Compass (the "**Series A2 Subscriber**"), the price at which the Series A2 Notes will be purchased by the Series A2 Subscriber.

By a junior notes subscription agreement entered into on or about the Issue Date (the "**Junior Notes Subscription Agreement**" and, together with the Senior Notes Subscription Agreement, the "**Subscription Agreements**") among the Issuer, Compass and KPMG Fides Servizi di Amministrazione S.p.A., the parties have agreed, *inter alia*, upon the subscription of the Junior Notes by Compass (the "**Junior Subscriber**"), the price at which the Junior Notes will be purchased by the Junior Subscriber. Compass as subscriber of the Junior Notes has furthermore agreed to appoint, upon the issuance of the Junior Notes, KPMG Fides Servizi di Amministrazione S.p.A. as the legal representative of the Junior Noteholders.

Pursuant to the Subscription Agreements, Compass will maintain on an ongoing basis a material net economic interest of not less than 5% in the Securitisation through the holding of the Junior Notes.

By a servicing agreement governed by Italian law entered into on the Initial Portfolio Legal Effective Date, as amended and supplemented from time time, between Compass (in such capacity, the "**Servicer**"), the Issuer and the Back-Up Servicer Facilitator (the "**Servicing Agreement**"), the Servicer has agreed, *inter alia*, to collect, recovery and administer the Receivables in compliance with the Securitisation Law.

By a cash allocation, management and agency agreement governed by Italian law entered into on or about the Issue Date among the Issuer, the Representative of the Noteholders, Mediobanca – Banca di Credito Finanziario S.p.A., as account bank (an "**Account Bank**"), custodian (the "**Custodian**") and cash manager (the "**Cash Manager**"), Ca-Cib, Milan Branch as paying agent (the "**Paying Agent**"), calculation agent (the "**Calculation Agent**") and account bank with respect to the Payments Account (an "**Account Bank**") (the "**Cash Allocation, Management and Agency Agreement**") (i) each of the Account Banks (each with respect to the relevant Account(s) opened with it) has agreed to provide the Issuer with certain account management services in relation to money from time to time standing to the credit of the Accounts; (ii) Ca-Cib, Milan Branch has agreed to replace Mediobanca as Account Bank (with reference to all the Accounts other than the Payments Account) and Custodian of the Securitisation upon the occurrence of certain events specified thereunder subject to the specific provisions set out therein; (iii) the Cash Manager has agreed to provide the Issuer with certain services in relation to the execution of the investment of funds standing to the balance of the Collection Account and the Liquidity Reserve Account, and (iv) the Paying Agent and the Calculation Agent will provide the Issuer with certain calculation, notification, payment and reporting services in relation to the Notes, including, without limitation, calculating the amounts due under the Notes and arranging for the payment to the Noteholders.

By an intercreditor agreement governed by Italian law entered into on or about the Issue Date among the Issuer Secured Creditors (as defined below), the Issuer and the Quotaholders (the "**Intercreditor Agreement**"), provisions are made as to the application of the proceeds of the Issuer Available Funds and as to the circumstances in which the Representative of the Noteholders will, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, be entitled to exercise certain rights in relation to the Portfolio. In addition, the Issuer shall authorise the Representative of the Noteholders to exercise, in the name of and on behalf of the Issuer, all the Issuer's rights arising out of the Transaction Documents (other than the right to collect and recover Receivables under the Servicing Agreement) to which the Issuer is a party and the Issuer's rights in respect of the Receivables and generally to take such action as the Representative of Noteholders may deem necessary to protect the interests of the Noteholders and the other Issuer Secured Creditors, in respect of the Receivables and the Issuer's rights. The Representative of the Noteholders has also been appointed by the Issuer Secured Creditors as their true and lawful attorney (*mandatario con rappresentanza*) so that the Representative of the Noteholders may, in their name and behalf, enter into and execute the English Deed of Charge (as defined below) and exercise any right, power, claim and discretion vested or which may anyhow arise in the future for any of them under or in connection with the English Deed of Charge.

By a corporate services agreement entered into on or about the Issue Date (the "**Corporate Services Agreement**") between the Issuer and D&B Tax Accounting as corporate services provider (in such capacity the "**Corporate Services Provider**"), the Corporate Services Provider has agreed to provide the Issuer with certain corporate administrative services in connection with the Securitisation.

By a mandate agreement (the "**Monte Titoli Mandate Agreement**") entered into between the Issuer and Monte Titoli, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

By a 1992 ISDA Master Agreements entered into between the Issuer and the Hedging Counterparty on or about the Issue Date, together with the Schedule, Credit Support Annex and confirmation documenting the interest rate swap transaction supplemental thereto (the "**Hedging Agreement**"), the Issuer will protect itself against certain risks arising in respect of its obligations under the Series A Notes.

Pursuant to an English law deed of charge executed on or about the Issue Date between the Issuer and the Representative of the Noteholders (the "**English Deed of Charge**"), the Issuer with full title guarantee, as continuing security for the discharge and payment of the Secured Obligations, will assign to the Representative of the Noteholders absolutely, by way of first fixed security, all its Rights, title, interest and benefit from time to time, present and future, in, to, under and in respect of (a) the Hedging Agreement and all documents executed pursuant thereto, (b) any agreement governed by English law to be entered into by the Issuer in the context of the Securitisation.

These terms and conditions of the Series A1 Notes, the Series A2 Notes and the Series B Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Prospectus, the Master Receivables Purchase Agreement, the Servicing Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreements, the Definitions Agreement, the Quotaholders' Agreement, the English Deed of Charge and the Monte Titoli Mandate Agreement (together with these Conditions, the "**Transaction Documents**").

The Notes contain summaries, and are subject to the detailed provisions, of the Transaction Documents, a copy of which is available for inspection by the Noteholders on the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (or any other securitisation repository registered pursuant to article 10 of the Securitisation Regulation).

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the "**Rules of the Organisation of the Noteholders**" and the "**Organisation of the Noteholders**"), attached as an exhibit to these Conditions, which are deemed to form an integral and substantive part of these Conditions.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Each Noteholder, by reason of holding of the Series A1 Notes, the Series A2 Notes or, as the case may be, the Series B Notes:

(a) recognises the Representative of the Noteholders as its representative and accepts to be bound by the terms of the Transaction Documents signed by the Representative of the Noteholders as if such Noteholder was a signatory thereto; and

(b) acknowledges and accepts that the Initial Subscribers shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Noteholders as a result of the performance by KPMG Fides Servizi di Amministrazione S.p.A. of its duties as Representative of the Noteholders provided by the Transaction Documents.

Headings used in these Conditions are for ease of reference only and shall not affect their interpretation.

For the purposes of these Conditions, capitalised terms not otherwise defined herein shall, unless the context otherwise requires, have the following meanings:

Acceptance Date (*Data di Accettazione*) means, during the Revolving Period, a date falling no later than the Business Day following each Offer Date.

Account Banks (*Banche dei Conti*) means (i) Mediobanca, with reference to all the Accounts other than the Payments Account and (ii) Crédit Agricole Corporate & Investment Bank, Milan Branch, with reference to the Payments Account and their permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Accounts means the Expense Account, the Payments Account, the Collection Account, the Collateral Account, the Liquidity Reserve Account, the Eligible Investments Account and the Corporate Capital Account.

Additional Return means any and all amount (if any), payable as interest in respect of the Series B Notes (in addition to the relevant Interest Amount), equal to (a) any residual amounts available after that all payments due under items (i) to (xi) of the Quarterly Priority of Payments applicable during the Revolving Period have been made in full or, as the case may be, (b) any residual amounts available after that all payments due under items (i) to (xi) of the Quarterly Priority of Payments applicable during the Amortisation Period prior to the delivery of a Trigger Notice have been made in full and (c) any residual amounts available after that all payments due under items (i) to (x) of the Quarterly Priority of Payments applicable during the Amortisation Period following the delivery of a Trigger Notice have been made in full.

Agents means the Account Bank, the Cash Manager, the Calculation Agent, and the Paying Agent and **Agent** means each of them.

Amortisation Period (*Periodo di Rimborso*) means the period starting from the first Quarterly Payment Date (included) immediately following the Revolving Period End Date.

Amortisation Plan means, in relation to any Consumer Loan, the relevant plan for the payments of the Instalments, as provided for in the relevant Consumer Loan Agreement, as amended from time to time.

Arranger means Mediobanca.

Back-up Servicer (*Sostituto del Servicer*) means the servicer with whom the Issuer shall enter into a Back-up Servicing Agreement pursuant to clause 9 of the Servicing Agreement upon the occurrence of specific circumstances described therein.

Back-up Servicer Facilitator indica Zenith Service S.p.A.

Back-up Servicing Agreement means the agreement to be entered into by the Issuer and the Back-up Servicer, pursuant to clause 6 of the Intercreditor Agreement and clause 9 of the Servicing Agreement at the occurrence of specific circumstances described therein.

Banca Akros means Banca Akros S.p.A. Gruppo Banco BPM, a bank incorporated under the laws of the Republic of Italy, with registered offices in Viale Eginardo, 29, 20149 Milan, Fiscal Code, VAT number and enrolment with the companies' register of Milan No. 03064920154, enrolled under No. 5328 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act.

Banking Act (*Testo Unico Bancario*) means Italian Legislative Decree 1 September 1993, No. 385, as subsequently amended and supplemented.

Bankruptcy Law (*Legge Fallimentare*) means the Royal Decree 16 March 1942, No. 267, as amended and supplemented from time to time, including implementing regulations thereof.

Business Day (*Giorno Lavorativo*) means a day (other than Saturday and Sunday), on which banks are generally open for business in Milan, London and Dublin and on which TARGET2 (being the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007) or any successor thereto is open.

Ca-Cib means Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex registered with the Registre Commerciale et des Sociétés de Nanterre with no. SIREN 304 187 701.

Ca-Cib, Milan Branch means Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, registered with the Registre Commerciale et des Sociétés de Nanterre with no. SIREN 304 187 701, acting through its Milan branch at Piazza Cavour, 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Banking Act.

Calculation Agent (*Agente per i Calcoli*) means Ca-Cib, Milan Branch and its permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Calculation Date (*Data di Calcolo*) means (i) during the Revolving Period, the date falling on the 10^{h} day of each calendar month of each year, or if such day is not a Business Day, the immediately following Business Day and (ii) during the Amortisation Period, the 10th day of January, April, July and October of each year.

Cancellation Date (*Data di Cancellazione*) means the Quarterly Payment Date falling in October 2038.

Cash Allocation, Management and Agency Agreement (*Contratto di Gestione e Allocazione della Liquidità*) means the cash allocation, management and agency agreement entered into on or about the Issue Date between the Issuer, the Account Banks, the Cash Manager, the Paying Agent, the Calculation Agent 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 Manager (*Amministratore della Liquidità*) means Mediobanca and its permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Clean up Option (*Opzione*) has the meaning attributed to it in clause 16 of the Master Receivables Purchase Agreement.

Collateral Portfolio (*Portafoglio Collaterale*) means, on any given date, all Receivables comprised in the Portfolio that are not, as at such date, Defaulted Receivables.

Collateral Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN IT52F1063101600000070202101), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Agency Agreement and the Hedging Agreement.

Collection Account (*Conto Incassi*) means the Euro denominated account, IBAN IT75E1063101600000070202100 which will be held, in Italy, in the name of the Issuer, with the Account Bank or any other Eligible Institution pursuant to the Cash Allocation, Management and Agency Agreement for the deposit of all amounts collected in respect of the Receivables pursuant to the Servicing Agreement.

Collections (*Incassi*) means any and all amounts collected or recovered, included without limitation, any amounts received whether as principal, interests and/or costs in relation to the Receivables.

Collection Date (*Data di Incasso*) means the last calendar day of each calendar month of each year. The first Collection Date will fall in November 2019.

Collection Period (*Periodo di Incasso*) means each monthly period commencing on (and excluding) any Collection Date and ending on (and including) the immediately following Collection Date and, in the case of the first Collection Period, the period commencing on (and excluding) the Initial Valuation Date and ending on (and including) the first Collection Date.

Collection Policies (*Procedure di Riscossione*) means the document setting forth the procedures for the management, collection and recovery of the Receivables attached to the Servicing Agreement as annex A.

Compass means Compass Banca S.p.A. (formerly Compass S.p.A.), a company incorporated under the laws of the Republic of Italy, having its registered office at via Caldera 21, 20153 Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan No. 00864530159, enrolled under No. 8045 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act, under the direction and coordination of Mediobanca – Banca di Credito Finanziario S.p.A.

Conditions (*Regolamento dei Titoli*) means this terms and conditions of the Notes.

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

Consumer Loan Agreement *(Contratto di Credito*) means each consumer loan agreement entered into under the article 121 and ff. of the Banking Act between Compass, in its capacity as lender, and the relevant Debtors, in their capacity as borrowers of the Consumer Loans.

Consumer Loan (*Prestito al Consumo*) means each loan granted by Compass directly to the Debtors or to the Suppliers (in favour of the Debtors), as the case may be, under the relevant Consumer Loan Agreement.

Corporate Capital Account means the Euro denominated account IBAN No. IT60R1063101600000070201172 opened with the Account Bank, where the issued and paid-up corporate capital account of the Issuer has been deposited.

Corporate Services Agreement (*Contratto di Servizi Amministrativi*) means the corporate services agreement entered into on or about the Issue Date between the Corporate Services Provider and the Issuer.

Corporate Services Provider (*Prestatore dei Servizi Amministrativi*) means D&B Tax Accounting and its permitted successors and assignees.

CRR Amendment Regulation means Regulation (EU) No. 2401 of 12 December 2017 amending Regulation (EU) No. 575 of 26 June 2013 on prudential requirements for credit institutions and investment firms.

D&B Tax Accounting means D&B Tax Accounting S.r.l. – Società tra professionisti, with offices at Galleria del Corso, 2, 20122 Milan. Italy and VAT registration number 08881690963.

DBRS means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Senior Notes, DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS, which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website, or any other applicable regulation.

DBRS Equivalent Rating means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	C	C

DBRS Minimum Rating means:

(a) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such

Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor (*Debitore*) means any individual or entity, public or private, or any other obligor or co-obligor which is liable for payment in respect of a Receivables comprised in the Portfolio (including, without limitation, any Guarantor).

Decree 239 means the Legislative Decree No. 239 of 1 April 1996.

Decree 239 Deduction means any withholding or deduction for or on account of "*imposta sostitutiva"* pursuant to Decree 239.

Defaulted Receivables (*Crediti in Sofferenza*) means, following the relevant transfer date and with reference to any Calculation Date, the Receivables which on the last day of the Collection Period preceding such Calculation Date, (i) have at least 7 (seven) Late Instalments, or (ii) in relation to which judicial proceedings have been commenced for the purpose of recovering the relevant amounts due or (iii) in relation to which Compass has exercised its right to terminate the relevant Consumer Loan Agreement. A Receivables will be considered as a Defaulted Receivable upon the occurrence of the first of the events described in the above points (i), (ii) and (iii). It being understood that any Receivable which at a certain date is a Defaulted Receivable shall be regarded, starting from such date, as Defaulted Receivable notwithstanding any subsequent payments of the relevant Late Instalments.

Definitions Agreement (*Accordo sulle Definizioni*) means the definitions agreement entered into on the Initial Portfolio Legal Effective Date between, *inter alios*, the Issuer, the Originator, the Servicer and the Corporate Services Provider, containing all the definitions of the terms used in the Master Receivables Purchase Agreement, in the Servicing Agreement and in the Corporate Services Agreement.

Delinquent Receivables (*Crediti Incagliati*) means, following the relevant transfer date and with reference to any Calculation Date, the Receivables, other than the Defaulted Receivables, which on the last day of the Collection Period preceding such Calculation Date, have at least 60 days of payments in arrears.

EBA means the European Banking Authority.

EBA Guidelines on STS Criteria means the guidelines on the criteria of simplicity, transparency and standardisarion adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

Eligibility Criteria (*Criteri di Idoneità*) means the criteria set out in exhibit 3 of the Master Receivables Purchase Agreement.

Eligible Institution *(Istituzione Eleggibile)* means a depository institution organised under the laws of any State which is a member of the European Union or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:

(a) (1) the higher of (i) the rating one notch below the relevant institution's Critical Obligations Rating (COR) given by DBRS; and (ii) the long-term debt, public or private, rating by DBRS, is at least "BBB(high)"; or (2) in case the institution does not have a COR rating by DBRS, the long-term debt, public or private, rating by DBRS is at least "BBB(high)"; or (3) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least "BBB(high)"; and

(b) at least "P-2" by Moody's as a short-term deposit rating or at least "Baa2" by Moody's as a long term deposit rating,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes.

Eligible Investments means:

(a) euro-denominated money market funds which have a long-term rating of "Aaamf" 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 for the Issuer;

(b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer 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 for the Issuer or have a maturity date falling on or before the next following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided 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 rated at least:

(1) "Baa1" by Moody's in respect of long-term debt and "P-2" by Moody's in respect of short-term debt; and

(2) if such debt securities or other debt instruments are rated by DBRS (i) "R-1 (low)" by DBRS in respect of short-term debt or "BBB" (high)" by DBRS in respect of long-term debt, with regard to investments having a maturity of 30 days or less; (ii) "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 30 days and 90 days;

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) tranches of other ABSs, credit-linked notes 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, or (iv) any instrument not considered to be a "cash equivalent" for purposes of the Volcker Rule

Eligible Investments Account (*Conto Investimenti*) means the account No. IT06H1063101600000070202103 which will be held in the name of the Issuer with the Account Bank or any other Eligible Institution for the deposit of the Eligible Investments, under the Cash Allocation, Management and Agency Agreement.

Eligible Supplier (*Fornitore Idoneo*) means any Supplier which (i) is not subject to any Insolvency Proceeding, (ii) has been selected by Compass in accordance with the Suppliers' selection policy, and (iii) against or by which – to the best of Compass' knowledge - no disputes, arbitration or litigation proceedings or complaints, which could have a material adverse effect on the collection or recovery of the relevant Receivable, are pending or threatened in writing.

English Deed of Charge means the deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

ESMA means the European Securities and Markets Authority.

EU Securitisation Rules means, collectively, (i) the Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, (vi) the LCR Amendment Regulation, and (vii) any other rule or official interpretation implementing and/or supplementing the same.

Euronext Dublin means the Irish Stock Exchange plc trading as Euronext Dublin on which application has been made for the Notes to be listed.

Expense Account (*Conto Spese*) means the Euro denominated account IBAN IT13G1063101600000070202099, which will be held in Italy with the Account Bank or any other Eligible Institution in the name of the Issuer, into which the Retention Amount will be credited and from which any Expenses will be paid during the period comprised between a Quarterly Payment Date and the immediately subsequent Quarterly Payment Date.

Expenses means any documented fees, costs, expenses and Taxes required to be paid to any third party creditors (other than the Noteholders and the other Issuer Secured Creditors) arising in connection with the Securitisation, and any other documented costs, expenses and Taxes required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

Extraordinary Resolution means a resolution of a Meeting of the Relevant Series of Noteholders, duly convened and held in accordance with the provisions of these Rules, that has been passed at the Relevant Fraction (each such term as defined in the Rules of the Organisation of the Noteholders).

Euribor means Euro zone inter-bank offered rate, as set out in Condition 5.

Final Maturity Date (*Data di Scadenza Legale*) means the Quarterly Payment Date falling in October 2036.

Financial Law means Italian legislative decree No. 58 of 24 February 1998 as subsequently amended and supplemented.

Flexible Loans means (i) the Consumer Loans granted under a Consumer Loan Agreement pursuant to which Compass has granted to the relevant Debtor the option to postpone tha payments of No. 1 Instalment per year not more than 5 (five) times during the life of the relevant Consumer Loan; or (ii) the Consumer Loans granted under a Consumer Loan Agreement, pursuant to which Compass has granted to the relevant Debtor the right to increase or decrease the amount of the single Instalment, and - in case of decrease - only to the extent that (a) the overall length of the relevant Consumer Loan is not higher than 84 (eighty-four) months; and (b) the relevant Amortisation Plan is not extended for a period longer than 24 (twenty-four) months. The Flexible Loans may be granted only to clients which effect any payment of the due amounts to Compass by SDD; the

right to increase or decrease the amount of the Instalments is also subject to the following conditions: (i) the relevant Debtor has paid in the due course at least 12 (twelve) Instalments pursuant to the relevant Amortisation Plan; and (ii) the relevant Debtor has not requested to exercise such right in the immediately preceding 12 (twelve) months.

GDPR means Regulation (EU) no. 679 of 27 April 2016.

Gross Portfolio (*Portafoglio Aggregato*) means, with respect to any date, the sum of the Receivables comprised in the Initial Portfolio and in the Subsequent Portfolios purchased by the Issuer until such date under the Master Receivables Purchase Agreement.

Guarantor means any person who has granted any Security Interest in favour of the Originator in respect of the Receivables, or its permitted successors or assigns.

Hedging Agreement means the 1992 ISDA Master Agreement entered into between the Issuer and the Hedging Counterparty on or about the Issue Date, together with the Schedule, the Credit Support Annex and the confirmation documenting the interest rate swap transaction supplemental thereto.

Hedging Counterparty means Crédit Agricole Corporate & Investment Bank (or any other entity acting as such from time to time under the Securitisation)**.**

Hedging Replacement Premium means, in case of termination of the Hedging Agreement, any upfront premium received by the Issuer from a replacement hedging counterparty in consideration for and upon entering into swap transactions with the Issuer on the same terms as the terminated Hedging Agreement – net of (i) any costs incurred by the Issuer to find and appoint such replacement hedging counterparty and (ii) any termination payment already paid by the Issuer to the Hedging Counterparty on any previous Payment Date.

Independent Director has the meaning ascribed to it in the Quotaholders' Agreement.

Initial Interest Period means the period from (and including) the Issue Date to (but excluding) the first Quarterly Payment Date.

Initial Portfolio (*Portafoglio Iniziale*) means the portfolio of the Receivables purchased by the Issuer from Compass pursuant to clause 2 of the Master Receivables Purchase Agreement.

Initial Portfolio Legal Effective Date means the date on which the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement and the Corporate Services Agreement have been entered into, being 14 October 2019 (*Data di Stipula*).

Initial Principal Amount means, in respect of the Notes of each Series, the principal amount of the Notes of such Series on the Issue Date.

Initial Valuation Date (*Data di Valutazione Iniziale*) means, in relation to the Initial Portfolio, 9 October 2019.

Inside Information and Significant Event Report means the report setting out the information under letter f) and letter g) of article 7, paragraph 1, of the Securitisation Regulation, to be prepared by the Calculation Agent in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

Insolvency Proceedings (*Procedure Concorsuali*) means the bankruptcy or any other applicable insolvency proceedings or similar procedures provided for under Italian law (and, in particular, by the Bankruptcy Law and the Banking Act), including, without limitation, "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*" and "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*".

Instalment (*Rata*) means each instalment due pursuant to the relevant Consumer Loan Agreement and in accordance with the relevant Amortisation Plan, including the Instalment Principal Component, the Instalment Interest Component and the Instalment Expenses Component.

Instalment Interest Component (*Componente Interessi*) means, with reference to each Receivable, the interest component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement from (and excluding) the relevant Valuation Date.

Instalment Expenses Component (*Componente Spese*) means, with reference to each Receivable, any fee or expense (other than those included in the Instalment Principal Component and in the Instalment Interest Component) included in each Instalment due pursuant to the relevant Consumer Loan Agreement from (and excluding) the relevant Valuation Date.

Instalment Principal Component (*Componente Capitale*) means, with reference to each Receivable, the principal component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement (including those amounts financed, if any, by Compass to the relevant Debtor for the payment of insurance premiums due by the relevant Debtor under the Insurance Policies) from (and excluding) the relevant Valuation Date.

Insurance Policies (*Polizze Assicurative*) means any and all insurance policies (if any) assisting each Consumer Loan Agreement entered into by the relevant Debtor.

Interest Amount means the amount of interest payable on each Note in respect of each Interest Period.

Interest Determination Date means the second Business Day before each Quarterly Payment Date in respect of the Interest Period commencing on that date (and, in respect of the Initial Interest Period, two Business Days prior to the Issue Date).

Interest Period means, pursuant to Condition 5.1 (*Quarterly Payment Date and Interest Period*), each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the first Quarterly Payment Date.

Intercreditor Agreement (*Accordo tra Creditori*) means the intercreditor agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Originator, the Representative of the Noteholders, the Account Bank, the Custodian, the Hedging Counterparty, the Paying Agent, the Servicer, the Cash Manager, the Calculation Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator and the Joint Lead Managers 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.

Investor Report means the quarterly report setting out certain information with respect to the Portfolio and the Notes made available by the Calculation Agent pursuant to the Cash Allocation, Management and Agency Agreement.

Investor Report Date means the date which falls 2 Business Days after each Quarterly Payment Date.

Irish Listing Agent means McCann FitzGerald Listing Services Limited.

Issue Date (*Data di Emissione*) means the date of issuance of the Notes, being 25 November, 2019.

Issue Price means the price equal to:

(a) in the case of the Series A1 Notes, 100.30% of the Series A1 Notes Initial Principal Amount;

(b) in the case of the Series A2 Notes, 100% of the Series A2 Notes Initial Principal Amount; and

(c) in the case of the Series B, 103.95% of the Series B Notes Initial Principal Amount.

Issuer (*Emittente*) means Quarzo.

Issuer Available Funds *(Fondi Disponibili dell'Emittente)* shall be comprised of the aggregate amount of:

(a) on each Monthly Payment Date which is not also a Quarterly Payment Date, the Monthly Available Funds; and

(b) on each Quarterly Payment Date, the Quarterly Available Funds,

provided that, for the avoidance of doubt, after the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Issuer Available Funds shall also comprise (to the extent not already included) the proceeds from the sale (if any) of all or part of the Portfolio.

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

Issuer Secured Creditors (*Creditori Garantiti dell'Emittente*) means the Junior Notes Initial Subscriber, the Series A2 Subscriber, the Noteholders, the Representative of the Noteholders, the Originator, the Account Banks, the Cash Manager, the Paying Agent, the Custodian, the Calculation Agent, the Hedging Counterparty, the Servicer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed) and the Corporate Services Provider and **other Issuer Secured Creditors** means all of the Issuer Secured Creditors other than the Noteholders.

Italian Civil Code means the Royal Decree no. 262 of 16 March 1942.

Joint Resolution means the resolution of 13 August, 2018 jointly issued by CONSOB and the Bank of Italy, as amended and supplemented from time to time.

Junior Notes (*Titoli Junior*) means all the Series B Notes issued in the context of the Securitisation.

Junior Notes Initial Subscriber means Compass.

Junior Noteholder (*Portatore dei Titoli Junior*) means the persons who are, for the time being, the holders of the Series B Notes.

Junior Notes Subscription Agreement (*Contratto di Sottoscrizione dei Titoli Junior*) means the subscription agreement for the subscription of the Junior Notes entered into on or about the Issue Date between the Issuer, Compass 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.

KPMG means KPMG Fides Servizi di Amministrazione S.p.A., a company incorporated under the laws of Italy, whose registered office is at Via Vittor Pisani, No. 27, 20124, Milan, Italy, registered with the Companies Register in Milan under No. 00731410155.

Late Instalment (*Rata in Ritardo*) means any instalment related to a Receivable which is not paid for a period at least equal to 1 month from the relevant due date.

Law 52 means the law No. 52 of 21 February 1991 (*Disciplina della cessione dei crediti di impresa*), as subsequently amended and supplemented.

LCR Amendment Regulation means Commission Delegated Regulation (EU) No. 1620 of 13 July 2018 amending the LCR Regulation.

LCR Regulation means Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions.

Loan by Loan Report means the report setting out information relating to each Loan (including, *inter alia*, the information related to the environmental performance of the vehicles, if available) which (a) shall be prepared by the Servicer on a quarterly basis no later than 1 month after each Quarterly Payment Date, and (b) shall be made available to potential investors and any holder of a position towards the Securitisation, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

Loan Disbursement Policies (*Procedure di Istruttoria*) means the loan disbursement policies adopted by Compass for the disbursement of the Consumer Loans, as set out in the Italian language under schedule 5 of the Master Receivables Purchase Agreement.

Legal Effective Date (*Data di Efficacia*) means (i) with respect to the transfer of the Initial Portfolio, the Initial Portfolio Legal Effective Date and (ii) with respect to the transfer of any Subsequent Portfolio, the date on which each transfer is legally effective pursuant to Clause 3.2 of the Master Receivables Purchase Agreement.

Liquidation Date means with reference to each Eligible Investment, the day falling 5 (five) Business Days prior to the Payment Date immediately following the Collection Period in respect of which the Eligible Investment has been made.

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

Liquidity Reserve Account means the Euro denominated account, IBAN IT29G1063101600000070202102, established in the name of the Issuer with the Account Bank or any other Eligible Institution for the purposes specified in the Cash Allocation, Management and Payments Agreement.

Master Receivables Purchase Agreement (*Contratto di Cessione*) means the receivables purchase agreement entered into on the Initial Portfolio Legal Effective Date, between the Issuer and the Originator pursuant to which, according to articles 1 and 4 of the Securitisation Law and the provisions of the Law 52 referred therein, (i) the Originator has transferred without recourse (*pro soluto*) to the Issuer the full legal title and ownership of the Receivables included in the Initial Portfolio and (ii) the Originator and the Issuer have agreed on the terms and conditions of the transfer without recourse (*pro soluto*) of the Receivables included in any Subsequent Portfolio.

Mediobanca means Mediobanca – Banca di Credito Finanziario S.p.A., a bank incorporated under the laws of Republic of Italy and having its registered office at Piazzetta E. Cuccia No. 1, 20121, Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan under No. 00714490158, enrolled in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 74753.5.0.

Monte Titoli means Monte Titoli S.p.A.

Monte Titoli Account Holders means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and, only with respect to the Senior Notes, includes any depository banks appointed by Euroclear and Clearstream.

Monte Titoli Mandate Agreement means a mandate agreement entered into between the Issuer and Monte Titoli, whereby Monte Titoli agrees to provide the Issuer with certain depository and administration services in relation to the Notes.

Monthly Available Funds (*Fondi Disponibili Mensili dell'Emittente*) means on each Calculation Date immediately preceding a Monthly Payment Date which is not also a Quarterly Payment Date (i) any Instalment Principal Component received or recovered (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding Collection Period pursuant to the Servicing Agreement and standing to the credit of the Collection Account, plus (ii) any Instalment Principal Component received or recovered (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables and not utilised in the preceding Monthly Payment Dates or Quarterly Payment Dates and standing to the credit of the Collection Account and/or the Eligible Investments Account.

Monthly Payment Date *(Data di Pagamento Mensile)* means the 15th day of each calendar month of each year or, if such day is not a Business Day, the immediately following Business Day. The first Monthly Payment Date will fall in December 2019.

Monthly Priority of Payments means the order in which the Monthly Available Funds in respect of each Monthly Payment Date which is not also a Quarterly Payment Date shall be applied in accordance with Condition 4 (*Priority of Payments*).

Monthly Report (*Rapporto Mensile*) means a report, substantially in accordance with the form set out in annex B to the Servicing Agreement, related to the immediately preceding Collection Period, setting out the performance of the Receivables, which shall be delivered by the Servicer at any Monthly Report Date.

Monthly Report Date (*Data di Rapporto Mensile*) means the 8th day of each calendar month of each year or, if such day is not a Business Day, the immediately following Business Day, pursuant to the Servicing Agreement. The first Monthly Report Date will fall in December 2019.

Moody's means Moody's Investors Service España, S.A.

Most Senior Series of Notes means the Series A Notes and, upon the redemption in full of the Series A Notes, the Series B Notes and **Most Senior Series of Noteholders** shall be construed accordingly.

Noteholders (*Portatori dei Titoli*) means the persons who are, for the time being, the holders of the Series A1 Notes, the Series A2 Notes and the Series B Notes and **Noteholder** means each of them.

Notes (*Titoli*) means, collectively, the Series A1 Notes, the Series A2 Notes and the Series B Notes.

Offer Date (*Data di Offerta*) means, during the Revolving Period, a date falling no later than the 10th day of each calendar month of each year, or, if such day is not a Business Day, the immediately following Business Day.

Originator (*Cedente*) means Compass.

Outstanding Amount means, on any date and with respect to each Consumer Loan Agreement, the aggregate of (a) all the Instalment Principal Components (b) all the Instalment Interest Components and (ii) all the Instalment Expenses Component due on such date pursuant to the relevant Consumer Loan Agreement.

Outstanding Principal means, on any date and with respect to each Consumer Loan Agreement, the Instalment Principal Components not yet due as at such date pursuant to the relevant Consumer Loan Agreement.

Paying Agent means Crédit Agricole Corporate & Investment Bank, Milan Branch and any successor or assignee thereto pursuant to the terms of the Cash Allocation, Agency and Management Agreement.

Payments Account (*Conto Pagamenti*) means the Euro denominated account IBAN No. IT96R0343201600002212120790, which will be held in Italy with Crédit Agricole Corporate & Investment Bank, Milan Branch in its capacity as Account Bank or any other Eligible Institution, pursuant to the Cash Allocation, Management and Agency Agreement and out of which payments will be made pursuant to the Quarterly Priority of Payments.

Payment Date (*Data di Pagamento*) means any Monthly Payment Date or any Quarterly Payment Date, as the case may be.

Payments Report means the quarterly report (or, after a Trigger Notice has been served upon the Issuer following the occurrence of the Trigger Event, the report to be prepared quarterly or upon reasonable request by the Representative of the Noteholders) setting out all the payments to be made on the following Quarterly Payment Date under the applicable Quarterly Priority of Payments which shall be delivered by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider, the others Agents and the Rating Agencies on each Payments Report Date, pursuant to the Cash Allocation, Management and Agency Agreement.

Payments Report Date means the date which falls 2 Business Days prior to each Quarterly Payment Date.

Person(s) means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint-stock partnership or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

Personal Loan (*Prestito Personale*) means a loan without a specific purpose (although the purpose of the loan may be specified in the relevant loan's request) granted by Compass.

Pool Audit Report means the report prepared by an appropriate and independent party pursuant to article 22, paragraph 2 of the Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify that:

(a) the data disclosed in the Prospectus in respect of the Receivables is accurate;
(b) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and
(c) the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Compass are compliant with the Eligibility Criteria that are able to be tested prior to the Issue Date.

Pool of the New Car Loans (*Pool dei Prestiti per l'Acquisto di Auto Nuove*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing new vehicles (*i.e.* cars and motorbikes registered with the *Pubblico Registro Automobilistico* within the 24 months preceding the draw down date of the loan).

Pool of the Personal Loans (*Pool dei Prestiti Personali*) means the pool of the Consumer Loan Agreements under which Compass has granted a Personal Loan**.**

Pool of the Other Purpose Loans (*Pool dei Prestiti Finalizzati*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing an asset different from a car and a motorbike.

Pool of the Used Car Loans (*Pool dei Prestiti per l'Acquisto di Auto Usate*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing used cars (*i.e.* cars and motorbikes registered with the *Pubblico Registro Automobilistico* prior to the 24th month preceding the draw down of the loan).

Portfolio (*Portafoglio*) means, collectively, the Initial Portfolio and any Subsequent Portfolio purchased by the Issuer from Compass after the Issue Date pursuant to the Master Receivables Purchase Agreement and **relevant Portfolio** means any one of them.

Previous Quarzo Securitisations means:

(i) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in April 2002 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) the Euro 480,640,000 Series 2002-1-A Asset-Backed Floating Rate Notes due 2015, (b) the Euro 17,380,000 Series 2002-1-B Asset-Backed Floating Rate Notes due 2015 and (c) the Euro 5,990,000 Series 2002-1-C Asset-Backed Floating Rate Notes due 2015 and Euro 7,310,000 Series 2002-1-D Asset-Backed Fixed Rate Notes due 2015; on 15 January, 2008 such notes have been repaid in full and all the Quarzo's payment obligations vis-à-vis the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2002 Securitisation**");

(ii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in August 2008 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) the Euro 1,000,000,000 Series A Asset Backed Floating Rate Notes due 2020 (ISIN Code IT0004397359) and (b) the Euro 250,000,000 Series B Asset Backed Variable Rate Notes due 2020 (ISIN Code IT0004397367); on 24 May 2013 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2008 Securitisation**");

(iii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2009 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) 690,000,000 Series A Asset Backed Floating Rate Notes due 2021 and (b) Euro 209,550,000 Series B Asset Backed Variable Rate Notes due 2021; on 24 May 2013 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2009 Securitisation**");

(iv) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in June 2013 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) 2,960,000,000 Series A Asset Backed Fixed Rate Notes due 2028 and (b) Euro 540,000,000 Series B Asset Backed Variable Rate Notes due 2028 (such securitisation, the "**Quarzo 2013 Securitisation**"); on 12 February 2016 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged;

(v) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in July 2015 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 1,694,000,000 Series A Asset Backed Fixed Rate Notes due 2032 and (b) Euro 506,000,000 Series B Asset Backed Variable Rate Notes due 2032 (such securitisation, the "**Quarzo 2015 Securitisation**"); on 22 May 2019 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged;

(vi) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2016 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 2,640,000,000 Series A Asset Backed Fixed Rate Notes due November 2032and (b) Euro 660,000,000 Series B Asset Backed Variable Rate Notes due November 2032 (such securitisation, the "**Quarzo 2016 Securitisation**"); and

(vii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2017 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033 and (b) 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033 (such securitisation, the "**Quarzo 2017 Securitisation**"); and

(viii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo on December 6th 2018 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 600,000,000 Series A1 Asset Backed Fixed Rate Notes due April 2035 (b) Euro 147,000,000 Series A2 Asset Backed Fixed Rate Notes due April 2035 and (c) Euro 153,000,000 Series B Asset Backed Variable Rate Notes due April 2035 (such securitisation, the "**Quarzo 2018 Securitisation**" and, together with the Quarzo 2002 Securitisation, the Quarzo 2008 Securitisation, the Quarzo 2009 Securitisation, the Quarzo 2013 Securitisation and the Quarzo 2015 Securitisation, the Quarzo 2016 Securitisation and the Quarzo 2017 Securitisation, the "**Previous Quarzo Securitisations**").

Principal Amount Outstanding means, on any date, in respect of a Note, the nominal principal amount of such Note upon issue, less the aggregate amount of all principal payments in respect of such Note that have been made prior to such date.

Priority of Payments (*Ordine di Priorità*) means the Monthly Priority of Payments or the Quarterly Priority of Payments, as the case may be.

Privacy Code means the legislative decree no. 196 dated 30 June 2003 as amended and supplemented from time to time.

Privacy Rules means the Privacy Code, the GDPR and any other legislative act or provision of an administrative or regulatory nature – adopted by the Italian Privacy Authority (*Autorità Garante per la Protezione dei Dati Personali*) and/or other competent authority in force from time to time.

Prospectus means this prospectus prepared in connection with article 2 of the Securitisation Law and the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended, updated and supplemented from time to time.

Purchase Price (*Corrispettivo di Acquisto*) means the Purchase Price of the Initial Portfolio or the Purchase Price of the Subsequent Portfolio, as the case may be, as determined in the Master Receivables Purchase Agreement.

Purchase Price of the Initial Portfolio (*Corrispettivo di Acquisto del Portafoglio Iniziale*) means the purchase price set out in clause 4.1 of the Master Receivables Purchase Agreement to be paid by the Issuer to the Originator as consideration of the Initial Portfolio.

Purchase Price of the Subsequent Portfolio (*Corrispettivo di Acquisto del Portafoglio Successivo*) means the purchase price to be calculated pursuant to clause 4.2 of the Master Receivables Purchase Agreement and to be paid by the Issuer to the Originator as consideration of each Subsequent Portfolio.

Purchase Termination Event (*Cause di Estinzione del Diritto di Cessione*) means any of the events referred to in Condition 10 (*Purchase Termination Events*).

Purchase Termination Notice (*Comunicazione di Estinzione del Diritto di Cessione*) means the notice served by the Representative of the Noteholders following the occurrence of a Purchase Termination Event, as defined in Condition 10 (*Purchase Termination Events*).

Quarterly Available Funds (*Fondi Disponibili Trimestrali dell'Emittente*) means on each Calculation Date immediately preceding a Quarterly Payment Date, the aggregate of:

(a) any Collection and any recovery received (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding three Collection Periods (avoiding double counting) (including, for the avoidance of doubt, penalties and any other sum paid by the Debtor pursuant to the relevant Consumer Loan Agreement during the immediately preceding three Collection Periods) and not utilized in the two immediately preceding Monthly Payment Date;

(b) any amount deriving from the disinvestment of the Eligible Investments including, without limitation, any interest and *premia* received during the immediately preceding three Collection Periods in respect thereof and credited to the Payments Account, avoiding double counting under item (a) above and not utilised in the two immediately preceding Monthly Payment Date;

(c) any amounts paid to the Issuer by the Hedging Counterparty under the Hedging Agreement, other than any collateral posted by the Hedging Counterparty on the Collateral Account;

(d) following the date on which the Hedging Agreement is terminated, any amounts standing to the credit of the Collateral Account, up to the amount (if any) that would be payable as termination amount by the Hedging Counterparty to the Issuer in accordance with the Hedging Agreement;

(e) any other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Liquidity Reserve Account) as at the end of the immediately preceding Collection Period – including, without limitation, any interest accrued thereon during the immediately preceding three Collection Periods – (to the extent not already calculated under item (a) and (b) above or item (f) below); and

(f) any other amount received by the Issuer under the Transaction Documents during the immediately preceding three Collection Periods, including, without limitation the purchase price of the outstanding Portfolio paid in relation to the exercise of the Clean-up Option to such Quarterly Payment Date;

provided that, for the avoidance of doubt, after the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Quarterly Available Funds shall also comprise (to the extent not already included) the proceeds from the sale (if any) of all or part of the Portfolio.

Quarterly Payment Date (*Data di Pagamento Trimestrale*) means the 15th day of January, April, July and October of each year (or if such day is not a Business Day, the immediately following Business Day). The first Quarterly Payment Date will fall on January 2020.

Quarterly Priority of Payments means the order in which the Quarterly Available Funds in respect of each Quarterly Payment Date shall be applied in accordance with Condition 4 (*Priority of Payments*).

Quarzo means Quarzo S.r.l., a limited liability company incorporated in the Republic of Italy under the Securitisation Law having its registered office at Galleria del Corso No. 2, 20122, Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan No. 03312560968, registered with the register of special purpose vehicles (*elenco delle società veicolo di cartolarizzazione – SPV*) held by

the Bank of Italy pursuant to article 3, paragraph 3, of the Securitisation Law, and the order of the Bank of Italy (provvedimento) dated 7 June 2017 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) under No. 32609.0.

Quotaholders' Agreement means the quotaholders' agreement entered into the context of the Quarzo 2013 Securitisation between the Issuer, the Representative of the Noteholders and the Quotaholders, as amended and supplemented within the context of the Securitisation.

Quotaholders means Compass and SPV Holding, and each assignee of the relevant participation in the issued and paid-up corporate capital of Quarzo.

Rates of Interest means the rates of interest payable from time to time in respect of the Notes pursuant to the Condition 5 (*Interest*) and **Rate of Interest** means each such rate.

Rating Agencies (*Agenzia di Rating*) means Moody's and DBRS and their permitted successors and assignees.

Receivables (*Crediti*) means any and all monetary receivables and other rights arising from the Consumer Loan Agreement (as specifically defined in the exhibit B of the Definitions Agreements) transferred and to be transferred to the Issuer pursuant to the Master Receivables Purchase Agreement and comprised in the Initial Portfolio and in each Subsequent Portfolio.

Regulatory Technical Standards means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

Reporting Entity means Compass in its capacity as reporting entity pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation.

Representative of the Noteholders (*Rappresentante dei Portatori dei Titoli*) means KPMG and any of its permitted successor or assignee, in its capacity as representative of the Noteholders, appointed pursuant to the terms of the Subscription Agreements and the Intercreditor Agreements.

Residual Amount (*Importo Capitale Iniziale*) means all the Instalment Principal Component of each Receivable starting from (and excluding) the relevant Valuation Date.

Retention Amount means Euro 40,000.

Revolving Available Amount (*Ammontare Disponibile per il Revolving*) means on each Quarterly Payment Date the lower of:

(a) any Instalment Principal Component received or recovered in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding Collection Period pursuant to the Servicing Agreement and credited to the Collection Account plus any Instalment Principal Component received or recovered in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables and not utilised to purchase Subsequent Portfolio in the immediately preceding Monthly Payment Date plus an amount equal to the principal component of the Defaulted Receivables (net of any related recovery) of the three immediately preceding Collection Periods plus an amount equal to the principal component of the Defaulted Receivables (net of any

related recovery) of the preceding Collection Periods (other than the three immediately preceding Collection Periods) not covered by purchasing Subsequent Portfolio in the preceding Quarterly Payment Dates, plus – without double counting – any funds credited on the Accounts which have been not used on the previous Quarterly Payment Dates to purchase Subsequent Portfolios; and

(b) the residual amount of the Issuer Available Funds after having paid item from (i) to (vi) of such Revolving Period Quarterly Priority of Payment,

as calculated pursuant to the relevant provisions of the Master Receivables Purchase Agreement and the Cash Allocation, Management and Agency Agreement.

Revolving Period (*Periodo Rotativo*) means the period commencing on (and including) the Monthly Payment Date falling in December 2019 and ending on the Revolving Period End Date.

Revolving Period End Date means the Monthly Payment Date falling in May 2020 (included) or, if earlier, the date (excluded) on which a Purchase Termination Notice has been served or on which a Trigger Notice is served by the Representative of the Noteholders following the occurrence of, respectively, a Purchase Termination Event or a Trigger Event.

Rules of the Organisation of the Noteholders (*Regolamento dei Portatori dei Titoli*) means the rules of the organisation of the Noteholders, attached to the Conditions and forming an integral part thereof.

SDD means Sepa Direct Debt.

Securitisation means the securitisation transaction implemented by the Issuer within the scope of which the Notes are issued.

Securitisation Law (*Legge sulla Cartolarizzazione*) means the law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as subsequently amended and supplemented.

Securitisation Regulation means Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

Security Interest (*Garanzia Accessoria*) 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 in relation to the Portfolio.

Senior Notes (*Titoli Senior*) means, collectively, the Series A1 Notes and the Series A2 Notes.

Senior Noteholders (*Portatori dei Titoli Senior*) means the persons who are, for the time being, the holders of the Series A Notes.

Senior Notes Subscription Agreement (*Contratto di Sottoscrizione dei Titoli Senior*) means the subscription agreement for the subscription of the Series A Notes entered into on or about the Issue Date between the Issuer, the Series A2 Subscriber, Compass, the Joint Lead Managers 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 (and together with the Junior Notes Subscription Agreement, the "**Subscription Agreements**").

Series means each series of Notes issued in the context of the Securitisation.

Series A Notes means, collectively, the Series A1 Notes and the Series A2 Notes.

Series A Notes Target Principal Amount means in respect of each Payment Date the lesser of:

(a) the Principal Amount Outstanding of the Series A1 Notes plus the Principal Amount Outstanding of the Series A2 Notes as at the Calculation Date immediately preceding that Payment Date; and

(b) any excess of the principal amount outstanding of all Receivables (other than Defaulted Receivables) as of the immediately preceding Collection Date over the aggregate Principal Amount Outstanding of the Series B Notes as of such Calculation Date.

Series A Notes means, collectively, the Series A1 Notes and the Series A2 Notes

Series A1 Notes means Euro 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036.

Series A1 Notes Initial Principal Amount means Euro 600,000,000.

Series A2 Notes means Euro 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036.

Series A2 Notes Initial Principal Amount means Euro 183,000,000.

Series B Notes means Euro 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036.

Series B Notes Initial Principal Amount means Euro 117,000,000.

Servicer means Compass and its permitted successors and assignees.

Servicer Termination Event means any event described in Clause 9 (*Revoca del Servicer*) of the Servicing Agreement entered into on 14 October 2019.

Servicing Agreement (*Contratto di Servicing*) means the servicing agreement entered into on the Initial Portfolio Legal Effective Date between the Servicer, the Issuer and the Back-Up Servicer Facilitator, as amended and supplemented from time to time.

Solvency II Amendment Regulation means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

Specified Office means the office in which a party carry out its own activity.

SPV Holding means SPV Holding S.r.l., a a limited liability company incorporated in the Republic of Italy having its registered office at Galleria del Corso 2, 20122 Milan, Italy, VAT and registration with the Companies Register in Milan No. 05505310960.

Subsequent Portfolio (*Portafoglio Successivo*) means each of the portfolios of Receivables which may be purchased by the Issuer after the purchase of the Initial Portfolio pursuant to clause 3 of the Master Receivables Purchase Agreement.

Supplier (*Fornitore*) means any supplier of goods or services in relation to which a Consumer Loan (other than a Personal Loan) has been granted.

Target Liquidity Reserve Amount means € 3,915,000 and, following the earlier of (i) the Quarterly Payment Date on which the Series A1 Notes and the Series A2 Notes are redeemed in full (including) and (ii) the date on which the Trigger Notice has been delivered by the Representative of the Noteholders (excluding) and therefore the replenishment of the Liquidity Reserve will not be effected anymore, zero.

Tax or **tax** (*Tassa*) means any present or future taxes, levies, imposts, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable authority of a Taxing Jurisdiction (including any related interest, surcharge or penalties).

Tax Deduction means any withholding or deduction for or on account of Tax.

Taxing Jurisdiction has the meaning given to such term in Condition 8 (*Taxation*).

Transfer Proposal (*Proposta di Cessione*) means the proposal sent by the Originator to the Issuer pursuant to clause 6.2 of the Master Receivables Purchase Agreement.

Transaction Documents (*Documenti dell'Operazione*) means the Prospectus, the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement, the Intercreditor Agreement, the Hedging Agreement, the Cash Allocation, Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreements, the English Deed of Charge and the Quotaholders' Agreement as well as any other contract, deed or document entered into or to be entered into the context of the Securitisation by the Issuer, as amended from time to time.

Trigger Event *(Causa di Decadenza del Beneficio del Termine)* means any of the events referred to in Condition 11 (*Trigger Events*).

Trigger Notice *(Comunicazione di Decadenza del Beneficio del Termine)* means a notice served by the Representative of the Noteholders following the occurrence of a Trigger Event, as defined in Condition 11 (*Trigger Events*).

Unicredit means Unicredit Bank A.G., a bank incorporated as a public company limited by shares (*aktiengesellschaft*) organised under the laws of the Federal Republic of Germany, registered with commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the "Gruppo Bancario UniCredit" and having its head office at Arabellastr. 12, 81925 Munich, Federal Republic of Germany.

Usury Law *(Legge sull'Usura)* means the Italian Law No. 108 of 7 March 1996, and Law Decree No. 394 of 29 December 2000, as converted into Law No. 24 of 28 February 2001, including provisions of article 1, paragraph 2 and 3, as amended and supplemented from time to time.

Valuation Date (*Data di Valutazione*) means, in relation to the Initial Portfolio, the Initial Valuation Date and, in relation to each Subsequent Portfolio the relevant cut-off date as from time to time determined by the Originator.

VAT (*IVA*) means value added tax as provided for in the Presidential Decree no. 633 of 26 October 1972 of the Republic of Italy and any other tax of a similar nature.

The Recitals hereof and the Exhibit hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants.

1. Form, Denomination and Title

1.1 The Notes are issued in dematerialised form (*emesse in forma dematerializzata*) on the terms of and subject to these Conditions and will be held in such form on behalf of the Noteholders, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders in accordance with (i) article 83-bis and ff. of the Financial Law and (ii) the Joint

Resolution. Monte Titoli, only with respect to the Senior Notes, shall act as depository for Clearstream and Euroclear.

1.2 Title to the Notes will at all times be evidenced by book-entries in accordance with (i) article 83-*bis* and ff. of the Financial Law and (ii) the Joint Resolution. No certificate or physical document of title will be issued in respect of the Notes. Shall the Notes be issued in paper form they would circulate as registered notes (*titoli nominativi*).

1.3 The Notes are issued in denominations of € 100,000 or integral multiples of Euro 1,000 in excess thereof.

2. Status, Priority and Segregation

2.1 The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, 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 Receivables and the other Issuer's Rights. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" and they accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian Civil Code.

2.2 The Notes are secured over the following assets of the Issuer by operation of the Securitisation Law, the Issuer's right, title and interest in and to the Receivables is segregated from all other assets of the Issuer and the amounts deriving therefrom will only be available, both prior to and following the commencement of winding-up proceedings in relation to the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the other Issuer Secured Creditors and any third party creditors in relation to the securitisation of the Receivables.

2.3 None of the Noteholders or any other Issuer Secured Creditor will have any right or entitlement to the Issuer's assets other than such of the proceeds of the Issuer Security and the Receivables and the other assets pertaining to the Securitisation as are available to the Issuer for this purpose in accordance with these Conditions and the Transaction Documents.

2.4 Repayment of principal on the Notes will occur during the Amortisation Period in accordance with the then applicable Quarterly Priority of Payments.

2.5 In respect of repayment of principal and payment of interest and other amounts, the Notes will rank among themselves in accordance with the applicable Quarterly Priority of Payments.

2.6 As long as the Notes of a Series ranking in priority to the other Series of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such Series due and payable, the Notes of the Series ranking below shall not be capable of being declared due and payable (for the purpose of this Condition, the Series A Notes shall be deemed to rank in priority to the other Series) and the Senior Noteholders shall be entitled to determine the remedies to be exercised.

3. Covenants

3.1 Subject to Conditon 3.2, for so long as any amount remains outstanding in respect of the Notes of any Series, the Issuer – save with prior written consent of the Representative of the Noteholders (to be notified by the Issuer to the Rating Agencies) or as provided in or envisaged by any of the Transaction Documents – shall not (to the extent permitted by Italian law), nor shall cause or permit Quotaholders' meeting to be convened in order to:

3.1.1 ***Negative pledge and non - disposal***

(i) create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets (save for any Security Interest created in connection with any Further Securitisation and to the extent that such Security Interest is created over assets which form part of the segregated assets of such Further Securitisation) or (ii) sell, lend, use, invest, transfer, exchange, factor, assign, lease or otherwise dispose of all or any part of the Portfolio and of its properties, claims, credits, assets or undertakings, present or future, save as otherwise provided in these Conditions and the other Transaction Documents; or

3.1.2 ***Restrictions on activities***

(a) engage in any activity (save for any activity carried out in connection with any Further Securitisation) whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

(b) have any *società controllata* (as defined in article 2359 of the Italian Civil Code) or any affiliate (*società collegata*) or any employees or premises; or

(c) at any time approve or agree or consent to any act or thing whatsoever which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Series thereof under the Notes or Transaction Documents or do, or permit to be done, any act or thing in relation thereto which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Series thereof under the Transaction Documents; or

3.1.3 ***Dividends or Distributions***

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholders, or issue any further shares or otherwise increase its share capital other than when so required by applicable law; or

3.1.4 ***Borrowings***

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person, save as provided in the Transaction Documents; or

3.1.5 ***Merger***

amalgamate, consolidate or merge with any other Person or convey or transfer all or substantially all of its properties or assets to any other Person; or

3.1.6 ***No variation or waiver***

(a) permit any of the Transaction Documents to (i) be amended, terminated or discharged if such amendment, termination or discharge may negatively affect the interest of the Noteholders or (ii) become invalid or ineffective, or

(b) exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party which may negatively affect the interest of the Noteholders, or

(c) permit any party to any of the Transaction Documents to be released from such obligations, if such release may negatively affect the interest of the Noteholders; or

3.1.7 ***Bank Accounts***

have an interest in any bank account other than the Accounts or any bank account opened in relation to any Further Securitisation (as defined below); or

3.1.8 ***Separateness***

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;

(b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;

(c) its assets or revenues being co-mingled with those of any other person or entity; or

(d) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(e) separate financial statements in relation to its financial affairs under this Securitisation are and will be maintained from those relating to any Further Securitisation (as defined below);

(f) all corporate formalities with respect to its affairs are observed;

(g) separate stationery, invoices and cheques are used;

(h) it always holds itself out as a separate entity; and

(i) any known misunderstandings regarding its separate identity are corrected as soon as possible; or

3.1.9 ***Assets***

own assets other than those representing its share capital, the segregated assets of any Further Securitisation, the Receivables, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time; or

3.1.10 ***Statutory Documents***

agree (in so far as is currently permitted) to amend, supplement or otherwise modify its corporate object, its *statuto* or *atto costitutivo* in any manner which is prejudicial to the interest of the Noteholders or the other Issuer Secured Creditors, except where such amendment, supplement or modification is required by compulsory provisions of applicable law or by the competent regulatory authorities; or

3.1.11 ***Centre of Main Interest***

move its "centre of main interests" (as such term is used under article 3(1) of the Council Regulation (EC) 848/2015 on insolvency proceedings of 20 May 2015) outside of the territory

of the Republic of Italy, or have any "establishment" (as such term is used under article 2(10) of the Council Regulation (EC) 848/2015 on insolvency proceedings of 20 May 2015) or branch office in any jurisdiction, nor any subsidiaries or employees; or

3.1.12 ***Compliance with applicable law***

cease to comply with any applicable law or any necessary corporate formality; or

3.1.13 ***Form of the Notes***

re-Issue the Notes in paper form or deposit the Notes with a Clearing System other than Monte Titoli;

3.1.14 ***Assets in England and Wales***

have any assets in England and Wales other than the assets charged under English deeds of charge to be entered into within the context of any Further Securitisation; or

3.1.15 ***De-registration***

ask for its de-registration from the register of special purpose vehicles (*elenco delle società veicolo di cartolarizzazione – SPV*) held by the Bank of Italy pursuant to (a) article 3, paragraph 3, of the Securitisation Law, and (b) order of the Bank of Italy (*provvedimento*) dated 17 June, 2017 (*Disposizioni in* materia *di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*).

3.1.16 ***Derivative***

enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the Securitisation Regulation.

In addition, for so long as any amount remains outstanding in respect of the Notes of any Series, the Issuer shall:

3.1.17 ***Cash Manager***

procure that there will be at all times a cash manager in respect of monies from time to time standing to the credit of the Accounts;

3.1.18 ***Independent Director***

procure that at least one of the then appointed directors is and remain for the entire mandate an Independent Director; or

3.1.17 ***Registered Office***

maintain its registered office in the Republic of Italy and will not move its registered office to another jurisdiction (including, without limitation, for tax purposes).

3.2 Nothing in Condition 3.1 shall prevent or restrict the Issuer from:

(a) carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it;

(b) entering into Further Securitisations (as defined below) comprising, specifically, issuing further debt securities ("**Further Notes**"), acquiring further receivables or portfolios of receivables of any kind pursuant to the Securitisation Law (including by granting loans pursuant to article 7 thereof) ("**Further Portfolios**" the securitisation of which being a "**Further Securitisations**") and entering into agreements and transactions relating thereto, including the opening or operating of bank accounts in connection therewith ("**Further Transactions**") financed or to be financed by the issue of Further Notes and in respect of which security may be granted over such Further Portfolios and/or any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto or to such Further Transactions to secure such Further Notes and/or the rights of any person in connection with such Further Transactions ("**Further Security**"), provided that:

(i) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security (if any) is constituted separately from the Security Interests;

(ii) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such 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 of the Issuer comprised within the relevant Further Portfolio and/or secured by the relevant Further Security (if any) and/or relating to the Further Transaction and that the terms and conditions of such Further Notes contain limitations on the right of the holders of such Further Notes to take action against the Issuer, including in respect of Insolvency Proceedings relating to the Issuer, comparable (although not necessarily identical) to those contained in the Intercreditor Agreement and these Conditions;

(iii) the Issuer confirms in writing to the Representative of the Noteholders that each person which is a party to any transaction document in connection with such Further Transaction has agreed that the obligations of the Issuer to such party are limited recourse obligations, limited to some or all of the assets of the Issuer comprised within the relevant Further Portfolio and/or secured by the relevant Further Security (if any) and/or relating to the Further Transaction and has agreed to limitations on its right to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer comparable (although not necessarily identical) to those contained in the Intercreditor Agreement;

(iv) the Rating Agencies have been informed of such Further Securitisation and have been provided with the copies of the relevant transaction documents;

(c) performing its obligations and enforcing its rights under, and otherwise carrying on its business in accordance with, the transaction documents entered into by the Issuer in relation to any prior securitisation transactions (if any), or any Further Securitisations.

3.3 In the event that the Representative of the Noteholders gives its written consent (to be notified by the Issuer to the Rating Agencies) to (i) the consolidation or merger of the Issuer with any other person, or (ii) the transfer of all or substantially all of the Issuer's properties or assets to any other person that is not provided in or envisaged by any of the Transaction Documents, the Issuer shall prepare a supplement to the Prospectus in relation thereto and shall give notice in this respect to the Noteholders pursuant to the following Condition 15 (*Notices*).

4. Priority of Payments

The Monthly Available Funds in respect of each Monthly Payment Date which is not also a Quarterly Payment Date and the Quarterly Available Funds in respect of each Quarterly Payment Date, shall be applied in accordance with the Priority of Payments set forth below, for the application, before and after the delivery of a Purchase Termination Notice and/or a Trigger Notice (as the case may be), of the Monthly Available Funds and the Quarterly Available Funds (each, a "**Priority of Payments**").

4.1 Revolving Period

4.1.1. Monthly Priority of Payments during the Revolving Period

During the Revolving Period, the Monthly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Monthly Payment Date which is not also a Quarterly Payment Date – shall be applied on each Monthly Payment Date to pay to the Originator the Purchase Price of each Subsequent Portfolio purchased by the Issuer on the relevant Monthly Payment Date.

4.1.2. Quarterly Priority of Payments during the Revolving Period

During the Revolving Period, the Quarterly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

(i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) with respect to the First Quarterly Payment Date, to fund the Expense Account, and thereafter to pay any Expenses (to the extent that amounts standing to the credit of the Expense Account have been insufficient to pay such costs during the immediately preceding three Collection Periods) and (b) to refill the Expense Account up to the Retention Amount;

(ii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (x) below, but including in any event any Hedging Replacement Premium to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and the Series A2 Notes;

(vi) *Sixth*, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount;

(vii) *Seventh*, to pay to the Originator (i) the Purchase Price of the Subsequent Portfolio purchased on such Quarterly Payment Date and (ii) any amounts due and payable by the Issuer to the Originator pursuant to clause 5.4 of the Master Receivables Purchase Agreement, up to the Revolving Available Amount;

(viii) *Eight*, to credit the Collection Account with the difference if positive between the Revolving Available Amount and the amount paid under item (vii) above;

(ix) *Ninth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreements;

(x) *Tenth*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the sole "*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(xi) *Eleventh*, to pay the interests in respect of the Series B Notes;

(xii) *Twelfth*, to pay to the Series B Notes the Additional Return.

4.2 Quarterly Priority of Payments during the Amortisation Period

4.2.1 During the Amortisation Period but prior to the service of a Trigger Notice, the Quarterly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

(i) *First*, to pay, *pari passu* and pro rata according to the respective amounts thereof, (a) any Expenses (to the extent that amounts standing to the credit of the Expense Account have been insufficient to pay such costs during the immediately preceding three Collection Periods) and (b) to refill the Expense Account up to the Retention Amount;

(ii) *Second*, to pay, *pari passu* and pro rata according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (x) below, but including in any event any Hedging Replacement Premium, or a portion of it, to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and the Series A2 Notes;

(vi) *Sixth*, prior to the service by the Representative of the Noteholders of the Trigger Notice, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount;

(vii) *Seventh*, to repay, *pari passu* and *pro* rata, the Principal Amount Outstanding on the Series A1 Notes and the Series A2 Notes in an amount equal to the excess, if any, of their Principal Amount Outstanding over the Series A Notes Target Principal Amount;

(viii) *Eighth*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the sole "*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(ix) *Nineth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement;

(x) *Tenth*, to pay the interests in respect of the Series B Notes;

(xi) *Eleventh*, following redemption in full of the Series A1 Notes and the Series A2 Notes, to repay the Principal Amount Outstanding on the Series B Notes, until the aggregate Principal Amount Outstanding of the Series B Notes is equal to € 30,000;

(xii) *Twelfth*, to pay to the Series B Notes the Additional Return; and

(xiii) *Thirteenth*, on the Final Maturity Date, to repay the principal on the Series B Notes and to pay the additional remuneration (if any) to the same.

4.2.2 During the Amortisation Period but following the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Quarterly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Quarterly Payment Date – shall be applied on each Quarterly Payment Date in the following order of priority (in each case only and to the extent that payments or provisions of higher order of priority have been made in full):

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

(ii) *Second*, to pay, *pari passu* and pro rata according to the respective amounts thereof, any amounts due and payable to the Servicer, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Account Banks, the Custodian, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;

(iii) *Third*, to pay all amounts due and payable to the Hedging Counterparty under the Hedging Agreement, except for any amounts due and payable under item (vi) below, but including in any event any Hedging Replacement Premium, or a portion of it, to be paid by the Issuer to the Hedging Counterparty;

(iv) *Fourth*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.4 (a) of the Master Receivables Purchase Agreement;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A1 Notes and the Series A2 Notes;

(vi) *Sixth*, to repay, *pari passu* and *pro* rata, the Principal Amount Outstanding on the Series A1 Notes and the Series A2 Notes;

(vii) *Seventh*, to pay all amounts due and payable to the Hedging Counterparty upon early termination of the Hedging Agreement in the event that the Hedging Counterparty is the "*Defaulting Party*", or the sole "*Affected Party*" under an "*Additional Termination Event"* (as such terms are defined in the Hedging Agreement);

(viii) *Eighth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement

(ix) *Nineth*, to pay the interests in respect of the Series B Notes;

(x) *Tenth*, following redemption in full of the Series A1 Notes and the Series A2 Notes, to repay the Principal Amount Outstanding on the Series B Notes;

(xi) *Eleventh*, to pay to the Series B Notes the Additional Return.

5. Interest

5.1 Quarterly Payment Date and Interest Period

The Series A1 Notes, the Series A2 Notes and the Series B Notes bear interest, on their Principal Amount Outstanding from (and including) the Issue Date, payable in Euro quarterly in arrears on the 15th day of January, April, July and October in each year (or if such day is not a Business Day, the immediately following Business Day) (each, a "**Quarterly Payment Date**). The first Quarterly Payment Date will be on the 15th of January 2020 (the "**First Quarterly Payment Date**"). The period from and including the Issue Date to but excluding the First Quarterly Payment Date is referred to herein as the "**Initial Interest Period**" and each successive period from and including a Quarterly Payment Date to but excluding the next succeeding Quarterly Payment Date is referred to an "**Interest Period**".

Interest shall cease to accrue on any part of the Principal Amount Outstanding of a Note from (and including) the Final Maturity Date unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well after as before judgement) at the rate from time to time applicable to each Series of Notes until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and

(ii) the Cancellation Date.

5.2 Rate of Interest of the Notes

The Notes will bear interest on their Principal Amount Outstanding payable from time to time in relation to each Interest Period at a rate equal to:

(a) in respect of the Series A1 Notes, the higher of (i) the aggregate of three month Euribor and 70 basis points *per annum* and (ii) zero (the "**Series A1 Notes Rate of Interest**");

(b) in respect of the Series A2 Notes, the higher of (i) the aggregate of three month Euribor and 70 basis points *per annum* and (ii) zero (the "**Series A2 Notes Rate of Interest**");

(c) in respect of the Series B Notes, 200 basis points *per annum* (the **Series B Notes Rate of Interest**, and each of the Series A1 Notes Rate of Interest, the Series A2 Notes Rate of Interest and Series B Notes Rate of Interest, the "**Notes Interest Rate**").

In addition to the Series B Notes Rate of Interest, any residual amount available in accordance with the applicable Quarterly Priority of Payments will be paid as premium on the Series B Notes.

To this purpose, in relation to the Series A1 Notes and the Series A2 Notes only, three-month Euribor means:

(a) Euribor for three-month Euro deposits (except in respect of the Initial Interest Period, where an interpolated interest rate based on interest rates for 1 month and 3 months deposits in Euro will be substituted for Euribor) which appears on Reuters page Euribor01 or (i) such other page as may replace Reuters page Euribor01 on that service for the purpose of displaying such information or (ii) 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 Reuters page Euribor01 (the "**Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or

(b) if the Screen Rate is unavailable at such time for three-month Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 5.3 (*Fallback provisions*).

5.3 Fallback provisions

5.3.1 *Independent Adviser*

Notwithstanding the provisions above in respect of the Series A Notes, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3.2 (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.3.3 (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 5.3.4 (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 5.3.1 shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the party responsible for determining the Rate of Interest applicable to the Series A Notes (being the Paying Agent) or the Noteholders for any determination made by it pursuant to this Condition 5.3.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.3.1 prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.3.1 prior to the relevant Interest Determination Date in the case of the Rate of Interest on the Series A Notes, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Series A Notes as being applicable in respect of the immediately preceding Interest Period. If there has not been a first Payment Date, the Rate of Interest for the Series A Notes shall be the initial Rate of Interest. For the avoidance of doubt, this Condition 5.3.1 shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.3.1.

5.3.2 *Successor Rate or Alternative Rate*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.3.1 (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines that:

(i) subject to adjustment as provided in Condition 5.3.3 (*Adjustment Spread*) and subject to the procedure specified in Condition 5.3.5 (*Previous notice and negative consent rights*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the

Series A Notes (subject to the operation of this Condition 5.3.2); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3.3 (*Adjustment Spread*) and subject to the procedure specified in Condition 5.3.5 (*Previous notice and negative consent rights*))) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Series A Notes (subject to the operation of this Condition 5.3.2).

5.3.3 *Adjustment Spread*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.3.1 (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be), subject to the procedure specified in Condition 5.3.5 (*Previous notice and negative consent rights*)).

5.3.4 *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3 and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.3 (a) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the other Transaction Documents, including but not limited to Screen Rate, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to the procedure specified in Condition 5.3.5 (*Previous notice and negative consent rights*), vary these Conditions and the other Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Representative of the Noteholders, subject to Condition 5.3.5 (*Previous notice and negative consent rights*), will be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an amendment agreement to the Transaction Documents) and the Representative of the Noteholders shall not be liable to any party for any consequences thereof, provided that if, in the opinion of the Noteholders doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Noteholders in these Conditions or the Transaction Documents (including for the avoidance of doubt, any amendment to the Transaction Documents), the Representative of the Noteholders shall give effect to such Benchmark Amendments (including, *inter alia*, by the execution of any amendment agreement to the Transaction Documents), subject to being indemnified and/or secured to its satisfaction by the Issuer.

In connection with any such variation in accordance with this Condition 5.3.4, the Issuer shall

comply with the rules of any stock exchange on which the Series A Notes are for the time being listed or admitted to trading.

5.3.5. *Previous notice and negative consent rights*

A 30 (thirty) days' prior written notice in relation to any proposed Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3 shall be provided by the Issuer to the Representative of the Noteholders, the Calculation Agent and the Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders.

If the Series A Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Series A Notes have notified the Issuer and the Paying Agent - in accordance with the notice and the then current practice of any applicable clearing system through which such Series A Notes may be held, by the time specified in such notice - that they do not consent to the proposed modifications related to the Successor Rate, Alternative Rate, Adjustment Spread and/or any Benchmark Amendment, then such modification will not be made, unless an Extraordinary Resolution of the Series A Noteholders is passed in favour of such modification in accordance with the Rules of the Organisation of the Noteholders.

If no objection is made by the Series A Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Series A Notes to the proposed Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, or, otherwise, from the date on which an Extraordinary Resolution of the Series A Noteholders is passed in favour of such modifications (after the objection made by the Series A Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Series A Notes), the proposed Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments shall be binding on all the Series A Noteholders and shall be notified by the Issuer (or the Paying Agent on its behalf) to the Representative of the Noteholders, the Calculation Agent, the Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders.

5.3.6 *Automatic adjustment of the Hedging Agreement*

Any change to the reference rate applicable to the Series A Notes shall result in an automatic adjustment to the relevant rate applicable under the Hedging Agreement and shall take effect at the same time.

5.3.7 *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 5.3.1 (*Independent Adviser*) to 5.3.4. (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in this Condition 5.3 will continue to apply unless and until a Benchmark Event has occurred.

5.3.8 Definitions

For the purposes of this Condition 5.3:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or

the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

(iii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 5.3.2 (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same currency as the Series A Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5.3.4 (*Benchmark Amendments*).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing be published for a period of at least 5 (five)Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Series A Notes, in each case within the following 6 (six) months; or

(v) it has become unlawful for, the Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5.3.1. (*Independent Adviser*);

"Original Reference Rate" means the originally-specified benchmark or Screen Rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Series A Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b)

any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5.4 Deferral of interest

To the extent that on any Payment Date funds available to the Issuer to pay interest on any Series of Notes (other than the Most Senior Series of Notes) are insufficient, then the amount of the shortfall (the "**Deferred Interest**") will not be paid on that Payment Date.

The Issuer will create a provision in its Accounts for such Deferred Interest, which will be paid on the earlier of: (a) any succeeding Payment Date when there are sufficient Available Funds in accordance with the relevant Quarterly Priority of Payments; or (b) the date on which the Issuer redeems in full the relevant Notes. No further interest will accrue on any Deferred Interest or, more generally, interest amounts under the Notes.

5.5 Calculation of Interest Amounts

The Paying Agent shall, on each Calculation Date, determine and notify to the Issuer, the Servicer, the Account Bank, the Corporate Services Provider and the Representative of the Noteholders the Euro amount of interest (the "**Interest Amount**") payable on the Notes of each Series of Notes in respect of the Interest Period beginning after such Calculation Date.

The Interest Amount payable in respect of any Interest Period in respect of the Notes shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes on the Quarterly Payment Date (or, in the case of the Initial Interest Period, on the Issue Date), or the commencement of such Interest Period (after deducting there from any payment of principal due on that Quarterly Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.6 Publication of the Interest Amount in respect of the Notes

The Paying Agent will cause the Interest Amount applicable to the Notes of each Series for each Interest Period and the Quarterly Payment Date in respect of such Interest Amount to be notified promptly after calculation no later than the first day of the following Interest Period to, *inter alios*, Monte Titoli, the Issuer, the Servicer, the Representative of the Noteholders, the Agents and the Corporate Services Provider and will cause the same to be published in accordance with Condition 14 (*Notices*) or as soon as possible after the relevant Calculation Date.

The Issuer shall arrange for notice to be given forthwith by the Paying Agent to the Representative of the Noteholders, the Account Bank and the Calculation Agent and will cause notification to be given to relevant Noteholders in accordance with Condition 14 (*Notices*), no later than the second Business Day prior to each Quarterly Payment Date on which, pursuant to this Condition 5 (*Interest*), the Interest Amount on the Notes of such Series will not be paid in full.

In the event that on any Quarterly Payment Date, there are any Interest Amounts which are unpaid on their due date and remain unpaid as a result of the insufficiency of the Quarterly Interest Available Funds in respect of the Notes of any Series (the "**Interest Amount Arrears**"), such Interest Amount

Arrears will be deferred (and not regarded as due) and shall be aggregated with the amount of interest due on the relevant Series of Notes on the next succeeding Quarterly Payment Date, and treated for the purpose of this Condition as if it was due, subject to this Condition, on each relevant Senior Note on the next succeeding Quarterly Payment Date, provided that the occurrence of such deferral shall be nonetheless considered as a Trigger Event pursuant to Condition 11 (A) (*Non-payment*). Any Interest Amount Arrears shall be due and payable in accordance with the applicable Quarterly Priority of Payments.

5.7 Calculation by the Representative of the Noteholders

If the Paying Agent does not at any time for any reason determine the Notes Interest Rate and/or the Interest Amount in accordance with Condition 5.5 above, the Representative of the Noteholders shall (but without incurring, in the absence of willful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result):

(i) determine the Notes Interest Rate for each Series of Notes at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedures described in Condition 5.2 it shall deem fair and reasonable in all the circumstances; and

(ii) calculate and notify the relevant Interest Amount in the manner specified Condition 5.5 and Condition 5.6 and any such determination, calculation and notification shall be deemed to have been made by the Paying Agent.

5.8 Notification to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

5.9 Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be the 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 14 (*Notices*).

5.10 Additional Return

Subject to the provisions of these Conditions and the applicable Quarterly Priority of Payments, each holder of the Series B Note shall be entitled to a further amount to be paid as Additional Return. The Additional Return is calculated by the Calculation Agent on or about the Payments Report Date.

6. Redemption, Purchase and Cancellation

6.1 Final Redemption

Unless previously redeemed in full as provided in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem the Notes of each Series at their Principal Amount Outstanding,

plus any accrued but unpaid interest, on the Quarterly Payment Date falling in October 2036 (the "**Final Maturity Date**").

Without prejudice to Condition 10 (*Purchase Termination Events*) and Condition 11 (*Trigger Events*), the Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 6.2 (*Optional Redemption*), Condition 6.3 (*Redemption for Taxation*) or Condition 6.4 (*Mandatory Redemption*).

If the Notes of any Series cannot be redeemed in full on their Final Maturity Date as a result of the Issuer having insufficient Quarterly Available Funds for application in or towards such redemption, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of such Notes until the earlier of: (i) the date on which such Notes are redeemed in full; and (ii) the Payment Date falling in October 2038, at which date (the "**Cancellation Date**") any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes of any Series shall be finally and definitively cancelled.

If the whole amount of the Notes of any Series is not redeemed on the Final Maturity Date, a notice will be published to the relevant Noteholders in accordance with Condition 14 (*Notices*), and Monte Titoli will be informed in due time of the extension of the Final Maturity Date.

6.2 Optional Redemption

6.2.1 Starting from the Quarterly Payment Date on which the residual outstanding Instalment Principal Components of all the Receivables included in the Portfolio purchased by the Issuer is equal to or lower than 10% of the Residual Amount of the Initial Portfolio, provided that (i) any Purchase Termination Events referred to under Condition 10.1 (*Purchase Termination Events*) (C) (*Insolvency of the Originator*), (D) (*Restructuring Agreements*) and (E) (*Winding-up of the Originator*) has not occurred and (ii) the Amortisation Period has begun, the Originator under the provisions of the Master Receivables Purchase Agreement may exercise an option (the "**Clean-up Option**") to repurchase (pursuant to article 58 of the Banking Act) from the Issuer all the then outstanding Receivables, subject to it giving to the Issuer a 10 Business Days prior written notice before the relevant Quarterly Payment Date (the "**Relevant Quarterly Payment Date**") and *provided that*:

(a) the consideration therefore (the "**Clean-up Option Purchase Price**"), as set out in the relevant provision of the Master Receivables Purchase Agreement, is equal to or greater than: (x) the amount required by the Issuer to discharge, on the Relevant Quarterly Payment Date, the Principal Amount Outstanding of the Notes together with all accrued but unpaid interest thereon as well as any amounts required under the Conditions to be paid in priority to or pari passu with the Notes pursuant to the then applicable Quarterly Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Relevant Quarterly Payment Date;

(b) the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Clean-up Option, in compliance with article 58 of the Banking Act;

(c) the Originator has delivered to the Issuer (i) a solvency certificate signed by its legal representative and dated as at a date not earlier than the date of exercise of the option thereof and (ii) a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) as at a date not earlier than 5 days before the date of the exercise of the option thereof.

The Clean-up Option Purchase Price shall be equal to the sum of: (a) the Outstanding Amount of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the Quarterly Payment Date immediately following the date of exercise of the Clean-up Option; and (b) the market value of the Defaulted Receivables and Delinquent Receivables, as determined by a third party arbitrator appointed jointly by the Issuer and Compass and, in the absence of agreement between the parties, by the Chairman of the Italian Banking Association.

The Issuer shall apply all the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming all the Notes together with all interests accrued thereon subject to and in accordance with Condition 4 (*Priority of Payments*).

The provisions specified in clause 16 of the Master Purchase Receivables Agreement shall apply.

6.2.2 In case of redempition of the Notes by the Issuer pursuant to the provisions provided for under this Condition 6.2 (*Optional Redemption*) the Issuer shall inform in advance the Rating Agencies.

6.3 Redemption for taxation

If at any time the Issuer confirms to the Representative of the Noteholders that, following the occurrence of legislative or regulatory changes, or official interpretations or administration or application thereof by competent authorities:

(a) the Issuer would incur increased costs or charges of a fiscal nature which would materially affect payments due under the Notes; or

(b) on the next Quarterly Payment Date: (x) the Issuer or the Paying Agent would be required to make a Tax Deduction (other than a Decree 239 Deduction) in respect of any payment of principal, premium or interest on the Notes of any Series; or (y) amounts payable to the Issuer in respect of the Receivables would be subject to a Tax Deduction, or

(c) the segregated assests (*patrimonio separato*) of the Issuer in respect of the Securitisation becomes subject to Tax prior to the Final Maturity Date;

the Issuer may redeem at its option (i) all but not some only of the Series A Notes and (ii) to the extent the Series A Notes have been redeemed in full, all but not some of the Series B Notes, at their Principal Amount Outstanding together with accrued but unpaid interest in accordance with the then applicable Quarterly Priority of Payments and subject to the Issuer:

(i) having sufficient funds to redeem respectively all the Series A Notes and, to the extent the Series A Notes have been redeemed in full, all the Series B Notes and to make all payments ranking in priority thereto or *pari passu* therewith; and

(ii) providing to the Representative of the Noteholders with:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a primary law firm (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or interpretation or administration or application thereof; and

(B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such Tax Deduction, the suffering by the Issuer of such Tax Deduction or of costs or charges of a fiscal nature

or the Tax imposed on the segregated assets of the Issuer prior to the Final Maturity Date, will apply and cannot be avoided by the Issuer taking reasonable endeavours.

The Issuer right to redeem the Series A Notes and, to the extent the Series A Notes have been redeemed in full, the Series B Notes in accordance with the then applicable Quarterly Priority of Payments shall be subject to it giving not more than 60 nor less than 30 days' written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 14 (*Notices*).

In order to finance the redemption of the Series A Notes and the Series B Notes in the circumstances described above, the Issuer (and the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolio. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming the Series A Notes and the Series B Notes, to the extent that the Series A Notes have been redeemed in full, together with all interests accrued thereon subject to and in accordance with Condition 4 (*Priority of Payments*). In such event, the Originator will have a right of first refusal in relation to the Portfolio to be sold. The Issuer shall enable the Originator to exercise its right of first refusal on the same terms and conditions offered by any third party by notifying in writing the Originator of its intention to sell, specifying the price, the terms and the conditions of the sale and that part of the Portfolio on offer. The Originator shall have 60 days from the receipt of such notice to notify in writing the Issuer whether or not it intends to acquire the Portfolio or (as the case may be) that part of the Portfolio on sale, subject to any authorisation required by relevant law and regulations.

If the Portfolio is sold to the Originator, provisions specified under clauses 16 and 17 of the Master Purchase Receivables Agreement shall apply; if the Portfolio is sold to third parties, provisions specified in clause 4.3 of the Servicing Agreement shall apply.

In case of redempition of the Notes by the Issuer pursuant to the provisions provided for under this Condition 6.3 (*Redemption for taxation*) the Issuer shall inform in advance the Rating Agencies.

6.4 Mandatory Redemption

6.5 The Notes of each Series will be subject to mandatory redemption in full or in part, in accordance with the applicable Quarterly Priority of Payments, starting from the earlier of (i) the Quarterly Payment Date falling in July 2020, (ii) the first Quarterly Payment Date immediately following the date on which a Purchase Termination Notice has been served, (iii) to the extent that Condition 6.2 (*Optional Redemption*) is applicable, the Quarterly Payment Date immediately following the servicing by the Originator to the Issuer of the written notice under Condition 6.2 (*Optional Redemption*) above, in each case, if and to the extent that there are sufficient Quarterly Available Funds on the relevant Quarterly Payment Date which may be applied for redemption of the Senior Notes in accordance with the applicable Quarterly Priority of Payments, and (iv) to the extent that Condition 6.3 (*Redemption for taxation*) is applicable, the Quarterly Payment Date immediately following the date on which the prior written notice under Condition 6.3 (*Redemption for taxation*) above has been served by the Issuer to the Representative of the Noteholders, in each case, if and to the extent that there are sufficient Quarterly Available Funds on such Quarterly Payment Date which may be applied for redemption of the Notes of such Series in accordance with the applicable Quarterly Priority of Payments.

6.6 Determination of Quarterly Available Funds and Principal Amount Outstanding

On the Calculation Date immediately preceding a Quarterly Payment Date, the Issuer shall (or shall cause the Calculation Agent on its behalf to) calculate (on the basis of, *inter alia*, the complete information set out in the Monthly Report provided by the Servicer) and notify to the Calculation

Agent, the Representative of the Noteholders, the Servicer, the Paying Agent, the Corporate Services Provider and the Account Bank of the following information:

(i) the amount of the Quarterly Available Funds (if any) available for redemption of the Notes of each relevant Series;

(ii) the repayment of the principal (if any) on the Notes due on the next following Quarterly Payment Date; and

(iii) the Principal Amount Outstanding of each of the Notes on the next following Quarterly Payment Date (after deducting any repayment of principal on the Notes due to be made on that Quarterly Payment Date).

Upon receipt of the information referred to in (ii) and (iii) above, the Paying Agent shall forthwith notify Monte Titoli.

If no repayment of principal is due to be made on the Notes of any Series on a Quarterly Payment Date, a notice to this effect will be given by the Issuer to the relevant Noteholders in accordance with Condition 15 (*Notices*).

Each notification by or on behalf of the Issuer of Quarterly Available Funds, any repayment of principal and the Principal Amount Outstanding of a Note shall in each case, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), be final and binding on all persons.

If the Quarterly Available Funds, and the Principal Amount Outstanding are not determined by or on behalf of the Issuer in accordance with the preceding provisions of this paragraph, such Quarterly Available Funds and Principal Amount Outstanding (as the case may be) may be determined by the Representative of the Noteholders (but without incurring, in the absence of fraud, gross negligence or wilful default on the part of the Representative of the Noteholders, any liability to any person as a result) in accordance with this Condition and each such determination or calculation shall be deemed to have been made by the Issuer.

6.7 Notice of Redemption

Any such notice as is referred to in Conditions 6.2 (*Optional Redemption*), 6.3 (*Redemption for Taxation*) or 6.4 (*Mandatory Redemption*) above shall be made pursuant to Condition 15 (*Notices*) and be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*).

6.8 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.9 Cancellation

All Notes redeemed in full and surrendered to the Issuer will be cancelled upon redemption and surrender, and may not be resold or re-issued.

7. Payments

7.1 Payment of interest and repayment of principal in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent, acting as intermediary between the Issuer and the Senior Noteholders, on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Senior Notes and thereafter credited by such

banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli.

7.2 Payment of interest and repayment of principal in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.3 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders (to be notified by the Issuer to the Rating Agencies), at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other paying agents. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agent or its specified office to be given in accordance with Condition 15 (*Notices*).

8. Taxation

8.1 All payments in respect of the Notes will be made free and clear and without a Tax Deduction (other than a Decree 239 Deduction, where applicable) unless the Issuer, the Representative of the Noteholders or the Paying Agent (as the case may be) is required by law to make any such Tax Deduction. In such a case the Issuer, the Representative of the Noteholders or the Paying Agent (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

8.2 None of the Issuer, the Representative of the Noteholders, the Paying Agent or any other person shall be obliged to pay (unless otherwise agreed) any additional amount to any Noteholder on account of a Decree 239 Deduction or any other Tax Deduction required to be made by applicable law.

8.3 If the Issuer at any time becomes subject to taxation in a jurisdiction other than the Republic of Italy (such jurisdiction a "**Taxing Jurisdiction**"), references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other Taxing Jurisdiction.

8.4 For the avoidance of doubt, notwithstanding that the Representative of the Noteholders, the Issuer or the Paying Agent are required to make a Tax Deduction on a payment in respect of the Notes this shall not constitute a Trigger Event.

9. Prescription

Receivables against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the relevant date in respect thereof.

10. Purchase Termination Events

10.1 If, during the Revolving Period, any of the following events occurs:

(A) Material Breach of Obligations by the Originator:

Compass is in material breach of its obligations or has not observed its obligations under the Master Receivables Purchase Agreement or any other Transaction Document to which Compass is a party and such breach or non-observance has been continuing for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer and to Compass declaring that, in its justified opinion, such breach or non-observance is materially prejudicial to the interests of the Senior Noteholders; or

(B) Breach of Representations and Warranties by the Originator:

any of the representations and warranties given by Compass under the Master Receivables Purchase Agreement or under the Servicing Agreement is breached or is untrue, incomplete or inaccurate and such situation remains unremedied for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer, copying Compass, declaring that, in its justified opinion, such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders; or

(C) Insolvency of the Originator:

(i) an administrator, administrative receiver or liquidator is appointed over the Originator or in respect of the whole or any part of its assets or the Originator becomes subject to (or an application has been made for the commencement of) proceedings for the declaration of its insolvency or any other applicable bankruptcy, liquidation, composition or reorganisation proceedings (or a resolution is passed in such regard) or the submission of all or a substantial part of the assets of the Originator to foreclosure (*esecuzione forzata*); or

(ii) proceedings are commenced against the Originator under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; or

(D) Restructuring Agreements:

Compass carries out any action for the purpose of rescheduling its own debts or postponing the maturity dates thereof, enters into any extrajudicial arrangement with its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Compass's financial conditions; or

(E) Winding-up of the Originator:

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator; or

(F) Bank of Italy order:

Bank of Italy issued an extraordinary order towards Compass, in accordance with Title VIII, chapter 2, section II, paragraph 1 of the Bank of Italy Instructions; or

(G) Transaction Documents:

the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or administrative authority on the basis of arguments which, in the justified opinion of the Representative of the Noteholders, are grounded, where any such challenge is or may be, in the justified opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders; or

(H) Termination of the appointment of the Servicer:

the Issuer terminates the appointment of Compass, in its capacity as Servicer, in accordance with the provisions of the Servicing Agreement; or

(I) Trigger Notice:

a Trigger Notice is delivered to the Issuer;

(J) Breach of the Portfolio Default Ratio:

for three consecutive Collection Periods the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Defaulted Receivables during each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 0.35%; or

(K) Breach of the Cumulative Default Ratio:

the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Gross Portfolio become Defaulted Receivables is higher than 1.5% of the sum between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Initial Portfolio as at the Initial Valuation Date and (b) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Subsequent Portfolios as at the relevant Valuation Date; or

(L) Collateral Portfolio Performance:

on a Quarterly Payment Date the sum of (i) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, and (ii) the balance of the Accounts as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, less the payments to be made on such Quarterly Payment Date under item from (i) to (v) of the Quarterly Priority of Payments, is lower than the Instalment Principal Component of the Outstanding Amount of the Initial Portfolio as at the Initial Valuation Date;

(M) Portfolio Delinquency Ratio:

the average of three consecutive Collection Periods of the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables (that are not Defaulted Receivables) with at least three instalments due but unpaid as at the end of each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 2.5%;

(N) Non disposal of the Monthly Available Funds/Revolving Available Amount:

following the purchase by the Issuer of each Subsequent Portfolio, the Monthly Available Funds or the Revolving Available Amount (as the case may be) which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio;

(O) Subsequent Portfolios:

the Originator fails, during the Revolving Period, to offer for sale Subsequent Portfolios to the Issuer for 3 (three) consecutive Offer Dates,

(each, a "**Purchase Termination Event**"), then the Representative of the Noteholders, if so requested by the Most Senior Series of Noteholders in accordance with the Rules, shall forthwith serve to the Issuer, the Paying Agent, the Calculation Agent, the Servicer, the Originator and the Rating Agencies a notice (the "**Purchase Termination Notice**") pursuant to which: (i) the Issuer shall not purchase

any further Subsequent Portfolio, (ii) the Amortisation Period will begin and (iii) the Issuer Available Funds will be applied in accordance with the applicable Quarterly Priority of Payments.

11. Trigger Events

11.1 If any of the following events occurs:

(A) ***Non-payment:***

(a) on each Quarterly Payment Date, the Issuer defaults in any payment of interest due on the Senior Notes then outstanding; or

(b) on the Final Maturity Date, the Issuer defaults in the payment of the Principal Amount Outstanding of the Senior Notes,

being understood and agreed that in the case the non-payment of interest is attributable to temporary technical problems a maximum grace period of 7 (seven) calendar days shall apply; or

(B) ***Breach of other Obligations by the Issuer:***

the Issuer defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is a party or any obligations under the Notes (other than the payment obligation under Condition 11 (*Trigger Events*) (A) (*Non-payment*) above and such default continues and remains unremedied for 15 (fifteen) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in its reasonable opinion, materially prejudicial to the interests of the Senior Noteholders. If according to the reasonable opinion of the Representative of the Noteholders, the above mentioned breach is incapable of being remedied, following notice by the Representative of the Noteholders, the breach will be considered as verified starting from the date on which it has occurred; or

(C) ***Breach of Representations and Warranties by the Issuer:***

the Issuer breaches in any material respect any representation or warranty made by it pursuant to the Notes or any other Transaction Document to which it is a party or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with a Transaction Document to which it is a party and, in any case (except when the Representative of the Noteholders certifies that, in its opinion, the circumstances giving rise to such breach are incapable of remedy when no notice will be required) the circumstances giving rise to such breach shall have continued to be unremedied for 15 (fifteen) days following the service by the Representative of the Noteholders on the Issuer of the notice requiring the same to be remedied; or

(D) ***Insolvency of the Issuer:***

(i) an administrator, administrative receiver or liquidator is appointed over the Issuer or in respect of the whole or any part of the undertaking, assets and/or revenues of the Issuer or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation (including, without limitation, "*fallimento*", "*concordato preventivo*" and "*amministrazione controllata*", in accordance with the

meaning ascribed to those expressions by Italian law) or similar proceedings (or application for the commencement of any such proceedings) or any substantial part of the assets of the Issuer is subject to foreclosure or other similar procedure having a similar effect; or

(ii) proceedings are commenced against the Issuer under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; or

(E) ***Winding-up of the Issuer:***

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (except a winding up for the purposes of or pursuant to a merger or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or by an Extraordinary Resolution of the Meeting of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs; or

(F) ***Unlawfulness:***

it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) 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, or any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained or purported to be contained therein is not effective or is alleged by the Issuer to be ineffective for any reason, or any of the Issuer's rights under the Notes or any of the Transaction Documents are or will (by reason of a change in law or the interpretation or administration thereof since the Issue Date) be prejudiced;

(each, a "**Trigger Event**"), then the Representative of the Noteholders:

(i) shall upon the occurrence of a Trigger Event referred to under (A) (*Non-payment*), (D) (*Insolvency of the Issuer*) and (E) (*Winding-up of the Issuer*) above; or

(ii) shall, if so requested by an Extraordinary Resolution of the Meeting of the Most Senior Series of Noteholders, upon the occurrence of a Trigger Event referred to under (B) (*Breach of other Obligations by the Issuer*), (C) (*Breach of Representations and Warranties by the Issuer*) and (F) (*Unlawfulness*) above,

subject, in each case, to it being indemnified to its satisfaction, deliver a Trigger Notice to the Issuer, the Servicer and the Rating Agencies declaring the Notes to be immediately due and payable in an amount equal to the Principal Amount Outstanding together with accrued interest without further action or formality.

11.2 After the service of a Trigger Notice (i) the Issuer shall (to the extent the Revolving Period has not otherwise terminated) not purchase any further Subsequent Portfolio and the Issuer Available Funds shall be applied in accordance with the applicable Quarterly Priority of Payments, (ii) the Amortisation Period will begin and (iii) the Representative of the Noteholders shall, subject to it being indemnified to its satisfaction, proceed to sell, in whole or in part, the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders. In such event, the Originator will have a right of first refusal on the Portfolio to be sold on the same terms and conditions offered by any third party. The Representative of the Noteholders shall enable the Originator to exercise its right of first refusal by notifying in writing the Originator of its intention to sell, specifying the price, the terms and the conditions of the sale and that part of the Portfolio on offer; it being understood that. The

Originator shall have 60 days from the receipt of such notice to notify in writing the Representative of the Noteholders whether or not it intends to acquire the Portfolio or (as the case may be) that part of the Portfolio on sale, subject to any authorisation required by relevant law and regulations.

12. Enforcement

12.1 At any time after the Notes have become due and repayable following the service of a Trigger Notice and without prejudice to the Representative of the Noteholders' right to enforce the English Deed of Charge and the relevant Security Interest:

(i) the Representative of the Noteholders may, at its discretion and without further notice (by informing thereof the Rating Agencies), take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Portfolio and to enforce the English Deed of Charge and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it shall have been directed by an Extraordinary Resolution of the then Most Senior Series of Noteholders and, in all cases, it shall have been indemnified and/or secured to its satisfaction; and

(ii) the Representative of the Noteholders shall become entitled, pursuant to the mandate given to the Representative of the Noteholders under the Intercreditor Agreement to dispose of the Portfolio in accordance with the provisions of these Conditions.

12.2 Each Noteholder, by acquiring title to a Note, and each other Issuer Secured Creditor, by executing the Transaction Documents to which it is expressed to be a party, is deemed to agree and acknowledge that:

(i) the Representative of the Noteholders has entered into the English Deed of Charge for itself and as agent in the name of and on behalf of each Noteholder from time to time and each of the other Issuer Secured Creditors thereunder;

(ii) by virtue of the transfer to it of the relevant Note, each Noteholder, and by virtue of the execution of each Transaction Document to which it is respectively a party, each Issuer Secured Creditor, shall be deemed to have granted to the Representative of the Noteholders, as its agent, the right to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder and/or other Issuer Secured Creditor (as the case may be), all of that Noteholder's and/or other Issuer Secured Creditor's (as the case may be) rights under the Securitisation Law in respect of the Portfolio and all amounts and/or other assets of the Issuer arising from the Portfolio and the Transaction Documents; and (b) to enforce its rights as an Issuer Secured Creditor for and on its behalf under the English Deed of Charge and in relation to the Security Interests;

(iii) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Series and of each other Issuer Secured Creditor, shall be the only person entitled under these Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the English Deed of Charge or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Series and/or of the other Issuer Secured Creditors with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;

(iv) the Representative of the Noteholders shall have exclusive rights under the English Deed of Charge to make demands, give notices, exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in respect of the Security Interests;

(iii) no Noteholder or other Issuer Secured Creditor shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under these Conditions and/or the Transaction Documents or petition for or procure the commencement of Insolvency Proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Banking Act or otherwise,

unless (in each case under (ii), (iii) and (iv) above) a Trigger Notice shall have been served and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of these Conditions, provided however that nothing in this Condition 12 (*Enforcement*) shall prevent the Issuer Secured Creditors from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer and provided further that this Condition 12 (*Enforcement*) shall not prejudice the right of any Issuer Secured Creditor to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of Insolvency Proceedings by a third party;

(i) no Noteholder or any other Issuer Secured Creditor shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian Civil Code; and

(ii) the provisions of this Condition 12 (*Enforcement*) shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

12.3 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 10 (*Purchase Termination Events*), 11 (*Trigger Events*) or 12 (*Enforcement*) by the Representative of the Noteholders shall (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) 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.

12.4 In the event that the Representative of the Noteholders takes action to enforce rights of the Noteholders of any Series in respect of the Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under the Conditions and the Intercreditor Agreement, if the remaining proceeds of such enforcement (the Representative of the Noteholders having taken action to enforce the

Noteholders' rights in respect of the entire Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts howsoever due in respect of the Notes of any Series and all other claims ranking *pari passu* therewith, then the Noteholders' claims against the Issuer in respect of such Notes will be limited to the extent of their respective *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Noteholders of the relevant Series will be deemed discharged in full and any amount in respect of principal, interest or other amounts due under such Series of Notes will be finally and definitively cancelled.

13. Appointment and removal of the Representative of the Noteholders

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

13.2 Pursuant to the Rules of the Organisation of the Noteholders (attached hereto), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation of the Noteholders. The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed on the Issue Date pursuant to the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

13.3 The terms of the appointment of the Representative of the Noteholders (which are set out in Subscription Agreement and the Rules of the Organisation of the Noteholders) contain provisions governing the responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking proceedings unless indemnified to its satisfaction and providing for the Representative of the Noteholders to be indemnified in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment.

13.4 The Representative of the Noteholders shall duly and promptly carry out the instructions received by the majority of the Senior Noteholders, whether in a meeting or otherwise, notwithstanding any conflict of interest between the majority of the Senior Noteholders and any other Issuer Secured Creditors, and shall not take any decision or carry out any activity or execute any deed or agreement in relation to its appointment under this Conditions, the Intercreditor Agreement and the Subscription Agreement, without the prior written consent of the majority of the Senior Noteholders, being understood that the Representative of the Noteholders may carry out any activity or execute any deed or agreement which it deems strictly necessary to comply with all applicable laws and regulations and to duly perform specific obligations expressly provided under the Transaction Documents.

13.5 The Rules of the Organisation of the Noteholders shall constitute an integral and essential part of these Conditions. Prospective Noteholders may inspect a copy of Rules of the Organisation of the Noteholders at the registered office of the Issuer and at the registered office of each of the Representative of the Noteholders and the Paying Agent.

14. Notices

As long as the Notes are held through Monte Titoli, any notice regarding the Notes will be deemed to have been duly given if given through the systems of Monte Titoli.

As long as the Senior Notes are listed on the Euronext Dublin and the listing rules so require, any notice will also be published on the website of the Euronext Dublin or in such other or additional manner as required by such rules.

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders (or to the Noteholders of any Series) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

15. Limited recourse and non petition

Notwithstanding any other provision of these Conditions and the other Transaction Documents, the obligation of the Issuer to make any payment, at any given time, under the Series A1 Notes, the Series A2 Notes and the Series B Notes shall be equal to the lesser of (i) the nominal amount of such payment which would be due and payable at such time in accordance with the applicable Priority of Payments and (ii) the actual amount received or recovered, at such time, by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Receivables and the other Transaction Documents and which the Issuer or the Representative of the Noteholders is entitled, at such time, to apply, in accordance with the applicable Priority of Payments and the terms of the Intercreditor Agreement, in satisfaction of such payment.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents or to enforce the English Deed of Charge and the Security Interests unless the Representative of the Noteholders, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

The Representative of the Noteholders cannot, while any of the Notes are outstanding, be required to enforce the Security Interests at the request of any other Issuer Secured Creditor under the English Deed of Charge. Enforcement of the Security Interests shall be a remedy available to the Representative of the Noteholders and the Noteholders for the repayment of the Notes and any interest on the Notes.

In addition to the above, each party to the Transaction Documents has agreed and undertaken with the Issuer not to take any action or commence any proceedings against the Issuer to recover any amounts due and payable by the Issuer under the Transaction Documents except as permitted by the provisions in the Transaction Documents.

Each party to the Transaction Documents has further agreed and undertaken with the Issuer that until the later of:

(i) one year and one day after the Final Maturity Date of the Notes or, in case of prepayment in full of the Notes, two years and one day after the date on which the Notes have been repaid in full and cancelled in accordance with the relevant terms and conditions, or

(ii) one year and one day after the date on which any notes issued by the Issuer pursuant to the Securitisation Law (other than the Notes), have been redeemed in full and cancelled in accordance with the relevant terms and conditions,

it will not file a petition or commence (nor join any person in commencing or continuing) proceedings for the declaration of insolvency (nor proceedings for the bankruptcy or other Insolvency Proceedings) against the Issuer nor to take any action or commence any proceedings or petition a court for the liquidation of the Issuer, nor enter into any arrangement, reorganisation or insolvency proceedings in relation to the Issuer whether under the laws of the Republic of Italy.

16. Governing Law

The Notes are governed by Italian law.

The Courts of Milan, Italy, are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.

All the Transaction Documents are governed by Italian Law other than the Hedging Agreement and the English Deed of Charge which are governed by English Law.

17. Miscellaneous

The holding of a Note by any person constitutes the full acceptance by such person of all the provisions set out in and referred to in these Conditions including, without limitation, the mandate given to the Representative of the Noteholders under the Intercreditor Agreement.

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

Article 1 - General

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Notes.

The contents of these Rules are considered included in each Note issued by the Issuer.

Article 2 - Definitions

In addition to the definitions set out in the Conditions, in these Rules, the following expressions have the following meanings:

Agent means the Paying Agent.

Basic Terms Modification means:

(a) a modification of the date of maturity of the relevant Series of Notes;

(b) a modification which would have the effect of postponing any date for payment of interest on the relevant Series of Notes;

(c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of the relevant Series of Notes or the rate of interest applicable in respect of the relevant Series of Notes;

(d) a modification which would have the effect of altering the majority of votes required to pass a specific resolution of the relevant Series of Notes or the quorum required at any meeting of the relevant Series of Notes;

(e) a modification which would have the effect of altering the currency of payment of the relevant Series of Notes or any alteration of the date of redemption or priority or payment of interest or principal on the relevant Series of Notes;

(f) a modification which would have the effect of altering the authorisation or consent by the Noteholders to applications of funds as provided for in the Transaction Documents;

(g) the appointment and removal of the Representative of the Noteholders; and

(h) an amendment of this definition.

Block Voting Instruction means, in relation to any Meeting, a document:

(a) certifying that certain specified Notes (the "**Blocked Notes**") have been blocked in an account with a Monte Titoli Account Holder and will not be released until the earlier of: (x) conclusion of the Meeting (or any adjournment of such Meeting); or (y) the surrender of the Block Voting Instruction to the Monte Titoli Account Holder;

(b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the relevant Agent that the votes attributable to such Blocked Note are to be cast in a particular way on

each resolution to be put to the Meeting and that, during the two Business Days before the time fixed for the Meeting, such instructions may not be amended or revoked;

(c) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) authorising a named individual or individuals to vote in respect of the Blocked Notes in accordance with such instructions.

Board of Directors means the board of directors of the Issuer.

Business means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting.

Business Day means a day (other than Saturday and Sunday), on which banks are generally open for business in Milan, London and Dublin and on which TARGET2 (being the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007) or any successor thereto is open.

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 of these Rules.

Conditions means the terms and conditions at any time applicable to the Notes and any reference to a numbered "**Condition**" is to the corresponding numbered provision thereof.

Disenfranchised Matter means any of the following matters:

(i) the revocation of Compass in its capacity as Servicer;

(ii) the delivery of a Purchase Termination Notice in accordance with Condition 10.1 or the delivery of a Trigger Notice in accordance with Condition 11.1;

(iii) the direction to sell the Portfolio or to take any other action following the delivery of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.3 (*Redemption for taxation*);

(iv) the enforcement of any of the Issuer's rights under the Transaction Documents against Compass in any of its capacities under the Securitisation; and

(v) any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, there may exist a conflict of interest between the holders of a Series A Notes (in such capacity) and Compass in any of its capacities under the Securitisation.

Disenfranchised Noteholder means, with respect to a Series of Notes, Mediobanca, Compass or any of their affiliates, unless it is (or more than one of them together in aggregate are) the holders of 100% of the Notes of such Series.

Extraordinary Resolution means a resolution of a Meeting of the Relevant Series Noteholders, duly convened and held in accordance with the provisions of these Rules, that has been passed at the Relevant Fraction.

Issuer means Quarzo S.r.l.

Junior Notes means the Series B Notes.

Meeting means the meeting of the Noteholders or of one or more Series of Noteholders (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.

Most Senior Series of Notes means the Series A Notes and upon the redemption in full of the Series A Notes, the Series B Notes and **Most Senior Series of Noteholders** shall be construed accordingly.

Notes and **Noteholders** shall mean:

(a) in connection with a Meeting of Series A Noteholders, the Series A Notes and the Series A Noteholders respectively;

(b) in connection with a Meeting of Series B Noteholders, the Series B Notes and the Series B Noteholders respectively;

and otherwise, in the case of a joint Meeting of more than one Series, any or all of the Series A Notes, the Series B Notes and any or all of the Series A Noteholders and the Series B Noteholders.

Paying Agent means Ca-Cib Milan Branch and each of its permitted successors and assignees or any successor pursuant to the terms of the Cash Allocation, Agency and Management Agreement.

Proxy means, in relation to any Meeting, written instructions issued by the account holder which authorise a physical person to vote according to instructions with respect to the Blocked Notes. The signature of the person issuing such written instructions shall be authenticated by the Monte Titoli Account Holders, by the depository which releases the related Voting Certificate, or by a public official.

Purchase Termination Notice means the notice served by the Representative of the Noteholders upon the Issuer following the occurrence of a Purchase Termination Event, as defined in Condition 10 (*Purchase Termination Events*).

Relevant Series Noteholders means the Series A Noteholders and/or the Series B Noteholders, as the context may require.

Relevant Fraction means:

(a) for all business other than voting on an Extraordinary Resolution, 50% of the Principal Amount Outstanding of the outstanding Notes in that Series;

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification and other than the one referred to under par. (d) below, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that Series (in case of a meeting of a particular Series of the Notes), or two-thirds of the Principal Amount Outstanding of the outstanding Notes of those Series (in case of a meeting of a joint meeting of more than one Series of Notes);

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each relevant Series of Noteholders) three-quarters of the Principal Amount Outstanding of the outstanding Notes in each relevant Series;

(d) for voting on any Extraordinary Resolution relating to the sale of the Receivables further to the service of a Trigger Notice upon the Issuer following the occurrence of a Trigger Event, three-quarters of the Principal Amount Outstanding of the outstanding Notes in each relevant Series,

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification or other than the one referred to under par. (d) above, two thirds fraction of the Principal Amount Outstanding of the outstanding Notes in that Series represented or held by the Voters actually present at the Meeting (in case of a meeting of a particular Series of the Notes), or two thirds fraction of the Principal Amount Outstanding of the outstanding Notes of those Series represented or held by the Voters actually present at the Meeting (in case of a joint meeting of more than one Series of Notes);

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each relevant Series of Noteholders) or the one referred to under par. (d) above , one-third of the Principal Amount Outstanding of the outstanding Notes in each relevant Series;

(c) for voting on any Extraordinary Resolution relating to the sale of the Receivables further to the service of a Trigger Notice upon the Issuer following the occurrence of a Trigger Event, one-third of the Principal Amount Outstanding of the outstanding Notes in each relevant Series,

provided further that, in respect of any Disenfranchised Matter, the Notes held by a Disenfranchised Noteholder shall be treated as if they were not outstanding, shall be disregarded and shall not be counted in or towards any Relevant Fraction set out above.

Rules means these Rules of the Organisation of the Noteholders.

Senior Notes means, collectively, the Series A1 Notes and the Series A2 Notes.

Senior Noteholders means the Series A Noteholders.

Series A Noteholders means, collectively, the holders of the Series A1 Notes and the Series A2 Notes.

Series A Notes means, collectively, the Serie A1 Notes and the Series A2 Notes.

Series A1 Noteholders means the holders of the Series A1 Notes.

Series A2 Noteholders means the hodlers of the Series A2 Notes.

Series A1 Notes means the Euro 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036.

Series A2 Notes means the Euro 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036.

Series B Noteholders means the holders of the Series B Notes.

Series B Notes means the Euro 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036.

Specified Offices means the office of the Agent located in Milan and London.

Trigger Notice means the notice served by the Representative of the Noteholders upon the Issuer following the occurrence of a Trigger Event, as defined in Condition 11 (*Trigger Events*).

Voter means, in relation to any Meeting, the holder of a Blocked Note.

Voting Certificate means, in relation to any Meeting, a certificate requested by any Noteholder and issued by the Monte Titoli Account Holder in accordance with the Financial Law and the Joint Resolution, as subsequently amended and supplemented, stating, *inter alia*:

(a) the number of the Blocked Notes; and

(b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

Written Resolution means a resolution in writing signed by or on behalf of all holders of the Notes who for the time being are entitled to receive notice of 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 such holders of the Notes.

24 hours means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in each of the places where the Agent has its Specified Offices (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

Other defined terms and expression shall have the meaning given to them in the Conditions.

Article 3 - Organisation purpose

Each holder of Series A Notes and Series B Notes is a member of the Organisation of the Noteholders.

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, the taking of any action for the protection of their interests.

TITLE II
THE MEETING OF NOTEHOLDERS

Article 4 - General

Subject to Article 20 below, any resolution passed at a Meeting duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of the relevant Series, whether present or not present at such Meeting and whether or not voting, and any resolution passed at a meeting of the Series A Noteholders duly convened and held as aforesaid shall also be binding upon all the Series B Noteholders. In each case, all of the relevant Series of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

Any resolution passed at a meeting of the Series A Noteholders duly convened and held in accordance with this Rules shall be binding upon all the Series A Noteholders, whether present or not present at such meeting, and whether or not voting, provided that such resolution will not adversely affect the then rating of the Series A Notes and/or will not have any negative impact on the financial conditions and marketability of the Series A Notes.

Any modification of the Terms and Conditions of the Notes (whether taken by the Representative of the Noteholders or by a resolution of a Meeting) will not be effective unless agreed in writing by the Series A Noteholders.

Notice of the result of every vote on a resolution duly considered by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting, provided that failure to give such notice shall not invalidate any resolution duly passed at such Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Series A Noteholders and the Series B Noteholders may be held to consider the same resolution and/or (as the case may be) the same Extraordinary Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

Subject to any provisions to the contrary in the Conditions, the following provisions shall apply where outstanding Notes belong to more than one Series:

(i) business which in the opinion of the Representative of the Noteholders affects only one Series of Notes shall be transacted at a separate Meeting of the Noteholders of such Series;

(ii) business which in the opinion of the Representative of the Noteholders affects more than one Series of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Series of Notes and the Noteholders of any other Series of Notes shall be transacted either at separate Meetings of the Noteholders of each such Series of Notes or at a single Meeting of the Noteholders of all such Series of Notes, as the Representative of the Noteholders shall determine in its absolute discretion;

(iii) business which in the opinion of the Representative of the Noteholders affects the Noteholders of more than one Series of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Series of Notes and the Noteholders of any other Series of Notes shall be transacted at separate Meetings of the Noteholders of each such Series.

The preceding paragraphs of these Rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the relevant Series of Notes and to the Noteholders of such Notes.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

The Rating Agencies will be notified by the Noteholders of the relevant Series of any resolution passed at a Meeting.

Article 5
Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the Monte Titoli Account Holder or require the Agent to issue a Block Voting Instruction by arranging for such Notes to be blocked in an account with a Monte Titoli Account Holder not later than two Business Days before the time fixed for the Meeting up to the moment in which the relevant Meeting is closed or the relevant Voting certificate is surrendered, providing to the Agent, where appropriate, evidence that the Notes are so blocked. Noteholders may obtained evidence by requesting their Monte Titoli Account Holders, to release a certificate in accordance with the Financial Law and the Joint Resolution. A Voting Certificate or Block Voting Instruction shall be valid until the conclusion of the Meeting specified in the Voting Certificate or the Block Voting Instruction, or any adjournment of such Meeting, and the Monte Titoli Account Holder shall not be allowed to release the relevant Blocked Notes before such date unless the Voting Certificate or the Block Voting Instruction is first surrendered to it. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6
Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Agent, or at some other place approved by the Agent, at least 24 hours before the time fixed for the Meeting of the Relevant Series Noteholders and if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Agent requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Agent shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

Article 7
Convening of Meeting

The Board of Directors and subject to it being indemnified to its satisfaction, the Representative of the Noteholders may convene a Meeting of one or more Series at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Principal Amount Outstanding of the Notes of the Series in respect of which the Meeting is being convened.

Whenever the Board of Directors is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve.

A Disenfranchised Noteholder shall not be entitled to request to convene a Meeting in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the threshold set out in the first paragraph of this Article 7.

Article 8
Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting of the Relevant Series Noteholders is to be held) specifying the date (falling no later than 30 days after the date of delivery of such notice), time and place (being in the European Union) of the Meeting shall be given to the Noteholders of the relevant Series and the Agent (with a copy to the Board of Directors and to the Representative of the Noteholders). The notice shall set out the full text of any resolutions to be proposed (unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolutions without including the full text) and shall state the applicable procedures for the purpose of obtaining Voting Certificates or appointing Proxies.

The Rating Agencies will be notified by the Issuer of any notice pursuant to this Article 8 (*Notice*).

Article 9
Chairman of the Meeting

Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, or (iii) if the nominated individual resolves not to approve the appointment made by the Representative of the Noteholders within 15 minutes after the time fixed for the Meeting; those present shall elect one of themselves to take the chair failing which, the Board of Directors may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10
Quorum

(a) The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes of the relevant Series. Any resolution shall be approved by the majority of the vote casted except for any Extraordinary Resolution which shall be approved by the Relevant Fraction.

.

(b) A Disenfranchised Noteholder shall not be entitled to participate to a Meeting in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the quorum set out in paragraph (a) above.

(c) A Disenfranchised Noteholder shall not be entitled to vote on a resolution in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the quorum necessary for the resolution to be passed.

Article 11
Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, unless the Board of Directors and the Representative of the Noteholders determine otherwise, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:

1. the Meeting shall be dissolved if the Board of Directors and the Representative of the Noteholders together so decide; and

2. no Meeting may be adjourned more than once by resolution of Meeting that represents less than a Relevant Fraction.

Article 12
Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place (being in the European Union), but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13
Notice following adjournment

Article 8 shall apply to any Meeting which is to be resumed after adjournment for want of quorum save that:

(a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

Article 14
Participation

The following may attend and speak at a Meeting:

(a) Voters;

(b) the directors of the Board of Directors and other representative of the Issuer and the Agent;

(c) the financial advisers to the Issuer;

(d) the legal counsel to the Issuer, the Representative of the Noteholders and the Agent;

(e) the Representative of the Noteholders; and

(f) such other person as may be resolved by the Meeting.

Article 15
Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 16
Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less 10 (ten) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting of the Relevant Series Noteholders for any other business as the Chairman directs.

Article 17
Votes

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each Euro 100,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 18
Vote by Proxies

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided

that the Agent has not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment; except for any appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction to vote at the Meeting when it is resumed.

Article 19
Exclusive Powers of the Meeting

The Meeting shall have exclusive powers:

(a) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;

(d) to authorise the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Written Resolution;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents;

(f) to appoint and remove the Representative of the Noteholders.

Article 20
Powers exercisable by Extraordinary Resolution

A Meeting of the Noteholders of any Series of Notes shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(a) power to approve any Basic Terms Modification;

(b) power to sanction any proposal by the Issuer for any alteration, abrogation, variation, waiver or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes or otherwise;

(c) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes of any Series of Notes for, or the conversion of any of the Series of Notes into, or the cancellation of any of the Series of Notes, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) power to assent to any material alteration of the provisions contained in these Rules, the Conditions or any of the Transaction Documents which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(e) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes or any Series of Notes or any other Transaction Document;

(f) power to give any authority, direction or sanction which under the provisions of these Rules or the Conditions is required to be given by Extraordinary Resolution;

(g) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intercreditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;

(h) power to sanction the redemption of the Notes of the relevant pursuant to Condition 6.3 (*Redemption for taxation*),

provided that:

1. no Extraordinary Resolution involving a Basic Terms Modification passed by:

   (i) the Series B Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Series A Noteholders;

2. no other Extraordinary Resolution involving any matter other than a Basic Terms Modification passed by:

   (i) the Series B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Series A Noteholders; and (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Series A Noteholders (to the extent that the Series A Notes are then outstanding), respectively.

A Meeting of the Most Senior Series of Noteholders shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(a) power to cause the Representative of the Noteholders to serve a Purchase Termination Notice pursuant to Condition 10 (*Purchase Termination Events*);

(b) power to cause the Representative of the Noteholders to serve a Trigger Notice pursuant to Condition 11 (*Trigger Events*);

(c) to cause the Representative of the Noteholders to sell the Receivables further to the service of a Trigger Notice upon the Issuer following the occurrence of a Trigger Event.

Article 21
Challenge of Resolution

Each Noteholder, who was absent and (or) dissenting can challenge Resolutions which are not passed in conformity under the provisions of these Rules.

Article 22
Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Article 23
Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 24
Individual Actions and Remedies

Without prejudice to the provisions of the second paragraph of this Article 24, the right of each Noteholder to bring individual actions or take other individual remedies to enforce his/her rights under the Notes will be subject to the Meeting of Noteholders not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the interests of the Noteholders. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call for the Meeting of Noteholders, in accordance with these Rules;

(c) if the Meeting of Noteholders passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (provided that the same matter can be submitted again to a further Meeting of Noteholders after a reasonable period of time has elapsed); and

(d) if the Meeting of Noteholders passes a resolution not objecting to the enforcement of the individual action or remedy, or no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prevented from taking such action or remedy.

The right of each Noteholder to bring any bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, is governed by the provisions set forth in clause 11.2 of the Intercreditor Agreement.

No individual action or remedy can be taken by a Noteholder to enforce his/her rights under the Notes before the Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 24.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 25
Appointment, Removal and Remuneration

The appointment of the Representative of the Noteholders takes place at a Meeting in accordance with the provisions of this Article 25, save as in respect of the appointment of the first Representative of the Noteholders that will be KPMG Fides Servizi di Amministrazione S.p.A.

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian bank or through a branch situated in a European Union country; or

(b) a company or financial institution registered under article 107 of the Banking Act; or

(c) a company incorporated in any jurisdiction of the European Union offering in such jurisdiction agency and trust services similar to those to be carried out by the Representative of the Noteholders pursuant to the Transaction Documents and belonging to a primary banking group; or

(d) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (a), (b) and (c) and until the substitute Representative of the Noteholders has entered into the Intercreditor Agreement and the other relevant Transaction Documents, and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

Directors, auditors, employees of Issuer and those who fall within the conditions indicated in article 2399 of the Italian Civil Code cannot be appointed as Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof as separately agreed between the Issuer and the Representative of the Noteholders, plus VAT if applicable. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Quarterly Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

Article 26
Duties and Powers

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders.

The Representative of the Noteholders is responsible for implementing the decisions of the Meeting of the Noteholders and for protecting the common interests of the Noteholders *vis-à-vis* the Issuer. The Representative

of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may, convene a Meeting of the Noteholders to obtain instructions from the relevant Series of Noteholders on action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, at its own costs and expenses, delegate to any person(s) all or any of its powers and authorities or discretion vested in it as aforesaid, *provided that* the Representative of the Noteholders has exercised all reasonable care and skill in the selection of the delegate and shall continue to be directly responsible *vis-à-vis* the Issuer for the correct and timely fulfilment of the relevant obligations. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the proceedings and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate, unless the Representative of the Noteholders has not exercised all reasonable care and skill in the selection of the delegate or where such loss is attributable to the inaccuracy or the contents of any instructions given by the Representative of the Noteholders to any such delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer and the Rating Agencies of the appointment of any delegate and any renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of the Noteholders in judicial proceedings, including in proceedings involving the Issuer in court supervised administration (*amministrazione controllata*), creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

Article 27
Resignation of Representative of the Noteholders

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of Noteholders has appointed a new representative of the Noteholders and such newly appointed Representative of the Noteholders has unconditionally accepted the appointment and has entered into the Intercreditor Agreement and the other relevant Transaction Documents. Any such appointment of a new Representative of the Noteholders shall be notified to the Noteholders pursuant to Condition 15 (*Notices*) and to all stock exchanges on which the Senior Notes are then listed.

Article 28
Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein, in the Conditions and in the other Transaction Documents.

(A) Without limiting the generality of the foregoing, the Representative of the Noteholders:

i shall not be under obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice

to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

ii shall not be under any obligation to express any opinion unless the grounds on the basis of which such opinion may be expressed are objective and verifiable. For the avoidance of doubt, the Representative of the Noteholders shall not be bound to express any opinion, valuation or assessment on matters which are subjective and unverifiable such as state of minds;

iii shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Rules or the Transaction Documents of their obligations hereunder and thereunder and until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each party to these Rules or any Transaction Document is observing and performing all the obligations on its part contained herein and therein;

iv shall not be under obligation to give notice to any person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;

v 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 any other document or any obligation or rights created or purported to be created thereby or pursuant 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 (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other documents, notices, opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and (v) any accounts, books, records or files maintained by the Issuer, the Servicer and the Agent or any other person who is a party to the Transaction Documents in respect of the Portfolio;

vi 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;

vii shall have no responsibility for the maintenance of any rating of the Senior Notes by the Rating Agencies or any other credit or rating agency or any other person;

viii shall not be responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or in any other Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

ix shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the 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 remedy or not;

x 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;

xi shall not be under any obligation to insure the Portfolio or any part thereof;

xii shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

xiii shall not be under any obligation to insure any deeds or documents of title or other evidence in respect thereof and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;

xiv shall not be obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

xv shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any other Issuer Secured 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, the Noteholders, the other Issuer Secured Creditors nor any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

xvi shall not be responsible for, nor shall it have any liability with respect to, any loss or damage arising from the realisation of all or part of the Portfolio or from any exercise or non-exercise by it of any power, authority or discretion conferred on it in relation to such security or otherwise unless such loss or damage is caused by fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;

xvii shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

xviii shall not be responsible for the sufficiency or adequacy of the security granted in relation to the Notes;

xix shall not be responsible for (except as otherwise provided in the Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio, the Notes or any Transaction Document; and

xx shall not be responsible for investigating or verifying the contents of any report or certificate, and the Representative of the Noteholders is entitled to rely on such report or certificate.

(B) The Representative of the Noteholders:

i may, from time to time and without the consent or sanction of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or waiver to these Conditions and the Transaction Documents if, in the opinion of the Representative of the Noteholders, such amendment or waiver:

(a) is necessary or expedient in order to cure any ambiguity or correct any manifest error, or to comply with any changes in applicable law or in its interpretation;

(b) is not, in the opinion of the Representative of the Noteholders, materially prejudicial to the interest of any Most Senior Series of Noteholders;

(c) is formal, minor or technical in nature;

(d) is necessary for the purpose of enabling the Series A Notes to be (or remain) listed on the Euronext Dublin;

(e) is necessary or expedient in order to comply with Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**"), and/or the Securitisation Regulation, in each case as supplemented and implemented by the relevant regulatory technical standards and delegated regulations; or

(f) at the option and upon request of the Originator, is necessary or expedient in order to ensure that the Securitisation complies with the STS criteria and deliver a STS notification in accordance with the Securitisation Regulation (it being understood, for the avoidance of doubt, that none of the Issuer, the Originator, the Arranger or any other party assumes any undertaking to deliver such a notification or makes any representation that the Securitisation complies or will in the future comply with any STS criteria, provided that amendments or waiver under paragraphs (e) above and under this paragraph (f) will be permitted only to the extent they would not result in (or have the effect of) (i) a Basic Term Modification, (ii) an increase in the Expenses of the Issuer or (iii) be otherwise prejudicial to the interests of the holders of the Most Senior Series of Noteholders and, in respect of the amendments or waivers and delivery of a STS notification referred to in this paragraph (f) only, the Originator bears all fees, costs and expenses arising therefrom.

Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification to be notified to the Rating Agencies and the Noteholders as soon as practicable thereafter;

ii may permit any party to any of the Transaction Documents to which the Issuer is a party to be released from such obligations, provided that the Representative of the Noteholders is of the opinion that such release will not be materially prejudicial to the interests of the Most Senior Series of Noteholders;

iii may act on the advice or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss occasioned by so acting. Any such advice, opinion or information may be sent or obtained by email, letter, telex, telegram, facsimile transmission or cable and, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purported to be conveyed by any such email, letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;

iv may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or things, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by a director of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;

v save as expressly otherwise provided herein or in any other Transaction Document, 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 any other Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*);

vi shall be at liberty to hold or to leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer, financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

vii 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 is entitled to convene a Meeting of the Noteholders of the relevant Series of Notes in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

viii in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purporting to have been passed at any Meeting of the Noteholders of the relevant Series of Notes in respect whereof minutes have been made and signed even though subsequent to its acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders;

ix may call for and shall be at liberty to accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;

x may certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the other Issuer Secured Creditors and any other party to the Securitisation;

xi may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any other party to the Securitisation;

xii may assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer; and

xiii shall be entitled to call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement, or any other Issuer Secured Creditor or any rating agency in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document or in respect of the rating of the Senior Notes and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do.

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 thinks fit and subject to any express provisions to the contrary contained herein or in other Transaction Document, such consent or approval may be given retrospectively.

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights and powers, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

Article 29
Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Subscription Agreement to reimburse, pay or discharge (on a full indemnity basis) to the extent not already reimbursed, paid or discharged by any Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demand (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any persons appointed by it to whom any power, authority or discretion has been duly delegated by it, in relation to the preparation and execution of, the exercise or purported exercise of, its powers and performance of its duties under and in any other manner in relation to, these Rules or the Transaction Documents, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, against the Issuer or any other person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

TITLE IV
THE ORGANISATION OF THE NOTEHOLDERS UPON A SERVICE OF A TRIGGER NOTICE

Article 30
English Deed of Charge

The Representative of the Noteholders will have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the English Deed of Charge, in accordance with the English Deed of Charge and the Intercreditor Agreement.

Article 31
Powers

It is hereby acknowledged that, upon service of a Trigger Notice, the Representative of the Noteholders shall, be entitled, in its capacity as legal representative of the Organisation of the Noteholders, also in the interest and for the benefits of the other Issuer Secured Creditors, pursuant to articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Portfolio pursuant to the Transaction Documents and in particular to dispose of the Portfolio in accordance with the Conditions . Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents.

TITLE V
GOVERNING LAW - DISPUTES RESOLUTIONS

Article 32

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

Any dispute arising out of or in connection with the present Rules, including those concerning its validity, interpretation, performance and termination, shall be submitted to the exclusive jurisdiction of the Courts of Milan.

USE OF PROCEEDS

Monies available to the Issuer on the Issue Date consisting of the net proceeds from the issue of the Notes, being € 905,641,500.00 will be applied by the Issuer to (i) pay to Compass Banca S.p.A. the Purchase Price of the Initial Portfolio pursuant to the terms of the Master Receivables Purchase Agreement; (ii) fund the Liquidity Reserve; (iii) pay the up-front costs due by the Issuer on the Issue Date and (iv) fund the Expense Account with any residual amount after the payments specified in paragraph (i), (ii) and (iii) above. The estimate of total expenses related to the admission to trading are € 5,140.

All the above terms as defined in the "*Glossary*", below.

THE ISSUER

Introduction

Quarzo S.r.l. (the "**Issuer**") is a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), on 26 October 2001 (under the denomination of "Prometeo Finance S.r.l.", subsequently amended in Quarzo S.r.l. on 15 March 2002). In accordance with the Issuer's by-laws, the corporate duration of the Issuer is limited to 30 June 2050 and may be extended by quotaholders' resolution. The Issuer is registered with the companies' register of Milan under number 03312560968 and under No. 32609.0 of the register of the special purpose vehicles (*Elenco delle società veicolo di cartolarizzazione* – SPV) held by the Bank of Italy pursuant to (a) article 3, paragraph 3, of the Securitisation Law, and (b) the order of the Bank of Italy (*provvedimento*) dated 7 June 2017 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*), its tax identification number (*codice fiscale*) is 03312560968, and its VAT number is 10536040966. The registered office of the Issuer is Galleria del Corso, 2, Milan, Italy. The telephone number of the registered office of the Issuer is + 39 02 7636981.

Since the date of its incorporation on 26 October 2001, the Issuer has not engaged in any business other than the Quarzo 2002 Securitisation, the Quarzo 2008 Securitisation, the Quarzo 2009 Securitisation, the Quarzo 2013 Securitisation, the Quarzo 2015 Securitisation, the Quarzo 2016 Securitisation, the Quarzo 2017 Securitisation and the Quarzo 2018 Securitisation, the purchase of the Receivables and the entering into of the relevant transaction documents; it has not declared or paid any dividends or incurred any indebtedness, other than the Issuer's costs and expenses of incorporation or otherwise pursuant to the relevant transaction documents.

With reference to the Quarzo 2002 Securitisation, it has to be noted that, on 15 January 2008, the notes issued thereunder have been repaid in full by the Issuer and all the Quarzo's payment obligations vis-à-vis the other parties to the relevant transaction documents have been fully discharged.

With reference to the Quarzo 2008 Securitisation, it has to be noted that, on 24 May 2013, the notes issued thereunder have been repaid in full by the Issuer and all the Quarzo's payment obligations vis-à-vis the other parties to the relevant transaction documents have been fully discharged.

With reference to the Quarzo 2009 Securitisation, it has to be noted that, on 24 May 2013, the notes issued thereunder have been repaid in full by the Issuer and all the Quarzo's payment obligations vis-à-vis the other parties to the relevant transaction documents have been fully discharged.

With reference to the Quarzo 2013 Securitisation, it has to be noted that, on 12 February 2016, the notes issued thereunder have been repaid in full by the Issuer and all the Quarzo's payment obligations vis-à-vis the other parties to the relevant transaction documents have been fully discharged.

With reference to the Quarzo 2015 Securitisation, it has to be noted that, on 22 May 2019, the notes issued thereunder have been repaid in full by the Issuer and all the Quarzo's payment obligations vis-à-vis the other parties to the relevant transaction documents have been fully discharged.

The Issuer has no employees.

Quotaholding

The authorised equity capital of the Issuer is € 10,000. The issued and paid-up equity capital of the Issuer is equal to € 10,000, 90% of which is held by Compass Banca S.p.A. (formerly Compass S.p.A.) and the remaining 10% is held by SPV Holding S.r.l.

Italian company law combined with the holding structure of the Issuer and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer. To the best of its knowledge, the Issuer is not aware of direct or indirect ownership or control apart from Compass Banca S.p.A. and SPV Holding S.r.l.

Multi-purpose vehicle

The Issuer has been established as a multi-purpose vehicle for the purpose 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 and those referred to above.

Accounting treatment of the Portfolio

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

Accounts of the Issuer

Starting from fiscal year 2008, the fiscal year of the Issuer begins on 1 July of each calendar year and ends on 30 June of the next calendar year.

Principal activities

The principal corporate objectives of the Issuer, as set out in article 2 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities.

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents, incur in any other indebtedness for borrowed monies, engage in any other activities except in the activities to be carried out 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 3 (*Covenants*).

Directors of the Issuer

The board of directors of the Issuer is constituted by the followings director:

Name	Address	Principal Activities
Mr. Cesare Castagna	c/o Compass Banca S.p.A., Via Caldera No. 21 – 20153 - Milan	Chairman of the board of director
Mr. Marco Alessandro Marzotto	c/o Compass Banca S.p.A., Via Caldera No. 21 – 20153 – Milan	Company director
Ms. Stefania Barsalini	c/o D&B Tax Accounting S.r.l. – Società tra professionisti, Galleria del Corso No. 2 – 20122 - Milan	Company director/Independent director

Statutory auditor of the Issuer

As at the date of this Prospectus, Mr. Luca Giovanni Pietro Novarese, a public certified accountant, admitted to the professional register of public certified accounts of Italy (*Albo dei Dottori Commercialisti e Revisori dei Conti*) has been appointed as statutory auditor of the Issuer.

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 on the Issue Date, are as follows:

	in euro (€)
Issued equity capital	
€ 10,000 fully paid up	10,000
Borrowings	
€ 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036	600,000,000
€ 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036	183,000,000
€ 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036	117,000,000
€ 600,000,000 Series A1 Asset Backed Floating Rate Notes due April 2035	600,000,000
€ 147,000,000 Series A2 Asset Backed Floating Rate Notes due April 2035	147,000,000
€ 153,000,000 Series B Asset Backed Variable Rate Notes due April 2035	153,000,000
€ 1,215,000,000 Series A Asset Backed Floating Rate Notes due November 2033	1,215,000,000
€ 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033	285,000,000
€ 2,640,000,000 Series A Asset Backed Fixed Rate Notes due November 2032	2,640,000,000
€ 660,000,000 Series B Asset Backed Variable Rate Notes due November 2032	660,000,000

Save for the foregoing, 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 statements

The financial statements of the Issuer as at and for the years ended, respectively on 30 June 2018 and 30 June 2019 have been translated into the English language solely for the convenience of international readers. The Issuer accepts responsibility for the correct translation of the information set out therein.

Independent auditors' report

The financial statements of the Issuer as at and for the two last financial periods, respectively, were audited, without qualification and in accordance with generally accepted auditing standards in the Republic of Italy, by EY S.p.A. with registered office in Via Po, no. 32, Rome, 00198, Italy enrolled in the "*Albo Speciale delle società di revisione*" held by Consob pursuant to resolution no. 10831 of 16 July 1997, as set forth in their reports thereon incorporated by reference into this Prospectus on the internet site of the Euronext Dublin at the

following link https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=3117&FIELDSORT=docId.

EY S.p.A. is registered under No. 70945 in the Register of Accounting Auditors (*Registro dei Revisori Legali*), held by the Italian Ministry of Economy and Finance pursuant to Decree 39/2010 and is also a member of the ASSIREVI - Associazione Nazionale Revisori Contabili. The registered office of EY S.p.A. is Via Po 32, 00198 Rome, Italy.

LEI code

The legal entity identifier (LEI) of the Issuer is 815600702F68B2ED0B22.

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 of the Securitisation Regulation, a number of requirements must be met if the originator and the "SSPE" (as defined in the Securitisation Regulation) wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future**. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

Without prejudice to the above, prospective investors in the Notes should be aware that, on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Prospectus (including with regard to the risk retention requirements under article 6 of the Securitisation Regulation and transparency obligations imposed under article 7 of the Securitisation Regulation and the homogeneity criteria set out in article 20, paragraph 8, of the Securitisation Regulation), and subject to any changes made therein after the date of this Prospectus:

(a) for the purpose of compliance with article 20, paragraph 1, of the Securitisation Regulation, pursuant to the Master Transfer Agreement, the Originator (i) has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the provisions of Law 52, all of its right, title and interest in and to the Initial Portfolio and (ii) may assign and transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, in accordance with the combined provisions of article 1 and 4 of the Securitisation Law and the provisions of Law 52, all of its right, title and interest in and to each Subsequent Portfolio. The transfer of the Receivables included in the Initial Portfolio has been rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 128 Part II of 31 October 2019, and (ii) the registration of the transfer in the companies' register of Milan on 8 November 2019, while the transfer of the Receivables included in each Subsequent Portfolio will be rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through the payment of the relevant Purchase Price to be paid by the Issuer to the Originator with formalities granting the date certain at law (*data certa*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the applicable articles of Law 52 (for further details, see the section headed "*The Master Receivables Purchase Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued

by the legal counsel to the Arranger and the Joint Lead Managers, which has been made available to the PCS and may be disclosed to any relevant competent authority referred to in article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20, paragraph 2, and 20, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20, paragraph 2, and 20, paragraph 3, of the Securitisation Regulation, under the Senior Notes Subscription Agreement, the Originator has represented that it is a joint stock company authorized to operate as a bank being enrolled in the register held by the Bank of Italy pursuant to Article 13 of the Banking Act and its "centre of main interests" (as that term is used in article 3(1) of the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings) is located within the territory of the Republic of Italy; therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20, paragraph 4, of the Securitisation Regulation, the Receivables arise from Consumer Loan Agreements directly entered into by Compass as lender (for further details, see the section headed "*The Portfolio - Eligibility criteria*"); therefore, the requirements of article 20, paragraph 4, of the Securitisation Regulation are not applicable;

(d) with respect to article 20, paragraph 5, of the Securitisation Regulation, the transfer of the Receivables included in the Initial Portfolio has been rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 128 Part II of 31 October 2019, and (ii) the registration of the transfer in the companies' register of Milan on 8 November 2019, while the transfer of the Receivables included in each Subsequent Portfolio will be rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through the payment of the relevant Purchase Price of the Subsequent Portfolio to be paid by the Issuer to the Originator with formalities granting the date certain at law (*data certa*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the applicable articles of Law 52 (for further details, see the section headed "*The Master Receivables Purchase Agreement*"); therefore, the requirements of article 20, paragraph 5, of the Securitisation Regulation are not applicable;

(e) for the purpose of compliance with article 20, paragraph 6, of the Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that, as at the relevant Legal Effective Date, each Receivable is fully and unconditionally owned and available directly to Compass and is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (including, without limitation, any company belonging to Compass's group) nor there are elements that can be foreseen to adversely affect the enforceability of the transfer of such Receivable under the Master Receivables Transfer Agreement and is freely transferable to the Issuer (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*");

(f) for the purpose of compliance with article 20, paragraph 7, the disposal of Receivables is permitted only in the following circumstances: (A) from the Originator to the Issuer, in the context of the transfer of Subsequent Portfolios during the Revolving Period, (B) from the Issuer to the Originator, in case of any misrepresentation of the Originator pursuant to the terms and conditions of the Master Receivables Purchase Agreement, (C) from the Issuer to the Originator, in the context of the repurchase of the Portfolios in case of exercise of the Clean up Option or in the context of the repurchase of individual Receivables pursuant to the terms and conditions specified in the Servicing Agreement (provided that (i) the repurchase option on the individual Receivables shall not be exercised by the Originator for speculative purposes aimed at achieving a better

performance for the Securitisation; (ii) in case of the Defaulted Receivables, such option may be exercised by Compass only to the extent that the repurchase is aimed at facilitating the recovery and liquidation process with respect to those Defaulted Receivables, (iii) in case of individual Receivables other than the Defaulted Receivables, such option may be exercised by Compass in extraordinary circumstances only and in any case without prejudice to the interests of the Noteholders, and (iv) in any event the Receivables subject to repurchase shall have a total Principal Amount Outstanding not exceeding 1% of the total Principal Amount Outstanding transferred to the Issuer in the context of the Securitisation, (D) from the Issuer (or the Representative of the Noteholders on its behalf) to third parties in the context of the disposal of the Portfolios following the delivery of a Trigger Notice or a Redemption for Taxation (provided that in each case the Originator shall have a pre-emption right in accordance with the provisions of the Intercreditor Agreement), and (E) from the Issuer (or the Servicer on its behalf) to third parties in the context of the sale of individual Defaulted Receivables pursuant to the terms of the Servicing Agreement. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, the exposures that may be transferred to the Issuer after the Issue Date shall meet the Eligibility Criteria applied to the initial underlying exposures included in the Initial Portfolio (for further details, see the sections headed "*The Master Receivables Purchase Agreement*", "*The Servicing Agreement*", "*The Other Transaction Documents - the Intercreditor Agreement*" and "*The Portfolio - Eligibility criteria*");

(g) for the purpose of compliance with article 20, paragraph 8, of the Securitisation Regulation, pursuant to the Master Receivables Purchase Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Receivables included in the Initial Portfolio are, and the Receivables included in each Subsequent Portfolio will be, homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) all Receivables have been or will be, as the case may be, originated by Compass, based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (ii) all Receivables have been or will be, as the case may be, serviced by Compass according to similar servicing procedures; (iii) all Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities to individuals for personal, family or household consumption purposes" and (iv) although no specific homogeneity factor is required to be met, as at the relevant Valuation Date all Debtors are (or will be, as the case may be) resident in the Republic of Italy. In addition, under the Master Receivables Purchase Agreement the Originator has represented and warranted that (i) each of the Receivables derives from duly executed Consumer Loan Agreements; (ii) each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and constitutes binding and enforceable obligations, with full recourse to the Debtors; and (iii) as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and the Subsequent Portfolio will not, comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU. Finally, pursuant to the Eligibility Criteria set out in the Master Receivables Purchase Agreement and in accordance with the Master Receivables Purchase Agreement, the Consumer Loans will be repayable in instalments pursuant to the relevant

Amortising Plan (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*");

(h) for the purpose of compliance with article 20, paragraph 9, of the Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and each Subsequent Portfolio will not, comprise any securitisation positions (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*");

(i) for the purpose of compliance with article 20, paragraph 10, of the Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that (i) each of the Receivables derives from duly executed Consumer Loan Agreements which have been granted by Compass in its ordinary course of business, (ii) Compass has expertise in originating exposures of a similar nature to those assigned under the Securitisation; (iii) the Consumer Loans have been granted in accordance with the loan disbursement policy applicable from time to time that is no less stringent than the loan disbursement policy applied by Compass at the time of origination to similar exposures that are not assigned under the Securitisation; and (iv) Compass has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC. In addition, under the Master Receivables Purchase Agreement Compass has undertaken to fully disclose to potential investors in the Notes, without undue delay, any material changes occurred after the Issue Date in the loan disbursement policy from time to time applicable in respect of the Receivables, pursuant to article 20, paragraph 10, of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*").

(j) for the purpose of compliance with article 20, paragraph 11, of the Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and each Subsequent Portfolio will not, include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Compass's knowledge: (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Company, except if: (I) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer of the underlying exposures to the Issuer; and (II) the information provided by Compass in accordance with points (a) and (e)(i) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Compass which have not been assigned under the Securitisation (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*");

(k) for the purpose of compliance with article 20, paragraph 12, of the Securitisation Regulation, pursuant to the Eligibility Criteria set out in the Master Receivables Purchase Agreement, Compass may transfer to the Issuer only Receivables (i) arising from Consumer Loan Agreements with at

least one due instalment and (ii) in relation to which all the instalments which at the relevant Valuation Date were due by at least 1 month have been fully paid (for further details, see the section headed "*The Portfolio - Eligibility Criteria*");

(l) for the purpose of compliance with article 20, paragraph 13, of the Securitisation Regulation, under the Master Receivables Purchase Agreement, the Originator has represented and warranted that each Consumer Loan Agreement provides for an amortising plan with monthly instalments in each calendar year. In addition, being the Receivables arisen from Consumer Loan Agreements, there are no security interests securing the Receivables; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of any asset (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*");

(m) for the purpose of compliance with article 21, paragraph 1, of the Securitisation Regulation, under the Subscription Agreements the Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the sections headed "*The Other Transaction Documents – Senior Notes Subscription Agreement*" and "*Regulatory disclosure and retention undertaking*");

(n) for the purpose of compliance with article 21, paragraph 2, of the Securitisation Regulation, in order to mitigate any interest rate risk connected with the Senior Notes, the Issuer has entered into on or about the Issue Date a 1992 ISDA Master Agreement on or about the Issue Date with the Hedging Counterparty, together with the Schedule and the Credit Support Annex thereto and the confirmation documenting the interest rate swap transaction supplemental thereto, under which, subject to the conditions set out thereunder, the Issuer will pay to the Hedging Counterparty a fixed amount, and the Hedging Counterparty will pay to the Issuer a floating amount (for further details, see Condition 5.2. (*Rate of Interest of the Notes*) and the section headed *"The Other Transaction Documents – the Hedging Agreement"*). In addition, (i) under the Master Receivables Purchase Agreement, the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and the Subsequent Portfolio will not, comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes, it shall not enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the Securitisation Regulation (for further details, see the sections headed "*The Portfolio*" and "*The Master Receivables Purchase Agreement*" and Condition 3 (*Covenants*)). Finally, there is no currency risk since (i) under the Master Receivables Purchase Agreement, the Originator has represented and warranted that the Receivables arise from Consumer Loan Agreements which are denominated in Euro, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*The Master Receivables Purchase Agreement*", "*Overview of the Transaction*" and "*Terms and Conditions of the Notes*");

(o) for the purpose of compliance with article 21, paragraph 3, of the Securitisation Regulation, (i) the Originator has represented and warranted under the Master Receivables Purchase Agreement that the Receivables included in the Initial Portfolio have, and the Receivables included in each Subsequent Portfolio will have, a fixed interest rate; and (ii) the rate of interest applicable to the Senior Notes is calculated by reference to Euribor (for further details, see Condition 5.2 (*Rate of Interest of the Notes*)); therefore, any referenced interest payments under the Senior Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(p) for the purpose of compliance with article 21, paragraph 4, of the Securitisation Regulation, following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer

beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Quarterly Priority of Payments during the Amortisation Period and pursuant to the terms of the Transaction Documents; (ii) as to repayment of principal, the Senior Notes will continue to rank in priority to the Junior Notes, as before the delivery of a Trigger Notice; and (iii) the Representative of the Noteholders shall proceed to sell all or part of the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders under the Rules of the Organisation of the Noteholders, subject to the terms and conditions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 4.2 (*Quarterly Priority of Payments during the Amortisation Period*) and Condition 11 (*Trigger Events*));

(q) as to repayment of principal, the Senior Notes will rank at all times in priority to the Junior Notes (for further details, see Condition 4.1.2 (Quarterly *Priority of Payment during the Revolving Period*); therefore, the requirements of article 21, paragraph 5, of the Securitisation Regulation are not applicable;

(r) for the purpose of compliance with article 21, paragraph 6, of the Securitisation Regulation, pursuant to the Master Receivables Purchase Agreement, there are appropriate Purchase Termination Events which may cause the end of the Revolving Period, including, *inter alia*, the following:

(i) an administrator, administrative receiver or liquidator is appointed over the Originator or in respect of the whole or any part of its assets or the Originator becomes subject to (or an application has been made for the commencement of) proceedings for the declaration of its insolvency or any other applicable bankruptcy, liquidation, composition or reorganisation proceedings or the submission of all or a substantial part of the assets of the Originator to foreclosure (*esecuzione forzata*); and

(ii) proceedings are commenced against the Originator under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; and

(iii) Compass carries out any action for the purpose of rescheduling its own debts or postponing the maturity dates thereof, enters into any extrajudicial arrangement with its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Compass's financial conditions; and

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

(v) Bank of Italy issued an extraordinary order towards Compass, in accordance with Title VIII, chapter 2, section II, paragraph 1 of the Bank of Italy Instructions; and

(vi) the Issuer terminates the appointment of Compass, in its capacity as Servicer, in accordance with the provisions of the Servicing Agreement; and

(vii) for three consecutive Collection Periods the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Defaulted Receivables during each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 0.35%; and

(viii) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised

in the Gross Portfolio become Defaulted Receivables is higher than 1.5% of the sum between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Initial Portfolio as at the Initial Valuation Date and (b) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Subsequent Portfolios as at the relevant Valuation Date; or

(ix) on a Quarterly Payment Date the sum of (i) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, and (ii) the balance of the Accounts as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, less the payments to be made on such Quarterly Payment Date under item from (i) to (v) of the Quarterly Priority of Payments, is lower than the Instalment Principal Component of the Outstanding Amount of the Initial Portfolio as at the Initial Valuation Date;

(x) the average of three consecutive Collection Periods of the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables (that are not Defaulted Receivables) with at least three instalments due but unpaid as at the end of each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 2.5%;

(xi) following the purchase by the Issuer of each Subsequent Portfolio, the Monthly Available Funds or the Revolving Available Amount (as the case may be) which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio;

(xii) the Originator fails, during the Revolving Period, to offer for sale Subsequent Portfolios to the Issuer for 3 (three) consecutive Offer Dates;

(For further details, see the section headed "*The Master Receivables Purchase Agreement*" and Condition 10);

(s) for the purpose of compliance with article 21, paragraph 7, of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*The Servicing Agreement*","*The Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*", "*The Other Transaction Documents – the Corporate Services Agreement*" and "*Terms and Conditions of the Notes*"). In addition, the Servicing Agreement contains provisions aimed at ensuring that a default by or an insolvency of the Servicer does not result in a termination of the servicing activity on the Portfolio, including the appointment of a Back-Up Servicer upon request of the Issuer and the replacement of the defaulted or insolvent Servicer with a substitute servicer, which the Issuer shall find with the cooperation of the Back-Up Servicer Facilitator (for further details, see the sections headed "*The Servicing Agreement*"). Finally, the Cash Allocation, Management and Agency Agreement and the Hedging Agreement contain provisions aimed at ensuring the replacement of the Account Bank and the Hedging Counterparty, respectively in case of its default, insolvency or other specified events (for further details, see the section headed "*The Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*" and "*The Other Transaction Documents – the Hedging Agreement*");

(t) for the purpose of compliance with article 21, paragraph 8, of the Securitisation Regulation, under the Servicing Agreement, the Servicer has represented and warranted that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement. In addition, the Servicer has represented and warranted it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well-documented and adequate policies, procedures and risk-

management controls relating to the servicing of exposures. In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Substitute Servicer shall have expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures (for further details, see the section headed "*The Servicing Agreement*");

(u) for the purpose of compliance with article 21, paragraph 9, of the Securitisation Regulation, the Master Receivables Purchase Agreement, the Servicing Agreement and the Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*The Master Receivables Purchase Agreement*", "*The Servicing Agreement*" and "*The Credit and Collection Policies*"). In addition, the Transaction Documents clearly specify the Priorities of Payments,the events which trigger changes in such Priorities of Payments as well as the obligation to report such events, and any change in the Priority of Payments which will materially adversely affect the repayment of the Notes. Pursuant to the Cash Allocation, Management and Agency Agreement and the Intercreditor Agreement, (i) the Calculation Agent has undertaken to prepare, on or prior to each Investor Report Date, the Investor Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the Investors Report from the Calculation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (for further details, see the sections headed "*Terms and Conditions of the Notes*", "*The Other Transaction Documents – the Intercreditor Agreement*" and "*The Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*");

(v) for the purposes of compliance with article 21, paragraph 10, of the Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Series, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed "*Terms and Conditions of the Notes*");

(w) for the purposes of compliance with article 22, paragraph 1, of the Securitisation Regulation, under the Intercreditor Agreement Compass has confirmed that (i) it has made available to potential investors in the Notes before pricing, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) as initial holder of the Junior Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years (for further details, see the section headed "*The Other Transaction Documents – the Intercreditor Agreement*");

(x) for the purposes of compliance with article 22, paragraph 2, of the Securitisation Regulation, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Initial Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found (for

further details, see the section headed "*The Portfolio*");

(y) for the purposes of compliance with article 22, paragraph 3, of the Securitisation Regulation, under the Intercreditor Agreement Compass has confirmed that (i) it has made available to potential investors in the Notes before pricing, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) as initial holder of the Junior Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, pursuant to the Intercreditor Agreement Compass has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model (to be updated during the course of the Securitisation) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer (for further details, see the section headed "*The Other Transaction Documents – the Intercreditor Agreement*");

(z) for the purposes of compliance with article 22, paragraph 4, of the Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare on a quarterly basis the Loan by Loan Report setting out information relating to each Consumer Loan (including, *inter alia*, the information related to the environmental performance of the vehicles, if available), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and make it available to the Reporting Entity in a timely manner in order for the Reporting Entity to make available such report to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later 1 month after the relevant Quarterly Payment Date through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (for further details, see the sections headed "*The Servicing Agreement*" and "*The Other Transaction Documents – the Intercreditor Agreement*");

(aa) for the purposes of compliance with article 22, paragraph 5, of the Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that the Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu). As to pre-pricing information, Compass has confirmed that (i) it has made available to the holders of a Securitisation position and, upon request, to any potential investors in the Notes before pricing the information under point (a) of article 7, paragraph 1, of the Securitisation Regulation and the information under points (b) and (d) of article 7, paragraph 1, of the Securitisation Regulation in draft form, and (ii) as initial holder of the Junior Notes, it has been, before pricing, in possession of the data relating to each Consumer Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation. As to post-closing information, the relevant parties to the Intercreditor Agreement

have agreed and undertaken as follows: (i) the Servicer shall prepare the Loan by Loan Report and make it available to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investor Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date; (ii) the Calculation Agent shall prepare the Investor Report, the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investor Report, the Inside Information and Significant Event Report (simultaneously with the Loan by Loan Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date and, with exclusive reference to the Inside Information and Significant Event Report, also without undue delay upon the occurrence of the relevant event; and (iii) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the sections headed "*General Information*", "*The Servicing Agreement*", "*The Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*" and "*The Other Transaction Documents – the Intercreditor Agreement*").

Criteria for credit-granting

With reference to Article 9 of the Securitisation Regulation, under the Senior Notes Subscription Agreement Compass, in its capacity as Originator, has represented to the Joint Lead Managers and the Arranger that (i) it has applied and will apply, as the case may be, to the Receivables the same sound and well-defined criteria for credit-granting which it applies to non-securitised exposures; (ii) it has clearly established the processes for approving and, where relevant, amending, renewing and refinancing the Receivables as it applies to the exposures it holds; and (iii) has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Debtors' creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Debtors meeting their obligations under the Consumer Loan Agreements.

First contact point

The Originator will be the first contact point for investors and competent authorities pursuant to and for the purposes of Article 27, paragraph 1, third sub-paragraph, of the Securitisation Regulation.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention statement

The Originator will retain a material net economic interest of at least 5% in the Securitisation for the purpose of article 6 of the Securitisation Regulation. and the applicable Regulatory Technical Standards. For such purposes, under the Senior Notes Subscription Agreement, the Originator has undertaken to the Issuer, the Arranger and the Joint Lead Managers that it will retain at the Issue Date and maintain (on an on-going basis) a material net economic interest of not less than 5% in the Securitisation through the holding of the Junior Notes in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards. For so long as the Notes are outstanding it shall also comply with the disclosure duties specified in article 7, paragraph 1, letter (e), sub-paragraph (iii) of the Securitisation Regulation and in the applicable Regulatory Technical Standards. For such purpose, the Originator has undertaken to make available to the Noteholders and any prospective investors in the Notes, through the Servicer Report, the information required by article 7, paragraph 1, letter (e), sub-paragraph (iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards (including, in particular, the information regarding the net economic interest from time to time held by the Originator in the Securitisation) and has authorised the Calculation Agent to reproduce in the Investor Report the above-mentioned information contained in the Servicer Report. It is understood that the Investor Report shall be deemed to have been produced on behalf of the Originator, under the Originator's full responsibility, with reference to the above-mentioned information. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, Compass (in its capacity as Originator and Servicer) nor the Arranger, the Joint Lead Managers or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Disclosure obligations

Under the Intercreditor Agreement, Compass has agreed to act as reporting entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation. In such capacity, the Originator (i) has confirmed that it has made available all relevant reports and information required to be delivered to the investors in the Notes on or prior to the pricing of the Securitisation pursuant to article 7, paragraph 1, of the Securitisation Regulation by electronic means on the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) and (ii) has undertaken to make available the reports and information received from the relevant parties under the Transaction Documents on an on-going basis pursuant to article 7, paragraph 1, letters (a), (e), (f) and (g) of the Securitisation Regulation through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

With reference to the Investor Report, under the Cash Allocation, Management and Agency Agreement, the Originator has expressly authorised the Calculation Agent to reproduce in the Investor Report the information contained in the Servicer Report about the risk retained, including information on which of the modalities provided for in Article 6, paragraph 3, of the Securitisation Regulation has been applied. It is understood that the Investor Report shall be deemed to have been produced on behalf of the Originator,

under the Originator's full responsibility, with reference to the information that the Originator has the obligation to make available (or cause to make available, if the case) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes pursuant to article 7, paragraph 1, letter (e), sub-paragraph (iii) of the Securitisation Regulation.

SELECTED ASPECTS OF ITALIAN LAW RELEVANT TO THE TRANSACTION

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies, *inter alia*, 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 and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the relevant securitisation transaction.

Following some recent changes introduced to the Securitisation Law by the *Destinazione Italia* Decree, a securitisation transaction may be carried out also without a "true" sale of receivables, but through the direct subscription of debt securities by a special purpose company created in accordance with article 3 of the Securitisation Law (the "**SPV**").

The Securitisation Law has again been amended through the Law Decree *Competitività* which, *inter alia*, (i) introduced the possibility for the SPVs to perform lending activity ensuring an adequate regulatory control through the involvement of regulated entities acting as servicers of the securitisation; and (ii) clarified the segregation mechanics provided under the amended article 3 of the Securitisation Law, as better described under the paragraph set out below (*Ring-fencing of the assets*).

The recent law decree No. 50 of 24 April 2017, as converted with amendments into law No. 96 of 21 June 2017, further amended the Securitisation Law by introducing new provisions aimed at fostering the securitisation of non-performing loans (NPLs) and leasing portfolios. In particular, securitisation special purpose vehicles that buy and securitise NPLs are now allowed to (i) grant new loans to certain categories of distressed debtors or acquire holding in their company, where this helps restructuring debtors' financial position and facilitate repayment; and (ii) buy and manage the immovable or other property placed as collateral of the securitised exposure through dedicated special purpose entities.

The Assignment

Pursuant to article 4 of the Securitisation Law, which makes reference to the provisions of article 5, paragraphs 1, 1-*bis* and 2 of Law 52, as from the date of publication of the notice of transfer of the Initial Portfolio in the Official Gazzette (the "**Initial Portfolio Transfer Notice**"), or with respect to the Receivables comprised in each Subsequent Portfolios, the date on which the relevant Purchase Price of the Subsequent Portfolio has been paid (or will have been paid), in whole or in part, to the Originator in accordance with the terms of the Master Receivables Purchase Agreement and the relevant transfer agreement entered into pursuant to article 3 of the Master Receivables Purchase Agreement (the "**Payment**"), provided that the Payment has (or will have) a date certain at law (*data certa*), the assignment of the relevant Receivables from the Originator to the Issuer will become enforceable (opponibile) against:

(i) any prior assignees of the Receivables, who have not perfected their assignment by way of (A) notifying the relevant Debtors or (B) making the relevant Debtors acknowledge the assignment by an acceptance bearing a date certain at law (*data certa*) or in any other way permitted by applicable law, in each case prior to the date of publication of the Initial Portfolio Transfer Notice or, with respect to the Subsequent Portfolios, the date of the Payment;

(ii) a receiver in the insolvency of the Originator, to the extent that such state of insolvency has been declared after the date of publication of the Initial Portfolio Transfer Notice or, with respect to the

Subsequent Portfolios, the date of the Payment; and

(iii) any creditors of the Originator who have not commenced enforcement by means of obtaining an attachment order (pignoramento) in respect of the relevant Receivable prior to the date of publication of the Initial Portfolio Transfer Notice or, with respect to the Subsequent Portfolios, the date of the Payment,

without the need to follow the ordinary rules under article 1265 of the Italian Civil Code as to making the assignment effective against third parties.

In addition, as a consequence of the application of article 4, second paragraph, of the Securitisation Law, as from the date of publication of the Initial Portfolio Transfer Notice or, with respect to the Subsequent Portfolios, the date of the Payment, a Debtor will not have the right to set-off its claims vis-à-vis the Originator which have arisen after such date against the amounts due by the relevant Debtor to the Issuer in respect of the Receivables.

The Initial Portfolio Transfer Notice was published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 128 of 31 October 2019 and was registered with the companies register of Milan on 8 November 2019.

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

Ring-Fencing of the Assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables. Prior to and on a winding-up of such a company such assets will be available only to holders of notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant 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.

The Law Decree *Competitività* confirms that the asset-segregation includes – in addition to the assigned receivables – all claims of the SPV in the context of each securitisation transaction, *e.g.* contractual claims vis-à-vis the SPV's counterparties under the securitisation documents; the asset segregation now expressly shields also the collections received by the SPV, as well as the eligible investments made with such collections by or on behalf of the SPV.

Moreover, it further enhances the protection of SPV's, services and sub-servicers, as account-holders, in the event of insolvency of the relevant account bank.

In particular, pursuant to the new provisions of the Law Decree *Competitività*:

- any sums paid into the "segregated accounts" (*i.e.* accounts purportedly segregated from the asset of the bank) can be freely and immediately disposed of by the SPV to meet its payment obligations to the noteholders, the hedging counterparties covering the risks on the securitised receivables/notes and other transaction costs, and no actions are permitted on the "segregated accounts" by other creditors;

- should any insolvency procedure be opened against the relevant servicer as account-holder, no suspension of payments will affect the moneys standing to the credit of the "segregated accounts", nor any sums that will be credited during the insolvency procedure. Hence, any sums transferred or

credited in the "segregated accounts" will be immediately available to effect the payments due under the securitisation;

- similarly, no actions are permitted by the creditors of the servicers or sub-servicer on the accounts opened with it as account-holder, other than for amounts exceeding the moneys due to the SPV under the securitisation. Should any insolvency procedure be opened against the relevant servicer as account-holder, any positive balance standing to the credit of the relevant bank account/s shall be immediately returned to the SPV regardless the ordinary procedural rules about the suspension of payments, filing of claims and distribution of payments out of the insolvency estate.

Under Italian law, however, any creditor of the SPV would be able to commence insolvency or winding-up proceedings against the SPV in respect of any unpaid debt.

Claw Back of the Sale of the Portfolio

Assignments executed under the Securitisation Law may be clawed back under article 67 of the Bankruptcy Law but only in the event that the relevant party was insolvent when the assignment was entered into and the adjudication of bankruptcy of the relevant party is made within three months or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction (under the Securitisation Law the 2 years and 1 year suspect periods provided by article 67 of the Bankruptcy Law are reduced to 6 months and 3 months respectively). Under the Master Receivables Purchase Agreement, the Originator has given representations on its solvency as at the Initial Portfolio Legal Effective Date; such representations are considered to be repeated as at the Issue Date, as at each date on which a transfer of a Subsequent Portfolio will be proposed and at the relevant Legal Effective Dates.

In this respect, it should be considered that article 67 of the Bankruptcy Law has been amended, with effect as from 17 March 2005, by Law Decree 14 March 2005, No. 35, converted into law by Law 15 May 2005, No. 80 ("**Law 80**"). Under article 67 of the Bankruptcy Law as amended by Law 80, the suspect period is reduced respectively to 1 year and to 6 months.

Claw-Back Action against the payments made to companies incorporated under the Securitisation Law

According to article 4 of the Securitisation Law (as amended by the *Destinazione Italia* Decree), the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 and 65 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the one year/sixth months suspect period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 paragraphs 1 or 2, as applicable,of the Bankruptcy Law. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

Recoveries under the Consumer Loans

Following default by a Borrower under a Consumer Loan, the Servicer will be required to take steps to recover the sums due under such Consumer Loan in accordance with its credit and collection policies and the Servicing Agreement. See "*The Originator and the Servicer*" and "*The Credit and Collection Policies*", above.

The Servicer may take steps to recover the deficiency from the relevant Debtor. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the relevant Debtor 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 Debtor and the possibility for challenges, defences and appeals by the Debtor, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Consumer 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, claims or real estate assets, if the lender has previously been granted a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

Attachment proceedings may be commenced also 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.

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 claim and its enforceability at law.

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.

Estimates of the cost for the enforcement of security interests have to be made on a case by case basis. The creditor is required to pay, in advance, the expenses of the judicial enforcement proceeding (including the fees of the expert appointed by the court to appraise the assets subject to enforcement).

A judicial enforcement proceeding is initiated through a formal payment request served upon the debtor and the third party who granted the security interest (if different from the debtor) by a competent court, giving at least 10 days to pay the debt (*atto di precetto*).

Once the above term of payment expires, the subsequent steps of judicial enforcement proceeding vary depending on the type of security interest to be enforced (e.g. mortgages, pledges over shares or other movable assets etc).

Enforcement procedures are regulated by the ordinary enforcement rules of the Italian Civil Procedure Code (**ICPC**), applicable to both individual/natural persons and corporations.

THE MASTER RECEIVABLES PURCHASE AGREEMENT

The description of the Master Receivables Purchase Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such agreement. Prospective Noteholders may inspect a copy of the Master Receivables Purchase Agreement upon request at the Specified Office of the Representative of the Noteholders.

Transfer of the Receivables

On 14 October 2019 the Issuer and Compass have entered into a master receivables purchase agreement (the "**Master Receivables Purchase Agreement**") pursuant to which Compass (the "**Originator**") has assigned and transferred without recourse (*pro soluto*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, all its rights, title and interest arising out of the Initial Portfolio, with legal effect as at the Initial Portfolio Legal Effective Date. The Initial Portfolio is comprised of Receivables arising under Consumer Loan Agreements governed by Italian law which satisfied the Eligibility Criteria set forth in exhibit 3(A) to the Master Receivables Purchase Agreement and provided for under the section "*The Portfolio*" above.

Perfection of the assignment

The assignment of the Receivables comprised in the Initial Portfolio and each Subsequent Portfolio by Compass to the Issuer was (or will be) made in accordance with the Securitisation Law and the articles of Law 52 referred to therein. Accordingly, each such assignment will be perfected against any third party creditors (i) with reference to the Initial Portfolio, upon publication in the Official Gazette of a notice of such assignment indicating the assignor, the assignee and the transfer date and (ii) with reference to each Subsequent Portfolio, upon payment of the Purchase Price of each Subsequent Portfolio having date certain at law (*data certa*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 applicable.

Notice of the assignment of the Initial Portfolio pursuant to the Master Receivables Purchase Agreement was published in the Part II of the Italian Official Gazette on 31 October, 2019 No. 128 and the filing of such assignment was acknowledged by the Companies' Register of Milan on 8 November 2019.

Undertakings

The Master Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out any activities with respect to the Receivables which may prejudice the validity or recoverability of such Receivables, and in particular, except as permitted in the Master Receivables Purchase Agreement and the Servicing Agreement, not to assign, terminate, rescind, amend or otherwise undertake to assign, terminate, rescind or amend the terms and conditions of any Receivables and/or request that any Consumer Loan Agreement be declared invalid and not to take any action which could result in any representations and warranties given by the Originator being untrue, incorrect or incomplete.

The Receivables

The Receivables arising from the Consumer Loan Agreements, include without limitation:

(a) the claims related to:

  (i) all Instalment Principal Components;

  (ii) all Instalment Interest Components;

  (iii) all Instalment Expenses Components;

(iv) the monetary claims deriving from the enforcement of the Security Interests;

(v) the monetary claims and all the amounts recovered in any proceeding related to the Consumer Loan Agreements brought against the Debtors; e

(vi) the claims related to the SDD commission applicable in relation to the Consumer Loan Agreements;

(b) any other claim related or connected to the Consumer Loan Agreements or due to the Originator under such Consumer Loan Agreements, including without limitation the claims for damages against the Debtors;

(c) any claim of the Originator arising by operation of law or contract in relation to the Consumer Loan Agreements, the Security Interests and any other deed, contract or document related or connected to such Consumer Loan Agreements and/or Security Interests;

(d) any claim of the Originator towards any third party for damages deriving from the activity of the third parties in relation to the Receivables and the Security Interests, and

(e) any amount to be paid by the Supplier to the Originator in accordance with the Consumer Loan Agreements pursuant to article 125-*quinquies*, paragraph 2, of the Banking Act.

The Purchase Price of the Portfolio

The Initial Portfolio Purchase Price under the Master Receivables Purchase Agreement is equal to the aggregate Residual Amounts of the Receivables comprised in the Initial Portfolio, being equal to Euro 899.981.085,62.

The Initial Portfolio Purchase Price will be paid on the Issue Date out of the net proceeds from the issue of the Notes, provided that publication of a notice in the Official Gazette of the assignment of the Initial Portfolio and filing of such assignment with the competent Register of Companies have been made on or before the Issue Date.

The Purchase Price of any Subsequent Portfolio under the Master Receivables Purchase Agreement shall be equal to the sum of the Residual Amount of each of the Receivables comprised in it and shall be paid out of the Issuer Available Funds in accordance with the applicable Priority of Payments on the Monthly Payment Date which is not a Quaterly Payment Date and/or the Quarterly Payment Date (as the case may be) on which its purchase shall take place.

Purchase of the Subsequent Portfolio

During the Revolving Period, the Originator may, on or before 5 p.m. (Italian time) of the Offer Date, deliver to the Issuer a notice (the "**Subsequent Portfolio Transfer Proposal**") together with a report (the "**Purchase Report**"), which shall indicate, *inter alia*, the following information with reference to the Receivables to be comprised in the Subsequent Portfolio: (a) the identification code of the relevant Consumer Loan Agreement; (b) the type of the asset under the relevant Consumer Loan Agreement (if any); (c) the interest rate applicable to the relevant Consumer Loan Agreement; (d) the number and the total amount of the Instalments being assigned; (e) the Residual Amount; (g) the Individual Purchase Price.

The Originator shall also submit to the Issuer, together with the Purchase Report, a written declaration by its legal representative or a duly authorised attorney confirming that (i) the Originator is not insolvent on the date of the Subsequent Portfolio Transfer Proposal, (ii) all conditions provided for the purchase of any Subsequent Portfolios have been satisfied, and (iii) all the representations and warranties made to the Issuer are true and accurate.

Subject to the satisfaction of the conditions precedent for the purchase of each Subsequent Portfolio, the Issuer shall return a copy of the Subsequent Portfolio Transfer Proposal to the Originator, duly signed for acceptance, no later than 12 p.m. (Italian time) of the Business Day after the date of receipt thereof. The purchase of each Subsequent Portfolio shall take place on the day on which the Issuer submits its acceptance of the Subsequent Portfolio Transfer Proposal, with effect as at the immediately succeeding Payment Date (provided that the Publicity have been complied with) or, if later, the date on which the Publicity have been complied with.

Conditions for the purchase of the Subsequent Portfolios

During the Revolving Period, the Issuer may purchase any Subsequent Portfolio on each Payment Date provided that, after the purchase of the relevant Subsequent Portfolio:

(a) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables included in the Pool of the New Car Loans is at least equal to 16% of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;

(b) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables included in the Pool of the Used Car Loans is not higher than 10% of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;

(c) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables included in the Pool of the Other Purpose Loans is at least equal to 10% of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;

(d) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables included in the Pool of the Personal Loans is not higher than 68% of aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;

(e) the average annual nominal rate (*TAN*) of the Gross Portfolio is at least equal to 8.5%;

(f) no Trigger Event has occurred;

(g) no Purchase Termination Event has occurred;

(h) the aggregate amount of the outstanding Instalment Principal Components of the Receivables aring out from the Personal Loans granted through the indirect channel (other than the Personal Loans granted through the agents) is at least equal to 45% of the Outstanding Amount of the Receivables arising from the Personal Loans;

(i) the weighted average remaining term of all the Receivables purchased by the Issuer, calculated on the relevant Outstanding Principal, is not longer than 72 months.

Purchase Termination Events

Pursuant to the Master Receivables Purchase Agreement if, during the Revolving Period, any of the following events occurs:

(A) Material Breach of Obligations by the Originator:

Compass is in material breach of its obligations or has not observed its obligations under the Master Receivables Purchase Agreement or any other Transaction Document to which Compass is a party and such breach or non-observance has been continuing for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer and to

Compass declaring that, in its justified opinion, such breach or non-observance is materially prejudicial to the interests of the Senior Noteholders; or

(B) Breach of Representations and Warranties by the Originator:

any of the representations and warranties given by Compass under the Master Receivables Purchase Agreement or under the Servicing Agreement is breached or is untrue, incomplete or inaccurate and such situation remains unremedied for 10 (ten) days following the date on which the Representative of the Noteholders has sent a written communication to the Issuer, copying Compass, declaring that, in its justified opinion, such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders; or

(C) Insolvency of the Originator:

(i) an administrator, administrative receiver or liquidator is appointed over the Originator or in respect of the whole or any part of its assets or the Originator becomes subject to (or an application has been made for the commencement of) proceedings for the declaration of its insolvency or any other applicable bankruptcy, liquidation, composition or reorganisation proceedings or the submission of all or a substantial part of the assets of the Originator to foreclosure (*esecuzione forzata*); or

(ii) proceedings are commenced against the Originator under any procedures or proceedings pursuant to applicable bankruptcy or insolvency legislation; or

(D) Restructuring Agreements:

Compass carries out any action for the purpose of rescheduling its own debts or postponing the maturity dates thereof, enters into any extrajudicial arrangement with its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Compass's financial conditions; or

(E) Winding-up of the Originator:

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator; or

(F) Bank of Italy order:

Bank of Italy issued an extraordinary order towards Compass, in accordance with Title VIII, chapter 2, section II, paragraph 1 of the Bank of Italy Instructions; or

(G) Transaction Documents:

the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or administrative authority on the basis of arguments which, in the justified opinion of the Representative of the Noteholders, are grounded, where any such challenge is or may be, in the justified opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders; or

(H) Termination of appointment of the Servicer:

the Issuer terminates the appointment of Compass, in its capacity as Servicer, in accordance with the provisions of the Servicing Agreement; or

(I) Trigger Notice:

a Trigger Notice is delivered to the Issuer; or

(J) Breach of the Portfolio Default Ratio:

for three consecutive Collection Periods the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Defaulted Receivables during each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 0.35%; or

(K) Breach of the Cumulative Default Ratio:

the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Gross Portfolio become Defaulted Receivables is higher than 1.5% of the sum between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Initial Portfolio as at the Initial Valuation Date and (b) the Instalment Principal Component of the Outstanding Amount of the Receivables comprised in the Subsequent Portfolios as at the relevant Valuation Date; or

(L) Collateral Portfolio Performance:

on a Quarterly Payment Date the sum of (i) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, and (ii) the balance of the Accounts as at the end of the Collection Period immediately preceding the relevant Quarterly Payment Date, less the payments to be made on such Quarterly Payment Date under item from (i) to (v) of the Quarterly Priority of Payments, is lower than the Instalment Principal Component of the Outstanding Amount of the Initial Portfolio as at the Initial Valuation Date;

(M) Portfolio Delinquency Ratio:

the average of three consecutive Collection Periods of the ratio between (a) the Instalment Principal Component of the Outstanding Amount of the Receivables (that are not Defaulted Receivables) with at least three instalments due but unpaid as at the end of each Collection Period and (b) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the first day of each Collection Period is higher than 2.5%;

(N) Non disposal of the Monthly Available Funds/Revolving Available Amount:

following the purchase by the Issuer of each Subsequent Portfolio, the Monthly Available Funds or the Revolving Available Amount (as the case may be) which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio;

(O) Subsequent Portfolios:

the Originator fails, during the Revolving Period, to offer for sale Subsequent Portfolios to the Issuer for 3 (three) consecutive Offer Dates,

(each, a "**Purchase Termination Event**"), then the Representative of the Noteholders, if so requested by the Most Senior Series of Noteholders in accordance with the Rulesshall forthwith serve to the Issuer, the Paying Agent, the Calculation Agent, the Servicer, the Originator and the Rating Agencies a notice (the "**Purchase**

Termination Notice") pursuant to which: (i) the Issuer shall not purchase any further Subsequent Portfolio, (ii) the Amortisation Period will begin and (iii) the Issuer Available Funds will be applied in accordance with the applicable Quarterly Priority of Payments.

Trigger Events

If a Trigger Event (See Condition 11 (*Trigger Events*)) occurs then the Representative of the Noteholders:

(i) shall upon the occurrence of a Trigger Event referred to under (A) (*Non-payment*), (D) (*Insolvency of the Issuer*) and (E) (*Winding-up of the Issuer*) of Condition 11 (*Trigger Events*); or

(ii) shall, if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders, upon the occurrence of a Trigger Event referred to under (B) (*Breach of other Obligations by the Issuer*), (C) (*Breach of Representations and Warranties by the Issuer*) and (F) (*Unlawfulness*) Condition 11 (*Trigger Events*),

subject, in each case, to it being indemnified to its satisfaction, deliver a Trigger Notice to the Issuer and the Servicer declaring the Notes to be immediately due and payable in an amount equal to the Principal Amount Outstanding together with accrued interest without further action or formality.

After the service of a Trigger Notice (i) the Issuer shall (to the extent the Revolving Period has not otherwise terminated) not purchase any further Subsequent Portfolio and the Issuer Available Funds shall be applied in accordance with the applicable Priority of Payments, (ii) the Amortisation Period will begin and (iii) the Representative of the Noteholders shall, subject to it being indemnified to its satisfaction, proceed to sell, in whole or in part, the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Senior Noteholders.

Clean-up Option

Starting from the Quarterly Payment Date on which the residual outstanding principal amount of the Portfolio purchased by the Issuer is equal to or lower than 10% of the Residual Amount of the Initial Portfolio, provided that (i) any Purchase Termination Events referred to under Condition 10.1 (*Purchase Termination Events*) (C) (*Insolvency of the Originator*), (D) (*Restructuring Agreements*) and (E) (*Winding-up of the Originator*) has not occurred and (ii) the Amortisation Period has begun, the Originator under the provisions of the Master Receivables Purchase Agreement may exercise an option (the "**Clean-up Option**") to repurchase (pursuant to article 58 of the Banking Act) from the Issuer all the then outstanding Receivables, subject to it giving to the Issuer a 10 Business Days prior written notice before the relevant Quarterly Payment Date (the "**Relevant Quarterly Payment Date**") and *provided that*:

(1) the consideration therefore (the "**Clean-up Option Purchase Price**") is at least equal to or greater than (x) the amount required by the Issuer to discharge, on the Relevant Quarterly Payment Date, the Principal Amount Outstanding of the Notes together with all accrued but unpaid interest thereon as well as any amounts required under the Conditions to be paid in priority to or pari passu with the Notes pursuant to the then applicable Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Relevant Quarterly Payment Date;

(2) the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Clean-up Option, in compliance with article 58 of the Banking Act;

(3) the Originator has delivered to the Issuer (i) a solvency certificate signed by its legal representative and dated as at a date not earlier than the date of exercise of the Clean-up Option and (ii) a certificate of good standing (certificato di vigenza) issued by the competent Chamber of Commerce (Camera di Commercio) as at a date not earlier than 5 days before the date of the exercise of the Clean-up Option.

The Clean-up Option Purchase Price shall be equal to the sum of: (a) the Outstanding Amount of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the Quarterly Payment Date immediately following the date of exercise of the Clean-up Option; and (b) the market value of the Defaulted Receivables and Delinquent Receivables, as determined by a third party arbitrator appointed jointly by the Issuer and Compass and, in the absence of agreement between the parties, by the Chairman of the Italian Banking Association.

The Issuer shall apply all the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming all the Notes together with all interests accrued thereon subject to and in accordance with Condition 4 (*Priority of Payments*).

Representations and warranties as to matters affecting the Originator

The Master Receivables Purchase Agreement contains market standard representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator is validly existing as a legal entity, has the corporate authority and power to enter into the Transaction Documents to which it is party and to assume the obligations contemplated therein and has all the necessary authorisations thereof.

Representations and warranties in relation to the Receivables

The Master Receivables Purchase Agreement furthermore provides for standard representations and warranties of the Originator in respect of the Receivables comprised in the Initial Portfolio as at the date of execution of the Master Receivables Purchase Agreement (which representations and warranties shall be repeated on the Initial Portfolio Legal Effective Date and on the Issue Date) and the Receivables which will be comprised in each Subsequent Portfolio as at the relevant transfer date, by reference to the facts and circumstances then subsisting (which representations and warranties shall be repeated on the relevant Legal Effective Date), including, without limitation, the followings.

(1) Consumer Loans, Receivables and Guarantees

(a) The Consumer Loans have been granted in Compass's ordinary course of business, in accordance with the Loan Disbursement Policy. The Loan Disbursement Policies are no less stringent than those that the Compass applied at the time of origination to similar consumer loan exposures that have not been assigned in the context of the Securitisation, also to the effects of article 20, paragraph 10 of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

(b) Each party to a Consumer Loan Agreement and any Guarantor, and, in each case, each party to any agreement, deed or document relating thereto, had, at the date of execution thereof, full power and authority to enter into and execute the relevant Consumer Loan Agreement and each agreement, deed or document relating to such Consumer Loan Agreement and/or Guarantee.

(c) Each of the Receivables derives from duly executed Consumer Loan Agreements. Each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and enforceable and constitutes valid and legal obligations, binding on each party thereto, with full recourse to the Debtors (article 20, paragraph 8, of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

(d) Each Consumer Loan Agreement has been entered into, executed and performed and the advance of each Consumer Loan has been made in compliance with all applicable laws, rules and regulations.

(e) Each authorisation, approval, consent, licence, registration, recording, attestation or any other action which was and/or is required or convenient to ensure the validity, legality, enforceability or priority of the rights and obligations of the relevant parties to each Consumer Loan Agreement was duly and unconditionally obtained, made or taken by the time of the execution or perfection of each Consumer Loan Agreement or upon the making of any advances thereunder or when otherwise required under the law or appropriate for the above purposes.

(f) Each Consumer Loan has been fully advanced, disbursed and paid, as evidenced by disbursement receipts, directly to the relevant Debtor or on his account or to the Supplier. There is no obligation on the part of Compass to advance or disburse further amounts in connection with any Consumer Loan.

(g) Each Supplier is an Eligible Supplier.

(h) Each Consumer Loan Agreement has been entered into substantially in the form of Compass's standard form agreements attached under the Master Receivables Purchase Agreement, as amended from time to time by Compass. Save as permitted under the Servicing Agreement, no Consumer Loan Agreement has been amended after its execution in any manner that could substantially prejudice the representations and warranties given by Compass under the Master Receivables Purchase Agreement.

(i) Each Consumer Loan Agreement and each other related agreement, deed or document was entered into and executed without any misrepresentation *(errore)*, violence *(violenza)* or wilful misconduct *(dolo)* or undue influence by or on behalf of Compass or any of its directors *(amministratori)*, managers *(dirigenti)*, officers *(funzionari)* and/or employees *(impiegati)* which would entitle the relevant Debtors to initiate any action against Compass for misrepresentation *(errore)*, violence *(violenza)*, wilful misconduct *(dolo)* or undue influence or to rightfully repudiate any of the obligations under or in respect such Consumer Loan Agreement or other agreement, deed or document relating thereto.

(j) Each Receivable is fully and unconditionally owned by and available directly to Compass and is not subject to any lien *(pignoramento)*, seizure *(sequestro)* or other charge in favour of any third party (including, without limitation, any company belonging to Compass's group) nor there are elements that can be foreseen to adversely affect the enforceability of the transfer of such Receivable under the Master Receivables Purchase Agreement and is freely transferable to the Issuer, pursuant to article 20, paragraph 6 of the Securitisation Regulation and the EBA Guidelines on STS Criteria and is freely transferable to the Issuer.

(k) Compass holds direct, sole and unencumbered legal title to each of the Consumer Loans and the Receivables and has not assigned (neither the ownership nor by way of security), participated, transferred or otherwise disposed of any of the Consumer Loans or the Receivables or otherwise created or allowed the creation or constitution of any lien or charge on the Consumer Loans or the Receivables in favour of any third party.

(l) The Residual Amount of each Receivable comprised in the Initial Portfolio is correctly set forth in schedule 2 to the Master Receivable Purchase Agreement. The list of Consumer Loans attached schedule 2 to the Master Receivable Purchase Agreement is an accurate list of all of the Consumer Loans from which the Receivable comprised in the Initial Portfolio arise, specifying the relevant Individual Purchase Price, and all information contained in such list is true and correct in all material respects. The Residual Amount of each Receivable comprised in any Subsequent Portfolio will be correctly set forth in schedule A to the relevant Transfer Proposal. The list of Consumer Loans that will be attached as schedule A to each Transfer

Proposal will be an accurate list of all of the Consumer Loans from which the Receivables comprised in the relevant Subsequent Portfolio derive and will specify the Individual Purchase Price for each such Receivable, and all the information contained therein will be true and correct in all material respects.

(m) Compass has not, prior to the Initial Legal Effective Date or the relevant transfer date of each Subsequent Portfolio, relieved or discharged any Debtor from its obligations or subordinated its rights to the Receivables to the rights of other creditors, or waived any of its rights, except in relation to payments made in an amount sufficient to satisfy the relevant Receivables or except where and to the extent this was required in accordance with mandatory Italian laws and regulations.

(n) The transfer of the Receivables to the Issuer under the Master Receivables Purchase Agreement does not prejudice or vitiate the obligations of the Debtors regarding payment of the outstanding amounts of the Receivables, nor does it impair or affect the validity and enforceability of the rights and obligations arising out of the Consumer Loan Agreements and the Guarantees, nor it is any consent required from the Debtors, under the terms of the Consumer Loan Agreements or any other agreement deed or document relating thereto, in respect of the transfer of the Receivables to the Issuer.

(o) The Receivables are not secured by any security that is not transferred to the Issuer pursuant to the Master Receivables Purchase Agreement.

(p) With the exception of the Servicing Agreement and save as provided in the Collection Policy, no servicing or pooling agreement has been entered into by Compass in relation to any of the Consumer Loans and/or any Receivables which will be 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 Receivables and the Guarantees.

(q) The Receivables do not derive from Consumer Loans (other than Personal Loans) where the financed asset has not yet been delivered to the relevant Debtor.

(r) No Consumer Loan falls within the definition of "*sofferenza*", "*inadempienza probabile*" o "*esposizione scaduta e/o sconfinante deteriorata*" under, and within the meaning of, Bank of Italy's supervisory regulations *(Istruzioni di Vigilanza).*

(s) Compass has maintained and maintains in all material respects complete, proper and up-to-date books, records, data and documents relating to the Consumer Loans, all instalments and any other amounts to be paid or repaid thereunder, and all such books, records, data and documents are kept by Compass or by any entity duly appointed by Compass.

(t) The disbursement, servicing, administration and collection procedures adopted by Compass with respect to each of Consumer Loan and Receivable have been conducted in all respects in compliance with all applicable laws and regulations and with care, skill and diligence and in a prudent manner and they are described by Compass in schedule 5 to the Master Receivables Purchase Agreement (with reference to the Loan Disbursement Policy) and in schedule A to the Servicing Agreement (with reference to the Collection Policy).

(u) The Loan Disbursement Policies attached to the Master Receivables Purchase Agreement as schedule 5 and the Collection Policies attached to the Servicing Agreement as schedule A are true, complete and correct.

(v) The collection of the Receivables is effected in compliance with the Collection Policies, as amended from time to time according to the Transaction Documents.

(w) All taxes, duties and fees of any kind, required to be paid by Compass under each Consumer Loan Agreement from the relevant execution date to the relevant Legal Effective Date, as well as with respect to the execution of any other agreement, deed or document or the performance and fulfillment of any action or formality relating thereto, have been duly paid by Compass.

(x) The Rate of Return indicated opposite each Consumer Loan in schedule 2 to the Master Receivables Purchase Agreement with reference to the Receivables comprised in the Initial Portfolio and in schedule C to the relevant Transfer Proposal 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 reductions or variations throughout the term of the relevant Consumer Loan.

(y) The rates of interest relating to the Consumer Loans, as specified in schedule 2 to the Master Receivables Purchase Agreement with reference to the Receivables comprised in the Initial Portfolio and in schedule C to the relevant Transfer Proposal with reference to each Subsequent Portfolio have at all times been applied and will at all times be applied in accordance with the laws applicable from time to time (including the Usury Law, if applicable).

(z) The Consumer Loan Agreements provide for that the payment of the instalments due under each Consumer Loan is to be effected either by post transfer or by directly debiting the Debtor's account by SDD or by directly debiting the Debtor's credit card.

(aa) Compass has provided the relevant Debtor with any information and detail necessary in order to allow the payment of the Receivables by SDD directly on the Compass' bank accounts opened for this purpose.

(bb) Compass has not failed to perform any of its obligations arising from any of the Consumer Loans in any manner which could determine a material adverse effect on the collection or recovery of the relevant Receivable. No Debtor is entitled to exercise any right of withdrawal (except where contractually provided for or as otherwise provided under article 118, second paragraph and article 125-*ter*), rescission, termination, counterclaim or grounded defence (save as in accordance with article 125-*septies*, first paragraph of the Banking Act) to, or in respect of, the operation of any of the terms of any of the Consumer Loans or of any connected agreement, deed or document, or in respect of any amount payable or repayable thereunder; it being understood that no such right or claim has been asserted against Compass. Compass declares that there are no current, pending or threatened proceedings in respect of the Consumer Loan Agreements and the Receivables deriving therefrom.

(cc) Compass has no knowledge of any fact or matter which might cause a non-reimbursement or a delayed reimbursement of any of the Consumer Loans, with the exception of the postponement of one or more instalments at the end of the relevant amortisation plan (so called "*accodamento*" of the instalments) described under the following paragraph (ww).

(dd) With reference to the Consumer Loans in relation to which the Debtor has transferred to Compass any claims as a security or for any other purpose, at the same time of the drawdown of the Consumer Loan or afterwards, such transfer is valid and enforceable among the parties.

(ee) The Consumer Loans do not violate any provision under articles 1283 (*Anatocismo*), 1345 (*Motivo illecito*) and 1346 (*Requisiti*) of the Italian Civil Code.

(ff) To the best of Compass's knowledge, no Debtor is subject to any Insolvency Proceeding.

(gg) All Consumer Loan Agreements have been and/or will be entered into by Compass and the relevant Debtor.

(hh) The Receivables, at the time of the relevant transfer under the Master Receivables Purchase Agreement, are not qualified as exposures in default within the meaning of Article 178, paragraph 1, of Regulation (EU) No 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Compass's knowledge:

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt- restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Issuer, except if:

(x) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer of the underlying exposures to the Issuer; and

(y) the information provided by the Originator in accordance with points (a) and (e)(i) of the first subparagraph of Article 7, paragraph 1, of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Compass which have not been assigned to the Issuer under the Securitisation,

in each case for the purposes and to the effects of article 20, paragraph 11 of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

(ii) at the relevant Legal Effective Date, the aggregate exposure value of all the Receivables to a single Debtor included in the Portfolio does not exceed 2% of the exposure values of all the Receivables included in the Portfolio.

(jj) No Consumer Loan Agreement containes provisions allowing the convertion of the currency from Euro to another currency.

(kk) Each Consumer Loan Agreement and each respective Consumer Loan are governed by Italian Law.

(ll) The deadline for the Debtor to exercise any right of withdrawal from the relevant Consumer Loan Agreement pursuant to article 125-*ter*, paragraph 1 of the Banking Act is and will be passed at the time of the relevant Valuation Date.

(mm) The Receivables comprised in the Initial Portfolio, at the time of the relevant Valuation Date and of the relevant transfer under the Master Receivables Purchase Agreement, are – and the Receivables comprised in each Subsequent Portfolio will be – homogenous in terms of asset type, taking into account the specific characteristics relating to the cash flow of the asset type including their contractual, credit-risk and prepayment characteristics, for the purposes of article 20, paragraph 8 of the Securitisation Regulation and the Regulatory Technical Standards, given that:

(a) all Receivables are or will be, as the case may be, originated by Compass based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures;

(b) all Receivables are or will be, as the case may be, serviced by Compass pursuant to similar servicing procedures;

(c) the Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities provided to individuals for personal, family or household consumption purposes" and

(d) although no specific homogeneity factor is required to be met, as at the relevant Valuation Date all Debtors are (or will be, as the case may be) resident in the Republic of Italy.

(nn) The Receivables derive from a Consumer Loan Agreements denominated in Euros.

(oo) Each Receivable derives from a Consumer Loan Agreement whose amortization plan (i) envisages monthly payments; (ii) does not envisage more than 120 instalments and (iii) includes, for each instalment, the payment of both interests (in case the relevant annual nominal interest rate (*Tasso Nominale Annuo – T.A.N.*) is higher than zero) and principal.

(pp) The Receivables comprised in the Initial Portfolio, as at the time of the relevant Valuation Date and of the relevant Effective Date, do not include, and the Receivables comprised in the Subsequent Portfolio will not include (i) any transferrable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU, pursuant to article 20, paragraph 8 of the Securitisation Regulation and the EBA Guidelines on STS Criteria; (ii) any securitisation positions, pursuant to article 20, paragraph 9 of the Securitisation Regulation and the EBA Guidelines on STS Criteria; (iii) any derivatives, pursuant to article 21, paragraph 2 of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

(qq) Each Receivable derives (i) from Consumer Loan Agreements, under which a Personal Loan was originated; or (ii) from Consumer Loan Agreements the purpose of which is to aquire cars or (iii) from Consumer Loan Agreements concluded in order to purchase a consumer good (other than cars) referred to therein.

(rr) No amortisation plan relating to the Receivables provides for a final maxi instalment, higher than the other instalments of the relevant amortisation plan.

(ss) No Receivable has been disbursed pursuant to contributions or subsidies made by third entities in accordance with applicable law.

(tt) No Receivable arises from a Consumer Loan Agreement secured by (or that otherwise provides for) the assignment of one fifth of the salary ("*cessione del quinto*", pursuant to the Presidential Decree n. 180/1950), or which provides the delegation for the payment of part of the debtor's salary directly in favor of Compass.

(uu) All Receivable are classified as performing receivables pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation.

(vv) No Debtor has been financed by Compass pursuant to any agreement different from a Consumer Loan Agreement which has been classified as not in bonis pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation in the 36 months preceding the relevant Valuation Date.

(ww) No amortisation plan, as initially agreed in respect of a Consumer Loan Agreement (i) has ever been modified, also as a consequence of a "*novazione*" by Compass (also in its previous denomination of Compass S.p.A.) of consumer loan agreements previously entered into by it or (ii) has ever been modified, except for the purpose of allowing the relevant debtor to postpone the payment of one or more instalments at the end of the relevant amortisation plan (so called "*accodamento*" of the instalments), due to the request made by the relevant debtor before the 12-month period of time preceding the Initial Valuation Date.

(xx) No Debtor, in respect of the Receivables comprised in the Initial Portfolio and that will be comprised in the Subsequent Portfolios, has been financed by Compass pursuant to any other different consumer loan agreement (personal loans o special purpose loans, not secured by the assignment of one fifth of the salary (*cessione del quinto*) and not granted through a credit line, even combined with a credit card) and in respect to such other different agreement at least one instalment has been paid with a 30 day or more delay, taking into account the instalments due in the 12-month period of time preceding the Initial Valuation Date (included).

(yy) No Debtor, in respect of the Receivables comprised in the Initial Portfolio and that will be comprised in the Subsequent Portfolios, has been financed by Compass pursuant to any other different consumer loan agreement (personal loans o special purpose loans, not secured by the assignment of one fifth of the salary (*cessione del quinto*) and not granted through a credit line, even combined with a credit card) and in respect to such other different agreement at least one instalment has been paid with a 60 day or more delay, taking into account the instalments due in the 60-month period of time preceding the Initial Valuation Date (included).

(zz) The Receivables comprised in the Initial Portfolio do not include, and the Receivables comprised in the Subsequent Portfolio will not include receivables whose relevant Debtors have a payment balance higher than euro 100,000.00 on payment accounts opened with Compass.

(aaa) The Receivables included in the Initial Portfolio have, and the Receivables included in each Subsequent Portfolio will have a fixed interest rate.

(2) Consumer credit (*Credito al consumo*)

Without prejudice to and in addition to the above representations and warranties, Compass represents and warrants as follows:

(a) Compass has complied with all the required disclosure requirements provided for by articles 123 and 116 of the Banking Act.

(b) The T.A.E.G. specified by Compass under each Consumer Loan Agreement has been calculated by it in compliance with the Banking Act and its implementing regulations.

(c) The Consumer Loan Agreements have been drafted and entered into in compliance with the provisions of article 117, paragraphs 1 and 3, of the Banking Act.

(d) The Consumer Loan Agreements comply with the provisions of article 125-*bis* of the Banking Act.

(e) The Consumer Loan Agreements comply with the provisions of article 125-*sexies* of the Banking Act.

(f) The Consumer Loan Agreements do not contain unfair terms against consumers, as defined under articles 33 and 34 of the Legislative Decree 6 September 2005, No. 206 and all the conditions contained therein are enforceable against the Debtors.

(g) The Originator has not carried out aggressive business conducts (*pratiche commerciali aggressive*), as defined under article 26, second paragraph, of the Legislative Decree 6 September 2005, No. 206, as regard to Consumer Loan Agreements.

(3) Insurance Policies (*Polizze Assicurative*)

Each registered assets Insurance Policy and each other agreement, deed or document relating thereto is valid and enforceable and constitutes valid and legal obligations, binding on each party thereto.

(4) Other representations and warranties

Without prejudice to and in addition to the above representations and warranties, Compass represents and warrants as follows:

(a) Compass has expertise in originating exposures of a similar nature to those assigned under the Securitisation, pursuant to article 20, paragraph 10, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

(b) Compass has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC (article 20, paragraph 10, of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

Pursuant to the Master Receivables Purchase Agreement, the Originator, *inter alia*, has undertaken to fully and promptly disclose to any potential investors in the Securitisation (also for the purposes of the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**Securitisation Regulation**")) the Loan Disbursement Policies as well as any material changes made with respect to the loan disbursement policies applied previously by Compass (if any), as specified in the Securitisation Regulation as updated and implemented from time to time.

Indemnity/repurchase obligations of the Originator

Pursuant to article 13 of the Master Receivables Purchase Agreement, in addition and without prejudice to any remedy provided for by applicable law, the Originator has agreed to indemnify and hold harmless the Issuer or any of its successors and assignees from and against all damages, loss, claims, liabilities, costs and expenses incurred by it arising from, *inter alia*,:

(a) any breach by the Originator of its obligations under the Master Receivables Purchase Agreement and under any other Transaction Document;

(b) any representation or warranty made by the Originator under the Master Receivables Purchase Agreement and under any other Transaction Document being false, incomplete or incorrect;

(c) without prejudice to the provisions provided for under article 9, second paragraph, of the Master Receivables Purchase Agreement, the failure to collect or recover any Receivables as a consequence of the legitimate exercise by a Debtor of any set-off claim or any other right or claim against the Originator;

(d) the application of the Usury Law in relation to interest accrued, or to be accrued, on any Consumer Loan Agreement comprised in the Initial Portfolio through to the date of execution of the Master Receivables Purchase Agreement or on any Consumer Loan Agreement comprised in each Subsequent Portfolio through to the relevant transfer date, provided that if the provisions of the

relevant Consumer Loan Agreement applicable to interest rates are amended to comply with the Usury Law, the indemnity by the Originator shall cover the shortfall in interest which would have accrued through to the expiry of the relevant Consumer Loan Agreement or the complete discharge of the Receivables arising thereunder as if the interest rate provisions had not been amended;

(e) non-compliance of the terms and conditions of any Consumer Loan Agreement with the provisions of article 1283 of the Italian Civil Code.

Pursuant to Article 13 of the Master Receivables Purchase Agreement, should any representation or warranty made by the Originator under the Master Receivables Purchase Agreement and under any other Transaction Document be false, incomplete or incorrect, Compass, as alternative to the obligation to pay the indemnity amount as due and determined in accordance with the provisions specified therein, has the right to repurchase the relevant Receivables, by paying a repurchase price to the Issuer in accordance with the terms and conditions therein specified.

Further provisions – repurchase of Receivables which are not compliant with the Eligibility Criteria

The Master Receivables Purchase Agreement provides that if, after the relevant Legal Effective Date, it transpires that any of the Receivables transferred under the Master Receivables Purchase Agreement or any Transfer Agreement does not meet, as of the relevant Valuation Date, the Eligibility Criteria, then Compass shall repurchase such Receivables.

The Purchase Price of the Initial Portfolio and/or of the relevant Subsequent Portfolio shall be adjusted accordingly and the Originator will pay to the Issuer a sum equal to (a) the Individual Purchase Price of such Receivable and interest accrued thereon from the relevant Valuation Date (included) to the date on which such amount is paid by mutual consent of the parties or following the decision of the arbitrator in accordance with Article 5 of the Master Receivables Purchase Agreement, calculated at the rate indicated in the Master Receivables Purchase Agreement; less (b) all amounts collected in relation to such Receivable since the relevant Valuation Date (included) to the date (excluded) on which such amount is paid; plus (c) the expenses borne by the Issuer in relation to the recovery of such Receivable.

Governing Law

The Master Receivables Purchase Agreement is governed by and is construed in accordance with Italian law.

THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement upon request at the Specified Office of the Representative of the Noteholders.

Duties of the Servicer

On 14 October 2019, the Issuer, the Back-Up Servicer Facilitator and Compass entered into a servicing agreement, as amended and supplemented from time to time, pursuant to which Compass has been appointed by the Issuer as Servicer in relation to the Securitisation (the "**Servicing Agreement**"). Pursuant to the Servicing Agreement, the Servicer is responsible for the receipt of the cash collections in respect of the Consumer Loan Agreements and the related Receivables. Within the limits of article 2, paragraph 6 and 6-*bis* of the Securitisation Law, the Servicer is responsible for verifying that the transactions to be carried out in connection with the Securitisation comply with the applicable laws and are consistent with the contents of this Prospectus.

Under the Servicing Agreement, the Servicer has represented and warranted that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement. In addition, the Servicer has represented and warranted it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures (article 21, paragraph 8, of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

The Servicer has undertaken in relation to each of the Counsumer Loan Agreement and related Receivables serviced by it, *inter alia*:

(a) to collect, on each relevant date as indicated in the relevant Consumer Loan Agreement, from the relevant Debtor the amounts owed by the Debtor in respect of the relevant Receivable. Such amounts shall be transferred by Compass into the Collection Account, on a daily basis, and in any case not later than 5 p.m. (Italian time) of the second Business Day following the day on which such amounts have been duly collected or recovered in accordance with the Collection Policies described in the Servicing Agreement;

(b) to strictly comply with the Servicing Agreement and the collection policy described in "*The Credit and Collection Policies*", above (the "**Collection Policies**");

(c) to carry out the administration and management of such Receivables and to manage any possible legal proceedings (procedura giudiziale) against the relative Debtor in respect thereof;

(d) to comply with any requirements of laws and regulations applicable in the Republic of Italy in carrying out the activities under the Servicing Agreement, included the regulation under Italian Legislative Decree of 30 June 2003, No. 196 (as amended and supplemeted);

(e) save where otherwise provided for in the Collection Policies or other than in certain circumstances specified in the Servicing Agreement, not to consent to any waiver of, or other change prejudicial to the Issuer's interests in, the Consumer Loan Agreements and related Receivables;

(f) on behalf of the Issuer, operate an adequate supervision and information disclosure system with respect to the Receivables and an adequate database maintenance system, by keeping and maintaining any books, records, documents, magnetic media and IT systems as may be useful for, or relevant to, the implementation of a data disclosure system to permit the Issuer to operate in full

compliance with all applicable laws and regulations in matters of supervision, reporting procedures; and

(g) maintain and implement administrative and operating procedures (including, without limitation, copying recordings), keep and maintain all books, records and all the necessary or advisable documents (i) in order to collect all the Receivables and all the other amounts which are to be paid for any reason whatsoever in connection with the Receivables (including, without limitation, records which make it possible to identify the nature of any payment and the precise allocation of payment and collected amounts to capital and interest), and (ii) in order to check the amount of all the Receivables received;

(h) ensure at any times that all the Collections arising from the Receivables will be correctly identified and distinctly recorded on accounting books separate to those on which are registered the sums of the Servicer or collected by the Servicer on behalf of any third party other than the Issuer.

The Issuer and the Representative of the Noteholders have the right to inspect and copy the documentation and records relating to the Receivables in order to verify the activities undertaken by the Servicer pursuant to the Servicing Agreement, provided that the Servicer has been informed at least 5 (five) Business Days in advance of any such inspection.

Pursuant to the terms of the Servicing Agreement, the Servicer will indemnify the Issuer from and against any and all damages and losses incurred or suffered by the Issuer as a consequence of a default by the Servicer of any of its obligation under the Servicing Agreement, save for any damages and losses arising from the Issuer's wilful default (*dolo*) or gross negligence (*colpa grave*). 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*).

Reporting requirements

The Servicer has undertaken to prepare and submit to, *inter alios*, the Issuer, the Representative of the Noteholders, the Rating Agencies, to the Cash Manager and the Calculation Agent, on or before each Monthly Report Date, the Monthly Report in the form set out in the Servicing Agreement, which will contain information as to, respectively, Portfolio and any relevant Collection in respect of the preceding month.

Under the terms of the Servicing Agreement, the Servicer has undertaken to prepare and make available to the holders of positions vis-à-vis the Securitisation an potential investors in the Notes, on a quarterly basis by 1 month after the relevant Quarterly Payment Date, the Loan by Loan Report setting out information relating to each Consumer Loan (including, inter alia, the information related to the environmental performance of the vehicles, if available), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

The Servicer has undertaken to amend the Monthly Report to include any further information which may become necessary for the purposes of the preparation of the reports referred to in article 7, paragraph 1, of the Securitisation Regulation in compliance with the applicable Regulatory Technical Standands.

The Servicer has also undertaken to make available to the Issuer and the Calculation Agent, without delay, any information under letter f) and g) of article 7, paragraph 1, of the Securitisation Regulation which it has become aware of, in compliance with the applicable Regulatory Technical Standards.

Representation and Warranties by the Servicer

The Servicer has given to the Issuer standard market practice representations and warranties.

Remuneration of the Servicer

In return for the services provided by the Servicer pursuant to the Servicing Agreement, and in accordance with the applicable Priority of Payments, the Issuer will pay to the Servicer a fee as better described under the Servicing Agreement.

Termination events

Should one of the following events occurs and continue the Issuer may, upon the written consent of the Representative of the Noteholders, terminate the appointment of the Servicer and appoint a Back-up Servicer (having the characteristics provided for under article 9.5 of the Servicing Agreement) under a new servicing agreement (having, substantially, the same terms and conditions of the Servicing Agreement) pursuant to which the Back-up Servicer shall act as servicer of the Portfolio if the Servicing Agreement is terminated in accordance with the provisions of its article 9:

(a) certain bankruptcy events with respect to the Servicer;

(b) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited within 5 (five) days after the due date thereof, only if such failure is attributable to the Servicer;

(c) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement, and the continuation of such failure for a period of 10 (ten) Business Days following receipt by the Servicer of written notice;

(d) any representation and warranty of the Servicer contained in the Servicing Agreement shall prove to have been incorrect or incomplete; and

(e) failure on the part of the Servicer to send to the Issuer, the Rating Agencies, the Representative of the Noteholders and the Calculation Agent, the Monthly Servicer Report within 5 (five) Business Days after the due date thereof, only if such failure is attributable to the Servicer.

Back-Up Servicer Facilitator

Under the Servicing Agreement, upon the termination of the mandate granted to the Servicer, the Back-Up Servicer Facilitator shall carry out all its best efforts to co-operate with the Issuer in finding a Back-Up Servicer, having the requirements specified in article 9.5 of the Servicing Agreement (including, *inter alia*, expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures in compliance with article 21, paragraph 8, of the Securitisation Regulation and the EBA Guidelines on STS Criteria) and who undertakes to succeed the Servicer upon termination of the mandate conferred to this latter pursuant to the Servicing Agreement.

Subordination and limited recourse

The Servicer has agreed that the obligations of the Issuer under the Servicing Agreement are subordinated and limited recourse obligations and will be payable only in accordance with the applicable Priority of Payments.

Governing Law

The Servicing Agreement will be governed by and will be construed in accordance with Italian law.

THE OTHER TRANSACTION DOCUMENTS

The description of the main Transaction Documents (other than the Master Receivables Purchase Agreement and the Servicing Agreement) set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents. Prospective Noteholders may inspect a copy of such main Transaction Documents upon request at the Specified Office of the Representative of the Noteholders.

CASH ALLOCATION, MANAGEMENT AND AGENCY AGREEMENT

Pursuant to a cash allocation, management and agency agreement entered into on or about the Issue Date (the "**Cash Allocation, Management and Agency Agreement**") between the Issuer, the Paying Agent, the Account Banks, the Cash Manager, the Custodian, the Calculation Agent and the Representative of the Noteholders: **(i)** the Account Banks (each with respect to the relevant Account(s) opened with it) and the Cutodian have agreed to provide the Issuer with certain account management services and other services in relation to monies standing from time to time to the credit of the Accounts held by the Issuer with it, upon the terms and subject to the conditions set out in the Cash Allocation, Management and Agency Agreement; **(ii)** the Cash Manager has agreed to instruct the Custodian to invest in Eligible Investments on behalf of the Issuer and to liquidate such Eligible Investments, upon the terms and subject to the conditions set out in the Cash Allocation, Management and Agency Agreement; **(iii)** the Paying Agent and the Calculation Agent have agreed to provide the Issuer with certain calculation, notification, payment and reporting services in relation to the Notes, including the calculation of the amounts due under the Notes and arranging for the payment to the Noteholders; and **(iv)** Ca-Cib Milan Branch has agreed to replace Mediobanca as Account Bank (wih reference to all the Accounts other than the Payments Account) and Custodian of the Securitisation if and to the extent that Mediobanca is no more an Eligible Institution.

Pursuant to the terms of the Cash Allocation, Management and Agency Agreement, amounts standing from time to time to the credit of the Collection Account and the Liquidity Reserve Account may be invested in Eligible Investments by the Cash Manager, upon the terms and subject to the conditions set out in the Cash Allocation, Management and Agency Agreement.

The Calculation Agent shall prepare a quarterly report with respect to the last three preceeding Collection Periods (the "**Payments Report**") setting out, *inter alia*, the payments to be made in accordance with the applicable Priority of Payments.

The Calculation Agent shall also prepare a quarterly report containing certain information in respect of the Portfolio and the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards (the "**Investor Report**") and shall deliver such Investor Report to the Rating Agencies on the Investor Report Date. Compass has authorised the Calculation Agent to reproduce in the Investor Report the information contained in the Servicer Report required by article 6 of the Securitisation Regulation and the applicable Regulatory Technical Standards (including, in particular, the information regarding the net economic interest from time to time held by the Originator in the Securitisation). The Investor Report is deemed to have been produced on behalf of the Originator, under the Originator's full responsibility, with reference to the information that the Originator has the obligation to make available (or cause to make available, if the case) to investors pursuant to article 7, paragraph 1, letter (e), sub-paragraph (iii) of the Securitisation Regulation and in the applicable Regulatory Technical Standards.

The Calculation Agent shall prepare the Inside Information and Significant Event Report, setting out the information under letter f) and letter g) of article 7, paragraph 1 of the Securitisation Regulation respectively, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Inside Information and Significant Event Report (simultaneously with the Loan by Loan Report and the

Investor Report) to the investors in the Notes by no later than one month after each Quarterly Payment Date and also without undue delay upon the occurrence of the relevant event. The Calculation Agent, subject to the timely receipt of all necessary information from the relevant parties, shall deliver via facsimile transmission (anticipated by email) such Inside Information and Significant Event Report to the Issuer, the Originator, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Paying Agent and the Rating Agencies.

The Inside Information and Significant Event Report will be made available by the Reporting Entity to the investors and potential investors in the Notes pursuant to the Intercreditor Agreement.

By close of business on each Calculation Date, each Payments Report will be delivered by the Calculation Agent to the Issuer, the Issuer's counterparties under the Transaction Documents and the Rating Agencies, via electronic mail or certified email (*posta electronica certificata* - PEC).

Pursuant to the Cash Allocation, Management and Agency Agreement, the Account Bank has, *inter alia*, agreed to provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies and securities, as applicable, from time to time standing to the credit of the Accounts held by the Issuer with it, including the preparation of statements (*estratti conto*) of such Accounts, at the request of the Representative of the Noteholders, the Calculation Agent and the Servicer.

Pursuant to the Cash Allocation, Management and Agency Agreement, the Paying Agent has agreed to make calculations under Condition 5 (*Interest*). In particular, the Paying Agent shall determine the Interest Amount in respect of the Notes for any period pursuant to the Conditions and notify such interest rate and amount in accordance with the Conditions.

Pursuant to the Cash Allocation, Management and Agency Agreement, the Calculation Agent has agreed to provide the Issuer with certain calculation, notification and reporting services in relation to the Receivables and the Notes.

In the event the Account Bank and/or the Paying Agent ceases to be an Eligible Institution, the Issuer will use its reasonable endeavours to appoint a replacement agent provided that, to the extent the Issuer fails to do so, within 30 calendar days, the Account Bank and/or the Paying Agent (as the case may be) may arrange the appointment of a replacement entity which qualifies as an Eligible Institution which will be appointed by the Issuer in accordance with the terms of this Agreement and the other Transaction Documents and which will enter into this Agreement and the Intercreditor Agreement. In any event, if at any time Mediobanca, in its capacity as Account Bank and Custodian, ceases to be an Eligible Institution, it will give notice to the Issuer, the Back-Up Account Bank, the Back-Up Custodian and the Representative of the Noteholders and the Issuer, with the assistance of the Representative of the Noteholders, will promptly inform the Rating Agencies of such event.

Pursuant to the Cash Allocation, Management and Agency Agreement, each of the following constitutes a termination event in relation to any Agent:

(i) provided that funds are available, the Agent fails to procure the transfer of sums required to be transferred to the Issuer in the time or otherwise in the manner required by the terms of the Cash Allocation, Management and Agency Agreement, unless such situation is remedied within 5 days of the relevant due date;

(ii) a default (other than a failure to pay, or publish or deliver a report) is made by the Agent in the performance or observance of any of its other covenants and obligations under the Cash Allocation, Management and Agency Agreement, which in the opinion of the Issuer or the Representative of the Noteholders is materially prejudicial to the interests of any Series of Noteholders and such default is not remedied within 15 days after receipt by the Agent of written notice from the Issuer or the

Representative of the Noteholders requiring the same to be remedied, or such longer time (but no longer than 90 days) as may be reasonably necessary to cure the relevant default;

(iii) any representation or warranty made or deemed to be made by the Agent pursuant to the Cash Allocation, Management and Agency Agreement proves to have been incorrect or misleading when made or deemed to be made, unless the circumstances giving rise to the misrepresentation and breach of warranty are capable of remedy and are remedied within 15 days of notice to the Servicer from the Representative of the Noteholders or the Issuer;

(iv) an order is made or a resolution is passed for winding up the Agent;

(v) the Agent stops payment of its debts, or becomes unable to pay its debts as they fall due, or otherwise becomes insolvent within the meaning of the applicable insolvency law; proceedings are initiated against the Agent concerning any liquidation, administration, insolvency, composition or reorganisation, save where such proceedings are frivolous or vexatious and are being contested in good faith by the Agent;

(vi) it becomes unlawful for the Agent to perform any material part of the relevant services under the Cash Allocation, Management and Agency Agreement.

Upon the occurrence of any of the above events, the Issuer may (and will, if so directed by the Representative of the Noteholders) terminate the appointment of the relevant Agent by delivery of a written termination notice.

Pursuant to the Cash Allocation, Management and Agency Agreement, Crédit Agricole Corporate & Investment Bank has agreed that in the event that Mediobanca can no longer fulfil the role of Account Bank or Custodian due to the loss of its status of Eligible Institution, it will replace Mediobanca in such capacities in relation to all the Accounts previously held with Mediobanca subject to reaching a mutually satisfactory agreement on the applicable economic and operational terms in accordance with the then prevailing market conditions.

The Cash Allocation, Management and Agency Agreement will be governed by and will be construed in accordance with Italian law.

INTERCREDITOR AGREEMENT

Pursuant to an intercreditor agreement entered into on or about the Issue Date, (the "**Intercreditor Agreement**") between Compass, in any capacity, the Representative of the Noteholders (for itself and on behalf of the Noteholders and the other Issuer Secured Creditors), the Account Banks, the Custodian, the Hedging Counterparty, the Reporting Delegate, the Paying Agent, the Joint Lead Managers, the Calculation Agent, the Series A2 Subscriber, the Cash Manager, the Junior Noteholder, the Servicer, the Corporate Services Provider and the Back-Up Servicer Facilitator (together, the "**Issuer Secured Creditors**"), the Quotaholders and the Issuer, the parties thereto have agreed to the orders of priority of payments to be made out of the Issuer Available Funds.

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders acts as agent of the Noteholders and the other Issuer Secured Creditors in relation to the English Deed of Charge. The Noteholders and the other Issuer Secured Creditors have agreed that the cash deriving from time to time from the subject matter of the English Deed of Charge, as well as all proceeds from the enforcement thereof, shall be applied to satisfy the amounts due to each of them in accordance with the applicable Priority of Payments.

In addition, the Issuer shall authorise the Representative of the Noteholders to exercise, in the name and on behalf of the Issuer, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, all the Issuer's rights arising out of the Transaction Documents (other than the right to collect and recover Receivables under the Servicing Agreement) to which the Issuer is a party and the Issuer's rights in respect of the Receivables and generally to take such action, in the name and on behalf of the Issuer, as the Representative of Noteholders may deem necessary to protect the interests of the Noteholders and the other Issuer Secured Creditors, in respect of the Receivables and the Issuer's Rights.

Under the terms of the Intercreditor Agreement, the Issuer has granted, *inter alia*, an irrevocable mandate under article 1723, second paragraph, of the Italian Civil Code to the Representative of the Noteholders, pursuant to which, subject to a Trigger Notice being served upon the Issuer by the Representative of the Noteholders following the occurrence of a Trigger Event, the Representative of the Noteholders shall be authorised to exercise in the name and for the benefit of the Issuer all the Issuer's Rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell the Portfolio in whole or in part, in the interest of the Noteholders and the other Issuer Secured Creditors. In such event, the Originator shall have a right of first refusal over the Portofolio.

The Intercreditor Agreement provides that after the delivery of a Trigger Notice upon the occurrence of a Trigger Event: (i) the Notes shall immediately become due and payable at their Principal Amount Outstanding, together with accrued interest; (ii) the Calculation Agent and the Servicer shall deliver the Payments Report and the Monthly Report in the manner specified in the Cash Allocation, Management and Agency Agreement and in the Servicing Agreement, respectively, at the dates specified theirein or upon reasonable request of the Representative of the Noteholders.

Within the context of the Intercreditor Agreement, each of the Quotaholders covenants and undertakes with the other parties to the Intercreditor Agreement that: (i) it shall accept receipt of any dividend or distribution of reserve by the Issuer only to the extent that such dividend is permitted under the provisions of the Intercreditor Agreement, the other Transaction Documents and applicable law; (ii) it shall not exercise its voting and Quotaholders' rights and powers in the Issuer in any manner that may be contrary to the provisions of the Intercreditor Agreement or the other Transaction Documents; and (iii) it shall give written notice of any amendments of the Issuer's corporate object, its *statuto* or *atto costitutivo* to the Representative of the Noteholders.

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that the Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

As to pre-pricing information, Compass has confirmed that (i) it has made available to the holders of a Securitisation position and, upon request, to potential investors in the Notes before pricing the information under point (a) of article 7, paragraph 1, of the Securitisation Regulation and the information under points (b) and (d) of article 7, paragraph 1, of the Securitisation Regulation in draft form, and (ii) as initial holder of the Junior Notes, it has been, before pricing, in possession of the data relating to each Consumer Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation. In addition, Compass has confirmed that (i) it has made available to the holders of a Securitisation position and, upon request, to potential investors in the Notes before pricing, through the website of European DataWarehouse (being, as at the date

of this Prospectus, www.eurodw.eu), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22, paragraph 1, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) as initial holder of the Junior Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22, paragraph 1, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Servicer shall prepare the Loan by Loan Report and make it available to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investor Report) to the holders of a Securitisation position and, upon request, to potential investors in the Notes by no later than one month after each Quarterly Payment Date; (ii) the Calculation Agent shall prepare the Investor Report, the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investor Report, the Inside Information and Significant Event Report (simultaneously with the Loan by Loan Report) to the holders of a Securitisation position and, upon request, to potential investors in the Notes by no later than one month after each Quarterly Payment Date and, with exclusive reference to the Inside Information and Significant Event Report, also without undue delay upon the occurrence of the relevant event; and (iii) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the holders of a Securitisation position and, upon request, to potential investors by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the holders of a Securitisation position and, upon request, to potential investors pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards. In addition, pursuant to the Intercreditor Agreement Compass has undertaken to make available to the holders of a Securitisation position on an ongoing basis and, upon request, to potential investors in the Notes, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model (to be updated during the course of the Securitisation) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. Each of the parties to the Intercreditor Agreement has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the EU Securitisation Rules and is designated as STS. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient for such purposes.

Under the Intercreditor Agreement, should the Hedging Agreement be terminated for any reason, without prejudice to any provisions included therein, the Issuer – in coordination with Compass - has undertaken to use its reasonable commercial endeavours to enter into a replacement swap agreement that will provide the Issuer with the same level of protection as the Hedging Agreement.

The Intercreditor Agreement will be governed by and will be construed in accordance with Italian law.

THE SENIOR NOTES SUBSCRIPTION AGREEMENT

By an agreement entered into on or about the Issue Date among Mediobanca, UniCredit, Banca Akros and Ca-Cib as joint lead managers (the "**Joint Lead Managers**"), KPMG as representative of the Noteholders, Mediobanca as Arranger (the "**Arranger**"), the Issuer and the Originator (the "**Senior Notes Subscription Agreement**"), the parties have agreed, *inter alia*, upon the subscription and placement of the Series A1 Notes by the Joint Lead Managers, the price at which the relevant Series A1 Notes will be purchased, the commissions or other agreed deductibles (if any) payable or allowable in respect of such purchase and the form of such indemnity to the Joint Lead Managers and the Arranger against certain liabilities in connection with the representations given and the covenants undertaken by the Issuer and the Originator in favour of them.

Under the Subscription Agreements, Compass, in its capacity as Originator, has undertaken that it will:

(i) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards;

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

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

(iv) comply with the disclosure obligations imposed on originators under article 7, paragraph 1, letter e, number (iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

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

CORPORATE SERVICES AGREEMENT

Pursuant to an agreement to the corporate services agreement, entered into on or about the Issue Date between the Issuer and D&B Tax Accounting S.r.l. – Società tra professionisti (the "**Corporate Services Provider**"), the Corporate Services Provider has agreed to provide any administrative and corporate services to the Issuer (the "**Corporate Services Agreement**").

These services include, without limitation, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders, noteholders and directors, maintaining the quotaholders' register, preparing VAT and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer, administering the notices and the periodical disclosures to the competent authority and liasing with the Representative of the Noteholders.

The Corporate Services Agreement will be governed by and will be construed in accordance with Italian law.

THE ENGLISH DEED OF CHARGE

Pursuant to an English law deed of charge executed on or about the Issue Date between the Issuer and the Representative of the Noteholders, the Issuer with full title guarantee, as continuing security for the discharge and payment of the Secured Obligations (as defined under the English Deed of Charge), will assign to the Representative of the Noteholders absolutely, by way of first fixed security, all the Issuer's Rights, title, interest and benefit from time to time, present and future, in, to, under and in respect of (a) the Hedging Agreement and all documents executed pursuant thereto, (b) any securities standing to the credit of the Eligible Investment Account, (c) any cash standing to the credit of any cash account associated with the Eligible Investment Account, and (d) any agreement governed by English law to be entered into by the Issuer in the context of the Securitisation.

The English Deed of Charge as well as any non-contractual obligations arising out of or in connection with it is governed by and is construed in accordance with English law.

THE HEDGING AGREEMENT

By a 1992 ISDA Master Agreement entered into on or about the Issue Date between the Issuer (which is defined as "**Party B**" under the Hedging Agreement) and the Hedging Counterparty (which is defined as "**Party A**" under the Hedging Agreement), together with the Schedule and the Credit Support Annex thereto and the confirmation documenting the interest rate swap transaction supplemental thereto executed on or about the Issue Date (the "**Hedging Agreement**"), the Issuer will hedge its floating rate interest exposure in relation to the Series A Notes.

The Hedging Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Hedging Agreement. In particular, in addition to the standard termination provisions provided for under the 1992 ISDA Master Agreement, the Schedule provides the following additional termination provisions:

(A) the following events will constitute an "Additional Termination Event" with respect to the Issuer, with the Issuer as the sole Affected Party (as defined in the Hedging Agreement) and all Transactions as "Affected Transactions" (as defined under the Hedging Agreement):

(1) If at any time a Trigger Notice is served by the Representative of the Noteholders pursuant to Condition 11.2, in which case it shall be deemed that the Issuer has given notice pursuant to Section 6(b)(i);

(2) If:

(i) any material terms of any Transaction Document are amended without the prior written approval of Ca-Cib, and/or

(ii) any of the Quarterly Priority of Payments is amended, without the prior written approval of Ca-Cib,

such that Party B's obligations to Party A under the Hedging Agreement are further contractually subordinated to Party B's obligations to any other beneficiary or the rights of Party A are otherwise materially prejudiced by any such amendment, provided in any event that any approval of Party A will not be unreasonably withheld or delayed.

(3) If at any time the Notes are redeemed in full in accordance with Condition 6.2 (*Optional Redemption*) and 6.3 (*Redemption for Taxation*), in which case it shall be deemed that Party A has given notice pursuant to Section 6(b)(iv) designating the date on which the Notes are redeemed in full as the Early Termination Date.

(B) the following events will constitute an "Additional Termination Event" with respect to the Hedging Counterparty, with the Hedging Counterparty as the sole Affected Party (as defined in the Hedging

Agreement) and all Transactions as Affected Transactions (as defined under the Hedging Agreement):

(1) failure of the Hedging Counterparty to comply with the actions specified in the Schedule in case of occurrence of a "DBRS First Rating Event" and a "DBRS Second Rating Event" (as summarized below); and

(2) failure of the Hedging Counterparty to comply with the actions specified in the Schedule in case of occurrence of a "Moody's Additional Termination Event" (as summarized below).

Moody's Additional Termination Events

The Transfer Trigger Requirements apply and 30 or more Local Business Days have elapsed since the last time the Transfer Trigger Requirements did not apply and (B) at least one Eligible Replacement has made a Firm Offer that would, assuming the occurrence of an Early Termination Date, qualify as a Market Quotation (on the basis that paragraphs (i) and (ii) in Part 5(o) (*Close-Out Calculations*) apply) and which remains capable of becoming legally binding upon acceptance.

So long as the Transfer Trigger Requirements apply, Party A will, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, either (A) procure a Moody's Eligible Guarantee in respect of all of its present and future obligations under the Hedging Agreement from a guarantor with a Qualifying Transfer Trigger Rating or (B) without prejudice to the need for Party B's consent in accordance with Part 5(b)(i) (which Party A shall use commercially reasonable efforts to obtain), transfer its rights and obligations under the Hedging Agreement to an Eligible Replacement.

For the purpose of the Hedging Agreement:

"Moody's Eligible Guarantee" means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by Party B, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by Party A, the guarantor shall use its best endeavours to procure that Party A takes such action, (II) at least one of the following alternatives applies (A) the guarantor and Party B are resident for tax purposes in the same jurisdiction, (B) a law firm has given a legal opinion confirming that none of the guarantor's payments to Party B under such guarantee will be subject to deduction or withholding for tax, (C) such guarantee provides that, in the event that any of such guarantor's payments to Party B are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Party B (free and clear of any tax) will equal the full amount Party B would have received had no such deduction or withholding been required or (D) in the event that any payment (the "Primary Payment") under such guarantee is made net of deduction or withholding for tax, Party A is required, under the Hedging Agreement, to make such additional payment (the "Additional Payment") as is necessary to ensure that the net amount actually received by Party B from the guarantor (free and clear of any tax) in respect of the Primary Payment and the Additional Payment will equal the full amount Party B would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment) and (III) the guarantor waives any right of set-off in respect of payments under such guarantee.

"Eligible Replacement" means an entity that can lawfully perform the obligations owing to Party B under the Hedging Agreement or its replacement (as applicable) and (A) has a Qualifying Transfer Trigger Rating or (B) whose present and future obligations owing to Party B under the Hedging Agreement or its replacement (as applicable) are guaranteed pursuant to an Moody's Eligible Guarantee provided by a guarantor with a Qualifying Transfer Trigger Rating.

"Firm Offer" means an offer which, when made, was capable of becoming legally binding upon acceptance.

An entity has a "**Qualifying Transfer Trigger Rating**" if its long-term, unsecured and unsubordinated debt, counterparty obligations are rated "Baa3" or above by Moody's or its counterparty risk assessment assigned by Moody's is "Baa3(cr)" or above.

"Relevant Entity" means Party A or its successors or assignee (or, if any, Party A's co-obligor or unlimited and unconditional guarantor).

The **"Transfer Trigger Requirements"** apply so long as no Relevant Entity has a Qualifying Transfer Trigger Rating.

The "**Collateral Trigger Requirements**" shall apply so long as no Relevant Entity has a Qualifying Collateral Trigger Rating.

An entity has a "**Qualifying Collateral Trigger Rating**" if its long-term, unsecured and unsubordinated debt, counterparty obligations are rated "Baa2" or above by Moody's or its counterparty risk assessment assigned by Moody's is "Baa2(cr)" or above.

DBRS's Additional Termination Events

DBRS Rating Event – DBRS First Rating Event

In the event that each Relevant Entity's rating falls below the DBRS First Rating Threshold (as defined below) (the "**DBRS First Rating Event**"), within 30 Local Business Days after the occurrence of the DBRS First Rating Event, Party A shall, at its own cost and expense transfer Eligible Credit Support (as defined in the Credit Support Annex) to Party B pursuant to the Credit Support Annex.

Party A's obligation to transfer Eligible Credit Support (as defined in the Credit Support Annex) to Party B in accordance with the provisions of the Credit Support Annex shall cease if, at any time, Party A at its own cost and expense:

(i) subject to Part 5(b), transfer all of its rights and obligations with respect to the Hedging Agreement to a replacement third party having at least the DBRS First Rating Threshold; or, alternatively,

(ii) procure another person to become, under an Eligible Guarantee (as defined under (p) below), co-obligor or unlimited, unconditional guarantor in respect of the obligations of Party A under the Hedging Agreement with at least the DBRS First Rating Threshold; or, alternatively

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, the level it was at immediately prior to such DBRS First Rating Threshold.

Notwithstanding anything else provided for in the Hedging Agreement, including the Credit Support Annex, this paragraph "DBRS Rating Event – DBRS First Rating Event" shall not apply and any reference to DBRS First Rating Event and/or DBRS First Rating Threshold shall be disregarded for so long as the highest ranking Notes are downgraded by DBRS and/or are rated below "AA (low) (sf)" by DBRS.

DBRS Rating Event – DBRS Second Rating Event

In the event that each Relevant Entity's rating falls below the DBRS Second Rating Threshold (as defined below) (the "**DBRS Second Rating Event**"), Party A - within 30 Local Business Days after the occurrence of such DBRS Second Rating Event – fails to:

(1) transfer Eligible Credit Support (as defined in the Credit Support Annex) to Party B pursuant to the Credit Support Annex; AND

(2) use commercially reasonable efforts at its own cost and expense to either:

(i) subject to Part 5(b), transfer all of its rights and obligations with respect to the Hedging Agreement to a replacement third party having at least the DBRS Second Rating Threshold, to the extent that at least one such eligible party has made a Firm Offer (as defined above) in response to a solicitation by Party A to be a replacement third party hereunder; or, alternatively,

(ii) procure another person to become, under a DBRS Eligible Guarantee, an unlimited, unconditional guarantor in respect of the obligations of Party A under the Hedging Agreement with at least the DBRS Second Rating Threshold, to the extent that at least one guarantor under a DBRS Eligible Guarantee has made a Firm Offer (as defined above) in response to a solicitation by Party A to become a guarantor under a DBRS Eligible Guarantee; or, alternatively

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Senior Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, the level it was at immediately prior to such DBRS Second Rating Event.

For the avoidance of doubt, the expiry of any above mentioned cure period is without prejudice to the rights of Party A to transfer all of its rights and obligations with respect to the Hedging Agreement to a replacement third party in accordance with Part 5(b) or to arrange a suitably rated guarantor at any time.

For the purposes of the Hedging Agreement:

"Critical Obligations Rating" means the rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If the Critical Obligations Rating assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS (www.dbrs.com) , or if the Critical Obligations Rating assigned by DBRS to the relevant entity is private, such relevant entity shall give notice to each relevant party as soon as reasonably practicable upon the occurrence of any change relevant for the purpose of the applicability of the Critical Obligations Rating in the Hedging Agreement.

"DBRS Rating" means:

(a) a Critical Obligation Rating; or

(b) if a Critical Obligations Rating is not currently maintained on the entity, a public rating assigned by DBRS to the long-term, unsecured and unsubordinated debt obligations of such entity; or

(c) if none of (a) or (b) above are currently maintained on the entity, a DBRS Equivalent Rating,

"**DBRS First Rating Threshold**" means, with respect to the Relevant Entity, (i) that such entity's DBRS Rating is at least "A" or above by DBRS or any other rating level below "A" by DBRS that does not adversely affect the then current ratings by DBRS of the highest ranking Notes or (ii) in the absence of a public rating assigned from DBRS, a DBRS Equivalent Rating at least equal to "A" or any other rating level below the DBRS Equivalent Rating of "A" by DBRS that does not adversely affect the then current ratings by DBRS of the highest ranking Notes.

"**DBRS Second Rating Threshold**" means, with respect to the Relevant Entity, (i) that such DBRS Rating is at least "BBB" by DBRS or any other rating level by DBRS that does not adversely affect the then current ratings by DBRS of the Senior Notes or (ii) in the absence of a public rating assigned from DBRS, a DBRS Equivalent Rating at least equal to "BBB" or any other rating level below the DBRS Equivalent Rating of "BBB" by DBRS that does not adversely affect the then current ratings by DBRS of the Senior Notes.

"**DBRS Correspondent Rating**" means the DBRS Rating corresponding to the public long term ratings by Moody's, Fitch or S&P contained in the DBRS Correspondent Rating Table, provided that as long as: (i) Party A is Crédit Agricole Corporate and Investment Bank and (ii) Crédit Agricole Corporate and Investment is owned, directly or indirectly, by Crédit Agricole S.A., the DBRS Rating for Part A will be the DBRS Rating of Crédit Agricole S.A. if such rating exists.

"**DBRS Correspondent Rating Table**" has the meaning ascribed to such term in the Schedule.

"**DBRS Equivalent Rating**" means, in relation to a Relevant Entity as of any date of determination, the DBRS Correspondent Rating of such Relevant Entity as set out in the DBRS Correspondent Rating Table provided that if at such date:

(a) a public long term rating is available from Moody's, S&P and Fitch and all such public long term ratings are different, the DBRS Equivalent Rating will be the DBRS Correspondent Rating remaining after disregarding the highest and lowest of such public long term ratings;

(b) a public long term rating is available from only two of Moody's, Fitch and S&P and such public long term ratings are different, the DBRS Equivalent Rating will be the lower of such public long term ratings;

(c) a public long term rating is available from Moody's, Fitch and S&P and two such public long term ratings have the same DBRS Correspondent Rating, the DBRS Equivalent Rating will be the DBRS Correspondent Rating remaining after disregarding the lower of such public long term ratings;

(d) a public long term rating is available from either (i) only one of Moody's, Fitch and S&P or (ii) more than one of Moody's, S&P and Fitch and all have the same DBRS Correspondent Rating, the DBRS Equivalent Rating will be such public long term rating; and

(e) no public long term rating is available from any of Moody's, Fitch or S&P, then the DBRS Equivalent Rating will be deemed to be "CC".

"**DBRS Eligible Guarantee**" means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by Party B, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by Party A, the guarantor shall use its best endeavours to procure that Party A takes such action, (II) at least one of the following alternatives applies (A) the guarantor and Party B are resident for tax purposes in the same jurisdiction, or (B) a law firm has given a legal opinion confirming that none of the guarantor's payments to Party B under such guarantee will be subject to deduction or withholding for tax and such opinion has been disclosed to the Rating Agencies, or (C) such guarantee provides that, in the event that any of such guarantor's payments to Party B are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Party B (free and clear of any withholding tax) will equal the full amount Party B would have received had no such deduction or withholding been required, or (D) in the event that any payment (the "**Primary Payment**") under such guarantee is made net of deduction or withholding for tax, Party A is required, under the Hedging Agreement, to make such additional payment (the "**Additional Payment**") as is necessary to ensure that the net amount actually received by Party B from the guarantor (free and clear of any tax) in respect of the

Primary Payment and the Additional Payment will equal the full amount Party B would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment), (III) the guarantor waives any right of set-off in respect of payments under such guarantee, and (IV) a legal opinion has been issued by a primary law firm confirming: (A) the corporate capacity and authority of the guarantor to enter into and/or issue the DBRS Eligible Guarantee; (B) that the guarantee is an irrevocable and unconditional obligation of the guarantor ranking at least equally with its senior unsecured debt obligations; (C) the DBRS Eligible Guarantee constitutes legal, valid, binding obligations of the guarantor enforceable by either Party B or by the Representative of the Noteholders (on Party B's behalf) and (D) a judgment obtained under the DBRS Eligible Guarantee is enforceable against the guarantor in the guarantor's jurisdiction (if the guarantor is located in a jurisdiction that differs from the governing law of the guarantee).

The Issuer and the Hedging Counterparty have entered into a credit support annex, which is a part of the Hedging Agreement on the basis of the standard ISDA documentation, which provides for requirements relating to the providing of collateral by the Hedging Counterparty, upon the terms and conditions specified thereunder. The Issuer will maintain a Collateral Account with the Account Bank into which any collateral required to be transferred by the Hedging Counterparty in accordance with the provisions set out above will be deposited. Any collateral transferred by the Hedging Counterparty which is in excess of its obligations to the Issuer under the Hedging Agreement will be returned to such Hedging Counterparty (outside of any priority of payments), upon the terms and conditions specified in the Intercreditor Agreement.

Under the swap confirmation entered into between the Issuer and the Hedging Counterparty (the "**Swap Confirmation**"), the parties have undertaken to make reciprocal payments: in particular, the Issuer has undertaken to pay to the Hedging Counterparty a fixed amount on each Payment Date, while the Hedging Counterparty has undertaken to pay to the Issuer a floating amount taking into account the trend of the Euribor, which is the same benchmark used for the determination of the interest amount payable on the Series A Notes. Both the fixed payment and the floating payment due by a party to the other party are made with reference to the "Notional Amount", which by definition indicates, with respect to the first Calculation Period, Euro 783,000,000 and, with respect to each Calculation Period thereafter, the lesser of: (i) the aggregate of the Principal Amount Outstanding of the Senior Notes on the first day of such Calculation Period (after the repayment of principal of such Senior Notes envisaged on such date, if any) as calculated and notified by Calculation Agent; and (ii) the aggregate amount equal to the principal amount outstanding of all the Receivables, excluding any Defaulted Receivables, as calculated and notified by Calculation Agent on the first day of such Calculation Period.

Capital terms used under this section "*The Other Transaction Documents – The Hedging Agreement*" shall have the same meaning ascribed to them under the Hedging Agreement and the Swap Confirmation, as the case may be.

EMIR REPORTING AGREEMENT

Pursuant to an agreement entered into on or about the Issue Date between the Issuer and the Hedging Counterparty (in this capacity, the "**Reporting Delegate**"), the Reporting Delegate will carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SERIES A NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (and this is estimated on the basis of several assumptions). The weighted average life of the Series A Notes will be influenced by, *inter alia*, the actual rate at which the principal of the Consumer Loans is paid.

The estimated weighted average life of the Series A Notes cannot be predicted as the actual rate at which the Consumer Loans will be repaid and a number of other relevant factors are unknown. The calculations of the estimated weighted average life of the Series A Notes set forth in the table below have been based on certain assumptions including the following:

i the Series A Notes are not redeemed in accordance with Condition 6.2 *(Optional Redemption)*;

ii there are no Delinquent Receivables while a lifetime default rate and a recovery rate have been applied at rates shown in the table below;

iii the Receivables are subject to a dynamic annually prepayment rate at such rates as shown in the table below;

iv redemption on the Series A Notes commences on the Payment Date falling in July 2020;

v no Trigger Events occur in respect of the Series A Notes;

vi the Series A Notes are not redeemed in accordance with Condition 6.3 (*Redemption for taxation*).

The actual characteristics and performance of the Receivables are likely to differ from the assumptions used in constructing the table set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life of the Series A Notes to differ (which difference could be material) from the corresponding information in the following table.

Constant Prepayment Rate (per annum)	**Lifetime Default Rate (% on total portfolio)**	**Recovery Rate (% on defaulted amount)**	**Series A* Notes Expected Weighted Average Life (years)**	**Expected Maturity**
22,0%	6,0%	20,0%	2,06	15-Apr-24
20,0%	6,0%	20,0%	2,12	15-Jul-24
18,0%	6,0%	20,0%	2,19	15-Jul-24
16,0%	6,0%	20,0%	2,27	15-Oct-24
14,0%	6,0%	20,0%	2,35	15-Oct-24

**Series A means both Series A1 and Series A2*

The estimated weighted average life of the Series A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates in this section will prove in any way to be realistic and they must therefore be viewed with considerable caution.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes. They apply to a holder of Notes only if such holder purchases its Notes in this offering. It is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a holder of Notes if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law.

This summary also assumes that the Issuer is structured and conducts its business in the manner outlined in this Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

1. Interest on the Notes

Article 6, paragraph 1, of the Securitisation Law and Decree 239, as subsequently amended, provide for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to the Securitization Law.

1.1. Italian resident Noteholders

Where an Italian resident Noteholder, who is the beneficial owner of such Notes, is (i) an individual not engaged in a business activity to which the Notes are effectively connected (unless he has opted for the application of the "*risparmio gestito*" regime - see "Capital Gains Tax" below), (ii) a non-commercial partnership, pursuant to Article 5 of ITC (with the exception of a general partnership, a limited partnership and similar entities), or a de facto partnership not carrying out commercial activities or professional association, (iii) a non-commercial private or public institution, a trust not carrying out mainly or exclusively commercial activities or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes, accrued during the relevant holding period, are subject to a substitutive tax levied at the rate of 26% (the "**Substitutive Tax**"), either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes. In the event that the Noteholders described under (i) to (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the Substitutive Tax applies as a provisional tax.

The Substitutive Tax may not be recovered by the Noteholder as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the substitutive tax, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**"), as amended by Law Decree No. 50 of 24 April 2017, converted into Law No. 96 of 21 June 2017 and in Article 1 (210-215) of Law No. 145 of 30 December 2018 (the "**Finance Act 2019**"), as amended from time to time.

If the Notes are held by an investor engaged in a business activity and are effectively connected with the same business activity, the Interest is subject to the Substitutive Tax and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the Substitutive Tax may be recovered as a deduction from the income tax due.

Pursuant to the Decree 239, the Substitutive Tax is levied by banks, *società di intermediazione mobiliare* ("**SIMs**"), *società di gestione del risparmio* ("**SGRs**"), fiduciary companies, stock exchange agents and other qualified entities identified by the relevant Decrees of the Ministry of Finance, as subsequently amended and integrated (the "**Intermediaries**").

An Intermediary, to be entitled to apply the Substitutive Tax, must satisfy the following conditions:

(i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of a non-Italian resident financial intermediary; or (c) an organisation or company non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and

(ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the Substitutive Tax, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the Substitutive Tax is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder. If Interest on the Notes is not collected through an Intermediary or any entity paying interest and as such no Substitutive Tax is levied, the Italian resident Noteholders listed above under (i) to (iv) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%.

The Substitutive Tax regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorized intermediary pursuant to the so-called discretionary investment portfolio regime ("*Risparmio Gestito*" regime as described under paragraph 2, "Capital Gains", below). In such a case, Interest is not subject to the Substitutive Tax but contributes to determine the annual net accrued result of the portfolio, which is subject to an *ad-hoc* substitutive tax of 26%.

The Substitutive Tax also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

(i) *Corporate investors* - Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), applying at the rate of 24%; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"),

generally applying at the rate of 3.9%. IRAP rate can be increased by regional laws up to 0.92%. Different rates may apply depending on the status of the Noteholder. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(ii) *Investment funds* – Interest paid to Italian investment funds (including a Fondo Comune d'Investimento, or a SICAV, collectively, the "**Funds**") are subject neither to the Substitutive Tax nor to any other income tax in the hands of the Funds. Proceeds paid by the Funds to their quotaholders are generally subject to a 26% withholding tax;

(iii) *Pension funds* - Pension funds (subject to the tax regime set forth by Article 17 of the Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") are subject to a 20% substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended by Law Decree No. 50 of 24 April 2017, converted into Law No. 96 of 21 June 2017 and in Article 1 (210-215) of Finance Act 2019, as amended from time to time; and

(iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of the Legislative Decree No. 58 of 24 February 1998 (the ''**Real Estate Investment Funds''**) and to Italian resident "*società di investimento a capital fisso*" ("**SICAFs**") to which the provision of article 9 of the Legislative Decree No. 44 of 4 March 2014 apply, are generally subject neither to the Substitutive Tax nor to any other income tax in the hands of the same Real Estate Investment Funds. Proceeds paid by the Real Estate Investment Funds to their unitholders are generally subject to a 26% withholding tax. A direct imputation system ("tax transparency") applies to certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5% of the units of the fund.

1.2. Non-Italian resident Noteholders

An exemption from the Substitutive Tax is provided with respect to certain beneficial owners of the Notes established outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy; or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a country which allows for a satisfactory exchange of information with the Republic of Italy, even if it does not possess the status of taxpayer in its own country of establishment (each, a "**Qualified Noteholder**").

The countries which allow for a satisfactory exchange of information with Italy are listed in the Ministerial Decree dated September 4, 1996, as amended by Ministerial Decree of March 23, 2017 and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of September 14, 2015) (the "**White List Country**").

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

(i) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution 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 (as defined below); and

(ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Italian tax authorities (the "**Second Level Bank**"). Organisations and companies non-resident in Italy, acting through a system of centralized 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 Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of the Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239.

In the event that a 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.

The exemption from the Substitutive Tax for Noteholders who are non-resident in Italy is conditional upon:

(a) the status of effective beneficial owners of payment of Interest on the Notes

(b) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(c) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which the latter declares to qualify for the Substitutive Tax exemption regime. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December, 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorized to manage the official reserves of a State.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of the Substitutive Tax on Interest payments to a non-resident holder of the Notes.

2. Capital Gains

2.1. Italian resident Noteholders

Pursuant to the Legislative Decree No. 461 of 21 November, 1997, as amended, a 26% capital gains substitutive tax (the "**CGT**") is applicable to capital gains realized on any sale or transfer of the Notes for consideration or on redemption thereof by (i) Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected); (ii) Italian resident partnerships not carrying out commercial activities; (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities on any sale or transfer for consideration of the Notes or redemption thereof, regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively. With regard to the CGT application, Taxpayers may opt for one of the three following regimes:

(a) "Tax declaration" regime ("***Regime della Dichiarazione***") - The Noteholder must assess the overall capital gains realized in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for any of the two other regimes;

(b) "Non-discretionary investment portfolio" regime ("***Risparmio Amministrato***") - The Noteholder may elect to pay the CGT separately on capital gains realized on each sale or transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorized intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realized on each sale or transfer or redemption of the Notes, as well as in respect of capital gains realized at the revocation of its mandate, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realized on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and

(c) "Discretionary investment portfolio" regime ("***Risparmio Gestito***") - If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realized, is subject to an ad-hoc 26% substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the CGT, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended by Law Decree No. 50 of 24 April 2017, converted into Law No. 96 of 21 June 2017 and in Article 1 (210-215) of Finance Act 2019, as amended from time to time.

The aforementioned regime does not apply to the following subjects:

(A) Corporate investors - Capital gains realized on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years for IRES purposes.

(B) Funds - Capital gains realized by the Funds on the Notes are subject neither to the CGT nor to any other income tax in the hands of the Funds (see under paragraph 1.1 "Italian Resident Noteholders", above).

(C) Pension Funds - Capital gains realized by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 20% substitutive tax (see under paragraph 1.1., "Italian Resident Noteholders", above). Subject to certain limitations and requirements (including a minimum holding period), Italian social security entities pursuant to Legislative Decree No 509 of 30 June 1994 and Legislative Decree No 103 of 10 February 1996, may be exempt from Italian capital gain taxes, including the CGT, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended by Law Decree No. 50 of 24 April 2017, converted into Law No. 96 of 21 June 2017 and in Article 1 (210-215) of Finance Act 2019, as amended from time to time.

(D) Real Estate Investment Funds - Capital gains realized by Real Estate Investment Funds and by SICAFs to which the provisions of article 9 of the Legislative Decree No. 44 of 4 March 2014 apply on the Notes are not taxable at the level of same Real Estate Investment Funds (see under paragraph 1.1., "Italian Resident Noteholders", above).

2.2. Non Italian resident Noteholders

Capital gains realized by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal or redemption of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market in Italy or abroad.

Should the Notes not be listed in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of the Legislative Decree No. 461 of 21 November, 1997, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realized upon sale of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realized upon any such sale or transfer.

3. Inheritance and Gift Tax

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

(a) 4%, if the beneficiary (or donee) is the spouse or a direct ascendant or descendant (such rate only applies on the net asset value exceeding, for each person, Euro 1 million);

(b) 6% if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree (if the beneficiary (or donee) is a brother or sister, such rate only applies on the net asset value exceeding, for each person, Euro 100,000);

(c) 8% if the beneficiary is a person, other than those mentioned under (a) and (b), above.

In case the beneficiary has a serious disability recognized by law, inheritance and gift taxes apply on its portion of the net asset value exceeding Euro 1.5 million.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, are exempt from inheritance taxes.

4. Stamp Tax

Article 19 of Decree No. 201 of 6 December 2011, as subsequently amended and supplemented by Law No. 147 of 27 December 2013, has introduced a stamp tax at proportional rates on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in pension funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year.

Such stamp tax is applied, on a yearly basis, on the market value of the financial instruments, or, lacking such value, on the nominal or reimbursement value of such instruments, at a rate of 0.2%.

The Revenue Agency, through Circular No 48/E of 21 December 2012, has taken the position that the proportional stamp duty does not apply to communications sent by Italian financial intermediaries to subjects not qualifying as clients, as defined by Provision of the Governor of Bank of Italy dated 20 June 2012. Moreover, the proportional stamp duty does not apply to communications sent to Pension Funds.

For subjects other than individuals the maximum applicable stamp tax is equal to Euro 14,000 per annum. Periodical communications to clients are presumed to be sent at least once a year, even though the intermediary is not required to send any such communication. In this case, the stamp duty is to be applied on 31 December of each year or in any case at the end of the relationship with the client. At any rate, a minimum stamp tax of Euro 34.20 is due on a yearly basis.

5. Wealth Tax on Securities Deposited Abroad

According to the provisions set forth by Article 19(18) of Decree No. 201 of 6 December 2011, as amended and supplemented by Law No. 214 of 22 December 2011, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20%. In this case, the abovementioned stamp duty provided by Article 19 of Decree No. 201 of 6 December 2011 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or - if no market value figure is available - the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

6. Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

The requirement also applies where the persons abovementioned, being not the direct holders of the financial instruments, are the beneficial owners of the instruments.

Furthermore, the abovementioned reporting requirement is not required to comply with respect to Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries.

SUBSCRIPTION AND SALE

The Joint Lead Managers, Compass Banca S.p.A., the Representative of the Noteholders and the Issuer have entered into on or about the Issue Date a senior notes subscription agreement (the "**Senior Notes Subscription Agreement**"), whereby, *inter alia*, each of the Joint Lead Managers (in such capacity, the "**Joint Lead Managers**") has agreed to subscribe and pay, or procure the subscription and payment, for the Series A1 Notes at the issue price of 100.30% per cent. of the aggregate principal amount of the Senior Notes.

The Series A2 Subscriber has entred into a senior notes subscription agreement on or about the Issue Date (the "**Senior Notes Subscription Agreement**") whereby, the parties have agreed, *inter alia*, upon the subscription of the Junior Notes by Compass (the "**Junior Subscriber**"), the price at which the Junior Notes will be purchased by the Junior Subscriber.

The Issuer, Compass and the Representative of the Noteholders have entred into a junior notes subscription on or about the Issue Date (the "**Junior Notes Subscription Agreement**" and, together with the Senior Notes Subscription Agreement, the "**Notes Subscription Agreements**") whereby, the parties have agreed, *inter alia*, upon the subscription of the Junior Notes by Compass (the "**Junior Subscriber**"), the price at which the Junior Notes will be purchased by the Junior Subscriber.

The Subscription Agreements may be terminated in certain circumstances prior to payment of the Issuer.

Under the Subscription Agreements, the Originator has undertaken to retain at the origination and maintain on an ongoing basis a material net economic interest of at least 5% in the Securitisation through the holding of the Junior Notes in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards. Please refer to section headed *"Regulatory Discolure and Retention Undertaking".*

Pursuant to the Senior Notes Subscription Agreement and solely for the purposes of the requirements of Article 9(8) of the MIFID Product Governance rules under EU Delegated Directive 2017/593 (the "**Product Governance Rules**") regarding the mutual responsibilities of manufacturers under the Product Governance Rules:

1. each of the Originator, the Arranger and the Joint Lead Managers (each a "**Manufacturer**" and together the "**Manufacturers**") acknowledged to each other Manufacturer that it understands the responsibilities conferred upon it under the Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Notes and the related information set out in the Prospectus in connection with the Notes; and

2. the Issuer noted the application of the Product Governance Rules and acknowledged the target market and distribution channels identified as applying to the Notes by the Manufacturers and the related information set out in the Prospectus in connection with the Notes.

General Selling Restrictions

Each of the Issuer and the Joint Lead Managers has, pursuant to the Senior Notes Subscription Agreements:

(a) acknowledged that no further action had or will be taken in any jurisdiction by it that would permit an offer of the Senior Notes to the public, or possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction where such further action for that purpose is requires; and

(b) undertaken to the others that it will not, directly or indirectly, offer or sell any Senior Notes, or distribute the Prospectus or any other material relating to the Senior Notes in or from any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act.

Each Joint Lead Manager, pursuant to the Senior Notes Subscription Agreement, represented that it has offered and sold the Series A Notes, and undertook to offer and sell such Series A Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, only in accordance with Rule 903 of Regulation S. Accordingly, each Joint Lead Manager represented that neither it, its affiliates nor any persons acting on its or their behalf engaged or will engage in any directed selling efforts with respect to the Series A Notes, and it and they complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager has further represented that it has not and will not sell the Series A Notes as part of their distribution at any time to any purchaser that is a "U.S. person" under the U.S. Risk Retention Rules (as such term is defined in this Prospectus). Each Joint Lead Manager agreed that, at or prior to confirmation of sale of the Series A Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Series A Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" as defined in Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act. The securities also may not be sold as part of their distribution at any time to any purchaser that is a "U.S. person" under the U.S. Risk Retention Rules (as such term is defined in the Prospectus relating to the securities)."

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 of America or its possessions or to a U.S. 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 and regulations thereunder.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Noteholder represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any of the Notes nor any copy of the offering circular or any other offering material relating to the Notes other than to

(a) qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Law**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) (the "**Regulation No. 11971**"); and

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Law and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes, distribution of copies of the Information Memorandum or any offering material relating to the Notes in the circumstances described in the preceding paragraph shall be made:

(i) by an investment firm (*impresa di investimento*), bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "**Banking Act**") and any other applicable law and regulation;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of Bank of Italy, as amended from time to time, in relation to certain reporting obligations to the Bank of Italy on the issue or the offer of securities in Italy; and

(iii) in accordance with all applicable Italian laws and regulations, including all relevant Italian securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

In accordance with Article 100-bis of the Financial Law, where no exemption under paragraphs (a) or (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Law and Regulation No. 11971. Failure to comply with such rules may result, inter alia, in the sale of the Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

United Kingdom

Financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by the Noteholders in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

General compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by the Noteholders in relation to any Notes in, from or otherwise involving the United Kingdom.

France

This Prospectus has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the Code monétaire et financier and Title I of Book II of the Règlement Général of the Autorité des marchés financiers (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

It has also been represented and agreed in connection with the initial distribution of the Notes that:

(i) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (*an appel public à l'épargne* as defined in Article L. 411-1 of the French Code monétaire et financier);

(ii) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in Articles L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in Article L. 411-2 acting for their own

account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in Article L. 411-2 of the *Code monétaire et financier* (together the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

Prohibition of sales to EEA retail investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and

(b) the expression an "offer" includes the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes, so as to enable an investor to decide to purchase or subscribe for the Notes.

GENERAL INFORMATION

Authorisation

The issue of the Notes has been authorised by resolutions of the board of directors of the Issuer passed on 23 July, 2019.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be from the collections made in respect of the Portfolio.

Approval, Listing and Admission to trading of the Notes

The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus.

Application has been made to the Euronext Dublin for the Series A1 Notes and Series A2 Notes to be admitted to the Official List and trading on the regulated market of Euronext Dublin. Such approval relates only to the Series A Notes which are to be admitted to trading on the regulated market of Euronext Dublin, which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended or which are to be offered to the public in any Member State of the European Economic Area.

Clearing systems

The Senior 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 Junior Notes have been accepted for clearance through Monte Titoli.

The ISINs for the Notes are as follows:

	Series A1 Notes	**Series A2 Notes**	**Series B Notes**
ISIN Code:	IT0005389264	IT0005389272	IT0005389280

No material adverse change

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2019.

Legal and arbitration proceedings

The Issuer is not and has not been involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, in the 12 months preceding the date of this Prospectus significant effects on the financial position or profitability of the Issuer.

Financial statements

So long as any of the Notes remains outstanding, copies of the financial statements incorporated by reference into this Prospectus will be published on the internet site of Euronext Dublin at the following link https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=3117&FIELDSORT=docId.

Conflicts of Interest

Conflicts of interest may exist or may arise as a result of Mediobanca having different roles in this transaction and/or carrying out other transactions for third parties. In particular, Mediobanca performs multiple roles in this transaction. Mediobanca is, in addition to being the Arranger, also the Account Bank, the Custodian and the Cash Manager. Moreover Compass belongs to Mediobanca Group, whose parent company is Mediobanca, and is a wholly-owned subsidiary of Mediobanca. Compass performs multiple roles too. Compass is, in addition to being the Originator, also the Servicer, one of the quotaholders of the Issuer and the Junior Notes Initial Subscriber.

Accounts and independent auditors

The Issuer will produce, and will make available at its registered office the financial statements in respect of each financial year (commencing on 1 July and ending on 30 June).

The financial statements as at and for the financial years ended on 30 June 2018 and 30 June 2019 have been audited by EY S.p.A. ("**EY**"). EY is registered under No. 70945 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) held by the Italian Ministry of Economy and Finance pursuant to Decree 39/2010 and is also a member of the ASSIREVI - Associazione Nazionale Revisori Contabili. The registered office of EY is Via Po 32, 00198 Rome, Italy.

Borrowings

Save as disclosed in this document, as at the date of this document, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

Documents

As long as the Series A Notes are listed on the Euronext Dublin, copies of the following documents will be available for inspection on the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (or any other securitisation repository registered pursuant to article 10 of the Securitisation Regulation):

(a) the up to date by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the documents incorporated by reference in this Prospectus;

(c) the annual audited (to the extent required) financial statements of the Issuer. The financial statements and the financial reports are drafted in Italian;

(d) the Monthly Report setting forth the performance of the Receivables and Collections made in respect of the Portfolio prepared by the Servicer; and

(e) copies of the following documents:

  (i) the Cash Allocation, Management and Agency Agreement;

  (ii) the Intercreditor Agreement;

(iii) the Subscription Agreements;

(iv) the Corporate Services Agreement;

(v) the Master Receivables Purchase Agreement;

(vi) the Servicing Agreement;

(vii) the English Deed of Charge;

(viii) the Quotaholders' Agreement; and

(ix) the Hedging Agreement;

(x) the Terms and Conditions of the Notes;

(xi) this Prospectus.

The documents listed under paragraphs (e)(i) to (xi) (included) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation.

As long as the Series A1 Notes and the Series A2 Notes are listed on the Euronext Dublin, this Prospectus and the documents incorporated by reference will also be available on the internet website of Euronext Dublin on www.ise.ie. For the avoidance of doubt, unless specifically incorporated by reference in this Prospectus, information contained on any website does not form part of this Prospectus.

Securitisation Regulation – Reporting Entity's disclosure obligations

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that the Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

As to pre-pricing information, Compass has confirmed that (i) it has made available to the holders of a Securitisation position and, upon request, to any potential investors in the Notes before pricing the information under point (a) of article 7, paragraph 1, of the Securitisation Regulation and the information under points (b) and (d) of article 7, paragraph 1, of the Securitisation Regulation in draft form, and (ii) as initial holder of the Mezzanine Notes and the Junior Notes, it has been, before pricing, in possession of the data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation. In addition, Compass has confirmed that (i) it has made available to the holders of a Securitisation position and, upon request, to any potential investors in the Notes before pricing, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22, paragraph 1, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which

precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) as initial holder of the Mezzanine Notes and the Junior Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22, paragraph 1, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Servicer shall prepare the Loan by Loan Report and make it available to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investor Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date; (ii) the Calculation Agent shall prepare the Investor Report, the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investor Report, the Inside Information and Significant Event Report (simultaneously with the Loan by Loan Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date and, with exclusive reference to the Inside Information and Significant Event Report, also without undue delay upon the occurrence of the relevant event; and (iii) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards. In addition, pursuant to the Intercreditor Agreement Compass has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model (to be updated during the course of the Securitisation) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer.

The Investor Report, the Inside Information and Significant Event Report

Each released Investor Report shall contain (i) indication of the Senior Notes (a) publicly and/or privately placed with third party investors (also with reference to the Senior Notes initially retained by a member of the Originator's group, in case of subsequent placement, to the extent possible); and (b) retained by a member of the Originator's group, (ii) a glossary of the defined terms used therein and shall remain available until the date on which the Notes are redeemed or cancelled in full, and (iii) disclosure of the rating triggers and trigger requirements for the Hedging Agreement as well as any other information required by the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, under the Cash Allocation, Management and Agency Agreement, the Calculation Agent has undertaken to prepare the Inside Information and Significant Event Report, setting out the information under letter f) and letter g) of article 7, paragraph 1 of the Securitisation Regulation respectively, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Inside

Information and Significant Event Report (simultaneously with the Loan by Loan Report and the Investor Report) to the holders of a Securitisation position and, upon request, to any potential investors in the Notes by no later than one month after each Quarterly Payment Date and, with exclusive reference to the Inside Information and Significant Event Report, also without undue delay upon the occurrence of the relevant event.

Legal Entity Identifier Code

The Legal Entity Identifier (LEI) Code of the Issuer is 815600702F68B2ED0B22.

Notes freely transferable

The Notes shall be freely transferable.

Annual fees

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately €130,000 excluding all fees payable to the Servicer under the Servicing Agreement, plus any VAT if applicable.

GLOSSARY

Acceptance Date (*Data di Accettazione*) means, during the Revolving Period, a date falling no later than the Business Day following each Offer Date.

Account Banks (*Banche dei Conti*) means (i) Mediobanca, with reference to all the Accounts other than the Payments Account and (ii) Crédit Agricole Corporate & Investment Bank, Milan Branch, with reference to the Payments Account and their permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Accounts means the Expense Account, the Payments Account, the Collection Account, the Collateral Account, the Liquidity Reserve Account, the Eligible Investments Account and the Corporate Capital Account.

Additional Return means any and all amount (if any), payable as interest in respect of the Series B Notes (in addition to the relevant Interest Amount), equal to (a) any residual amounts available after that all payments due under items (i) to (xi) of the Quarterly Priority of Payments applicable during the Revolving Period have been made in full or, as the case may be, (b) any residual amounts available after that all payments due under items (i) to (xi) of the Quarterly Priority of Payments applicable during the Amortisation Period prior to the delivery of a Trigger Notice have been made in full and (c) any residual amounts available after that all payments due under items (i) to (x) of the Quarterly Priority of Payments applicable during the Amortisation Period following the delivery of a Trigger Notice have been made in full.

Agents means the Account Bank, the Cash Manager, the Calculation Agent, and the Paying Agent and **Agent** means each of them.

Amortisation Period (*Periodo di Rimborso*) means the period starting from the first Quarterly Payment Date (included) immediately following the Revolving Period End Date.

Amortisation Plan means, in relation to any Consumer Loan, the relevant plan for the payments of the Instalments, as provided for in the relevant Consumer Loan Agreement, as amended from time to time.

Arranger means Mediobanca.

Back-up Servicer (*Sostituto del Servicer*) means the servicer with whom the Issuer shall enter into a Back-up Servicing Agreement pursuant to clause 9 of the Servicing Agreement upon the occurrence of specific circumstances described therein.

Back-up Servicer Facilitator indica Zenith Service S.p.A.

Back-up Servicing Agreement means the agreement to be entered into by the Issuer and the Back-up Servicer, pursuant to clause 6 of the Intercreditor Agreement and clause 9 of the Servicing Agreement at the occurrence of specific circumstances described therein.

Banca Akros means Banca Akros S.p.A. Gruppo Banco BPM, a bank incorporated under the laws of the Republic of Italy, with registered offices in Viale Eginardo, 29, 20149 Milan, Fiscal Code, VAT number and enrolment with the companies' register of Milan No. 03064920154, enrolled under No. 5328 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act.

Banking Act (*Testo Unico Bancario*) means Italian Legislative Decree 1 September 1993, No. 385, as subsequently amended and supplemented.

Bankruptcy Law (*Legge Fallimentare*) means the Royal Decree 16 March 1942, No. 267, as amended and supplemented from time to time, including implementing regulations thereof.

Business Day (*Giorno Lavorativo*) means a day (other than Saturday and Sunday), on which banks are generally open for business in Milan, London and Dublin and on which TARGET2 (being the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007) or any successor thereto is open.

Ca-Cib means Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex registered with the Registre Commerciale et des Sociétés de Nanterre with no. SIREN 304 187 701.

Ca-Cib, Milan Branch means Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, registered with the Registre Commerciale et des Sociétés de Nanterre with no. SIREN 304 187 701, acting through its Milan Branch at Piazza Cavour, 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Banking Act.

Calculation Agent (*Agente per i Calcoli*) means Ca-Cib, Milan Branch and its permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Calculation Date (*Data di Calcolo*) means (i) during the Revolving Period, the date falling on the 10^{h} day of each calendar month of each year, or if such day is not a Business Day, the immediately following Business Day and (ii) during the Amortisation Period, the 10th day of January, April, July and October of each year.

Cancellation Date (*Data di Cancellazione*) means the Quarterly Payment Date falling in October 2038.

Cash Allocation, Management and Agency Agreement (*Contratto di Gestione e Allocazione della Liquidità*) means the cash allocation, management and agency agreement entered into on or about the Issue Date between the Issuer, the Account Banks, the Cash Manager, the Paying Agent, the Calculation Agent 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 Manager (*Amministratore della Liquidità*) means Mediobanca and its permitted successors and assignees, or any other entity pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

Clean up Option (*Opzione*) has the meaning attributed to it in clause 16 of the Master Receivables Purchase Agreement.

Collateral Portfolio (*Portafoglio Collaterale*) means, on any given date, all Receivables comprised in the Portfolio that are not, as at such date, Defaulted Receivables.

Collateral Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN IT52F1063101600000070202101), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Agency Agreement and the Hedging Agreement.

Collection Account (*Conto Incassi*) means the Euro denominated account, IBAN IT75E1063101600000070202100 which will be held, in Italy, in the name of the Issuer, with the Account Bank or any other Eligible Institution pursuant to the Cash Allocation, Management and Agency Agreement for the deposit of all amounts collected in respect of the Receivables pursuant to the Servicing Agreement.

Collections (*Incassi*) means any and all amounts collected or recovered, included without limitation, any amounts received whether as principal, interests and/or costs in relation to the Receivables.

Collection Date (*Data di Incasso*) means the last calendar day of each calendar month of each year. The first Collection Date will fall in November 2019.

Collection Period (*Periodo di Incasso*) means each monthly period commencing on (and excluding) any Collection Date and ending on (and including) the immediately following Collection Date and, in the case of the first Collection Period, the period commencing on (and excluding) the Initial Valuation Date and ending on (and including) the first Collection Date.

Collection Policies (*Procedure di Riscossione*) means the document setting forth the procedures for the management, collection and recovery of the Receivables attached to the Servicing Agreement as annex A.

Compass means Compass Banca S.p.A. (formerly Compass S.p.A.), a company incorporated under the laws of the Republic of Italy, having its registered office at via Caldera 21, 20153 Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan No. 00864530159, enrolled under No. 8045 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act, under the direction and coordination of Mediobanca – Banca di Credito Finanziario S.p.A.

Conditions (*Regolamento dei Titoli*) means this terms and conditions of the Notes.

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

Consumer Loan Agreement *(Contratto di Credito*) means each consumer loan agreement entered into under the article 121 and ff. of the Banking Act between Compass, in its capacity as lender, and the relevant Debtors, in their capacity as borrowers of the Consumer Loans.

Consumer Loan (*Prestito al Consumo*) means each loan granted by Compass directly to the Debtors or to the Suppliers (in favour of the Debtors), as the case may be, under the relevant Consumer Loan Agreement.

Corporate Capital Account means the Euro denominated account IBAN No. IT60R1063101600000070201172 opened with the Account Bank, where the issued and paid-up corporate capital account of the Issuer has been deposited.

Corporate Services Agreement (*Contratto di Servizi Amministrativi*) means the corporate services agreement entered into on or about the Issue Date between the Corporate Services Provider and the Issuer.

Corporate Services Provider (*Prestatore dei Servizi Amministrativi*) means D&B Tax Accounting and its permitted successors and assignees.

CRR Amendment Regulation means Regulation (EU) No. 2401 of 12 December 2017 amending Regulation (EU) No. 575 of 26 June 2013 on prudential requirements for credit institutions and investment firms.

D&B Tax Accounting means D&B Tax Accounting S.r.l. – Società tra professionisti, with offices at Galleria del Corso, 2, 20122 Milan. Italy and VAT registration number 08881690963.

DBRS means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Senior Notes, DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS, which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website, or any other applicable regulation.

DBRS Equivalent Rating means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+

AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	C	C

DBRS Minimum Rating means:

(a) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor (*Debitore*) means any individual or entity, public or private, or any other obligor or co-obligor which is liable for payment in respect of a Receivables comprised in the Portfolio (including, without limitation, any Guarantor).

Decree 239 means the Legislative Decree No. 239 of 1 April 1996.

Decree 239 Deduction means any withholding or deduction for or on account of "*imposta sostitutiva"* pursuant to Decree 239.

Defaulted Receivables (*Crediti in Sofferenza*) means, following the relevant transfer date and with reference to any Calculation Date, the Receivables which on the last day of the Collection Period preceding such Calculation Date, (i) have at least 7 (seven) Late Instalments, or (ii) in relation to which judicial proceedings have been commenced for the purpose of recovering the relevant amounts due or (iii) in relation to which Compass has exercised its right to terminate the relevant Consumer Loan Agreement. A Receivables will be considered as a Defaulted Receivable upon the occurrence of the first of the events described in the above points (i), (ii) and (iii). It being understood that any Receivable which at a certain date is a Defaulted Receivable shall be regarded, starting from such date, as Defaulted Receivable notwithstanding any subsequent payments of the relevant Late Instalments.

Definitions Agreement (*Accordo sulle Definizioni*) means the definitions agreement entered into on the Initial Portfolio Legal Effective Date between, *inter alios*, the Issuer, the Originator, the Servicer and the Corporate Services Provider, containing all the definitions of the terms used in the Master Receivables Purchase Agreement, in the Servicing Agreement and in the Corporate Services Agreement.

Delinquent Receivables (*Crediti Incagliati*) means, following the relevant transfer date and with reference to any Calculation Date, the Receivables, other than the Defaulted Receivables, which on the last day of the Collection Period preceding such Calculation Date, have at least 60 days of payments in arrears.

EBA means the European Banking Authority.

EBA Guidelines on STS Criteria means the guidelines on the criteria of simplicity, transparency and standardisarion adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

Eligibility Criteria (*Criteri di Idoneità*) means the criteria set out in exhibit 3 of the Master Receivables Purchase Agreement.

Eligible Institution *(Istituzione Eleggibile)* means a depository institution organised under the laws of any State which is a member of the European Union or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:

(a) (1) the higher of (i) the rating one notch below the relevant institution's Critical Obligations Rating (COR) given by DBRS; and (ii) the long-term debt, public or private, rating by DBRS, is at least "BBB(high)"; or (2) in case the institution does not have a COR rating by DBRS, the long-term debt, public or private, rating by DBRS is at least "BBB(high)"; or (3) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least "BBB(high)"; and

(b) at least "P-2" by Moody's as a short-term deposit rating or at least "Baa2" by Moody's as a long term deposit rating,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes.

Eligible Investments means:

(a) euro-denominated money market funds which have a long-term rating of "Aaamf" 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 for the Issuer;

(b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer 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 for the Issuer or have a maturity date falling on or before the next following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided 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 rated at least:

(1) "Baa1" by Moody's in respect of long-term debt and "P-2" by Moody's in respect of short-term debt; and

(2) if such debt securities or other debt instruments are rated by DBRS (i) "R-1 (low)" by DBRS in respect of short-term debt or "BBB" (high)" by DBRS in respect of long-term debt, with regard to investments having a maturity of 30 days or less; (ii) "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 30 days and 90 days;

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) tranches of other ABSs, credit-linked notes 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, or (iv) any instrument not considered to be a "cash equivalent" for purposes of the Volcker Rule

Eligible Investments Account (*Conto Investimenti*) means the account No. IT06H1063101600000070202103 which will be held in the name of the Issuer with the Account Bank or any other Eligible Institution for the deposit of the Eligible Investments, under the Cash Allocation, Management and Agency Agreement.

Eligible Supplier (*Fornitore Idoneo*) means any Supplier which (i) is not subject to any Insolvency Proceeding, (ii) has been selected by Compass in accordance with the Suppliers' selection policy, and (iii) against or by which – to the best of Compass' knowledge - no disputes, arbitration or litigation proceedings or complaints, which could have a material adverse effect on the collection or recovery of the relevant

Receivable, are pending or threatened in writing.

English Deed of Charge means the deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

ESMA means the European Securities and Markets Authority.

EU Securitisation Rules means, collectively, (i) the Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, (vi) the LCR Amendment Regulation, and (vii) any other rule or official interpretation implementing and/or supplementing the same.

Euronext Dublin means the Irish Stock Exchange plc trading as Euronext Dublin on which application has been made for the Notes to be listed.

Expense Account (*Conto Spese*) means the Euro denominated account IBAN IT13G1063101600000070202099, which will be held in Italy with the Account Bank or any other Eligible Institution in the name of the Issuer, into which the Retention Amount will be credited and from which any Expenses will be paid during the period comprised between a Quarterly Payment Date and the immediately subsequent Quarterly Payment Date.

Expenses means any documented fees, costs, expenses and Taxes required to be paid to any third party creditors (other than the Noteholders and the other Issuer Secured Creditors) arising in connection with the Securitisation, and any other documented costs, expenses and Taxes required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

Extraordinary Resolution means a resolution of a Meeting of the Relevant Series of Noteholders, duly convened and held in accordance with the provisions of these Rules, that has been passed at the Relevant Fraction (each such term as defined in the Rules of the Organisation of the Noteholders).

Euribor means Euro zone inter-bank offered rate, as set out in Condition 5.

Final Maturity Date (*Data di Scadenza Legale*) means the Quarterly Payment Date falling in October 2036.

Financial Law means Italian legislative decree No. 58 of 24 February 1998 as subsequently amended and supplemented.

Flexible Loans means (i) the Consumer Loans granted under a Consumer Loan Agreement pursuant to which Compass has granted to the relevant Debtor the option to postpone tha payments of No. 1 Instalment per year not more than 5 (five) times during the life of the relevant Consumer Loan; or (ii) the Consumer Loans granted under a Consumer Loan Agreement, pursuant to which Compass has granted to the relevant Debtor the right to increase or decrease the amount of the single Instalment, and - in case of decrease - only to the extent that (a) the overall length of the relevant Consumer Loan is not higher than 84 (eighty-four) months; and (b) the relevant Amortisation Plan is not extended for a period longer than 24 (twenty-four) months. The Flexible Loans may be granted only to clients which effect any payment of the due amounts to Compass by SDD; the right to increase or decrease the amount of the Instalments is also subject to the following conditions: (i) the relevant Debtor has paid in the due course at least 12 (twelve) Instalments pursuant to the relevant Amortisation Plan; and (ii) the relevant Debtor has not requested to exercise such right in the immediately preceding 12 (twelve) months.

GDPR means Regulation (EU) no. 679 of 27 April 2016.

Gross Portfolio (*Portafoglio Aggregato*) means, with respect to any date, the sum of the Receivables comprised in the Initial Portfolio and in the Subsequent Portfolios purchased by the Issuer until such date under the Master Receivables Purchase Agreement.

Guarantor means any person who has granted any Security Interest in favour of the Originator in respect of the Receivables, or its permitted successors or assigns.

Hedging Agreement means the 1992 ISDA Master Agreement entered into between the Issuer and the Hedging Counterparty on or about the Issue Date, together with the Schedule, the Credit Support Annex and the confirmation documenting the interest rate swap transaction supplemental thereto.

Hedging Counterparty means Crédit Agricole Corporate & Investment Bank (or any other entity acting as such from time to time under the Securitisation)**.**

Hedging Replacement Premium means, in case of termination of the Hedging Agreement, any upfront premium received by the Issuer from a replacement hedging counterparty in consideration for and upon entering into swap transactions with the Issuer on the same terms as the terminated Hedging Agreement – net of (i) any costs incurred by the Issuer to find and appoint such replacement hedging counterparty and (ii) any termination payment already paid by the Issuer to the Hedging Counterparty on any previous Payment Date.

Independent Director has the meaning ascribed to it in the Quotaholders' Agreement.

Initial Interest Period means the period from (and including) the Issue Date to (but excluding) the first Quarterly Payment Date.

Initial Portfolio (*Portafoglio Iniziale*) means the portfolio of the Receivables purchased by the Issuer from Compass pursuant to clause 2 of the Master Receivables Purchase Agreement.

Initial Portfolio Legal Effective Date means the date on which the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement and the Corporate Services Agreement have been entered into, being 14 October 2019 (*Data di Stipula*).

Initial Principal Amount means, in respect of the Notes of each Series, the principal amount of the Notes of such Series on the Issue Date.

Initial Valuation Date (*Data di Valutazione Iniziale*) means, in relation to the Initial Portfolio, 9 October 2019.

Inside Information and Significant Event Report means the report setting out the information under letter f) and letter g) of article 7, paragraph 1, of the Securitisation Regulation, to be prepared by the Calculation Agent in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

Insolvency Proceedings (*Procedure Concorsuali*) means the bankruptcy or any other applicable insolvency proceedings or similar procedures provided for under Italian law (and, in particular, by the Bankruptcy Law and the Banking Act), including, without limitation, "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*" and "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*".

Instalment (*Rata*) means each instalment due pursuant to the relevant Consumer Loan Agreement and in accordance with the relevant Amortisation Plan, including the Instalment Principal Component, the Instalment Interest Component and the Instalment Expenses Component.

Instalment Interest Component (*Componente Interessi*) means, with reference to each Receivable, the interest component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement from (and excluding) the relevant Valuation Date.

Instalment Expenses Component (*Componente Spese*) means, with reference to each Receivable, any fee or expense (other than those included in the Instalment Principal Component and in the Instalment Interest Component) included in each Instalment due pursuant to the relevant Consumer Loan Agreement from (and excluding) the relevant Valuation Date.

Instalment Principal Component (*Componente Capitale*) means, with reference to each Receivable, the principal component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement (including those amounts financed, if any, by Compass to the relevant Debtor for the payment of insurance premiums due by the relevant Debtor under the Insurance Policies) from (and excluding) the relevant Valuation Date.

Insurance Policies (*Polizze Assicurative*) means any and all insurance policies (if any) assisting each Consumer Loan Agreement entered into by the relevant Debtor.

Interest Amount means the amount of interest payable on each Note in respect of each Interest Period.

Interest Determination Date means the second Business Day before each Quarterly Payment Date in respect of the Interest Period commencing on that date (and, in respect of the Initial Interest Period, two Business Days prior to the Issue Date).

Interest Period means, pursuant to Condition 5.1 (*Quarterly Payment Date and Interest Period*), each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the first Quarterly Payment Date.

Intercreditor Agreement (*Accordo tra Creditori*) means the intercreditor agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Originator, the Representative of the Noteholders, the Account Bank, the Custodian, the Hedging Counterparty, the Paying Agent, the Servicer, the Cash Manager, the Calculation Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator and the Joint Lead Managers 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.

Investor Report means the quarterly report setting out certain information with respect to the Portfolio and the Notes made available by the Calculation Agent pursuant to the Cash Allocation, Management and Agency Agreement.

Investor Report Date means the date which falls 2 Business Days after each Quarterly Payment Date.

Irish Listing Agent means McCann FitzGerald Listing Services Limited.

Issue Date (*Data di Emissione*) means the date of issuance of the Notes, being 25 November, 2019.

Issue Price means the price equal to:

(a) in the case of the Series A1 Notes, 100.30% of the Series A1 Notes Initial Principal Amount;

(b) in the case of the Series A2 Notes, 100% of the Series A2 Notes Initial Principal Amount; and

(c) in the case of the Series B, 103.95% of the Series B Notes Initial Principal Amount.

Issuer (*Emittente*) means Quarzo.

Issuer Available Funds *(Fondi Disponibili dell'Emittente)* shall be comprised of the aggregate amount of:

(a) on each Monthly Payment Date which is not also a Quarterly Payment Date, the Monthly Available Funds; and

(b) on each Quarterly Payment Date, the Quarterly Available Funds,

provided that, for the avoidance of doubt, after the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Issuer Available Funds shall also comprise (to the extent not already included) the proceeds from the sale (if any) of all or part of the Portfolio.

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

Issuer Secured Creditors (*Creditori Garantiti dell'Emittente*) means the Junior Notes Initial Subscriber, the Series A2 Subscriber, the Noteholders, the Representative of the Noteholders, the Originator, the Account Banks, the Cash Manager, the Paying Agent, the Custodian, the Calculation Agent, the Hedging Counterparty, the Servicer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed) and the Corporate Services Provider and **other Issuer Secured Creditors** means all of the Issuer Secured Creditors other than the Noteholders.

Italian Civil Code means the Royal Decree no. 262 of 16 March 1942.

Joint Resolution means the resolution of 13 August, 2018 jointly issued by CONSOB and the Bank of Italy, as amended and supplemented from time to time.

Junior Notes (*Titoli Junior*) means all the Series B Notes issued in the context of the Securitisation.

Junior Notes Initial Subscriber means Compass.

Junior Noteholder (*Portatore dei Titoli Junior*) means the persons who are, for the time being, the holders of the Series B Notes.

Junior Notes Subscription Agreement (*Contratto di Sottoscrizione dei Titoli Junior*) means the subscription agreement for the subscription of the Junior Notes entered into on or about the Issue Date between the Issuer, Compass 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.

KPMG means KPMG Fides Servizi di Amministrazione S.p.A., a company incorporated under the laws of Italy, whose registered office is at Via Vittor Pisani, No. 27, 20124, Milan, Italy, registered with the Companies Register in Milan under No. 00731410155.

Late Instalment (*Rata in Ritardo*) means any instalment related to a Receivable which is not paid for a period at least equal to 1 month from the relevant due date.

Law 52 means the law No. 52 of 21 February 1991 (*Disciplina della cessione dei crediti di impresa*), as subsequently amended and supplemented.

LCR Amendment Regulation means Commission Delegated Regulation (EU) No. 1620 of 13 July 2018 amending the LCR Regulation.

LCR Regulation means Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions.

Loan by Loan Report means the report setting out information relating to each Loan (including, *inter alia*, the information related to the environmental performance of the vehicles, if available) which (a) shall be prepared by the Servicer on a quarterly basis no later than 1 month after each Quarterly Payment Date, and

(b) shall be made available to potential investors and any holder of a position towards the Securitisation, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards.

Loan Disbursement Policies (*Procedure di Istruttoria*) means the loan disbursement policies adopted by Compass for the disbursement of the Consumer Loans, as set out in the Italian language under schedule 5 of the Master Receivables Purchase Agreement.

Legal Effective Date (*Data di Efficacia*) means (i) with respect to the transfer of the Initial Portfolio, the Initial Portfolio Legal Effective Date and (ii) with respect to the transfer of any Subsequent Portfolio, the date on which each transfer is legally effective pursuant to Clause 3.2 of the Master Receivables Purchase Agreement.

Liquidation Date means with reference to each Eligible Investment, the day falling 5 (five) Business Days prior to the Payment Date immediately following the Collection Period in respect of which the Eligible Investment has been made.

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

Liquidity Reserve Account means the Euro denominated account, IBAN IT29G1063101600000070202102, established in the name of the Issuer with the Account Bank or any other Eligible Institution for the purposes specified in the Cash Allocation, Management and Payments Agreement.

Master Receivables Purchase Agreement (*Contratto di Cessione*) means the receivables purchase agreement entered into on the Initial Portfolio Legal Effective Date, between the Issuer and the Originator pursuant to which, according to articles 1 and 4 of the Securitisation Law and the provisions of the Law 52 referred therein, (i) the Originator has transferred without recourse (*pro soluto*) to the Issuer the full legal title and ownership of the Receivables included in the Initial Portfolio and (ii) the Originator and the Issuer have agreed on the terms and conditions of the transfer without recourse (*pro soluto*) of the Receivables included in any Subsequent Portfolio.

Mediobanca means Mediobanca – Banca di Credito Finanziario S.p.A., a bank incorporated under the laws of Republic of Italy and having its registered office at Piazzetta E. Cuccia No. 1, 20121, Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan under No. 00714490158, enrolled in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 74753.5.0.

Monte Titoli means Monte Titoli S.p.A.

Monte Titoli Account Holders means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and, only with respect to the Senior Notes, includes any depository banks appointed by Euroclear and Clearstream.

Monte Titoli Mandate Agreement means a mandate agreement entered into between the Issuer and Monte Titoli, whereby Monte Titoli agrees to provide the Issuer with certain depository and administration services in relation to the Notes.

Monthly Available Funds (*Fondi Disponibili Mensili dell'Emittente*) means on each Calculation Date immediately preceding a Monthly Payment Date which is not also a Quarterly Payment Date (i) any Instalment Principal Component received or recovered (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding Collection Period pursuant to the Servicing Agreement and standing to the credit of the Collection Account, plus (ii) any Instalment Principal Component received or recovered (including, without limitation,

any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables and not utilised in the preceding Monthly Payment Dates or Quarterly Payment Dates and standing to the credit of the Collection Account and/or the Eligible Investments Account.

Monthly Payment Date *(Data di Pagamento Mensile)* means the 15th day of each calendar month of each year or, if such day is not a Business Day, the immediately following Business Day. The first Monthly Payment Date will fall in December 2019.

Monthly Priority of Payments means the order in which the Monthly Available Funds in respect of each Monthly Payment Date which is not also a Quarterly Payment Date shall be applied in accordance with Condition 4 (*Priority of Payments*).

Monthly Report (*Rapporto Mensile*) means a report, substantially in accordance with the form set out in annex B to the Servicing Agreement, related to the immediately preceding Collection Period, setting out the performance of the Receivables, which shall be delivered by the Servicer at any Monthly Report Date.

Monthly Report Date (*Data di Rapporto Mensile*) means the 8th day of each calendar month of each year or, if such day is not a Business Day, the immediately following Business Day, pursuant to the Servicing Agreement. The first Monthly Report Date will fall in December 2019.

Moody's means Moody's Investors Service España, S.A.

Most Senior Series of Notes means the Series A Notes and, upon the redemption in full of the Series A Notes, the Series B Notes and **Most Senior Series of Noteholders** shall be construed accordingly.

Noteholders (*Portatori dei Titoli*) means the persons who are, for the time being, the holders of the Series A1 Notes, the Series A2 Notes and the Series B Notes and **Noteholder** means each of them.

Notes (*Titoli*) means, collectively, the Series A1 Notes, the Series A2 Notes and the Series B Notes.

Offer Date (*Data di Offerta*) means, during the Revolving Period, a date falling no later than the 10th day of each calendar month of each year, or, if such day is not a Business Day, the immediately following Business Day.

Originator (*Cedente*) means Compass.

Outstanding Amount means, on any date and with respect to each Consumer Loan Agreement, the aggregate of (a) all the Instalment Principal Components (b) all the Instalment Interest Components and (ii) all the Instalment Expenses Component due on such date pursuant to the relevant Consumer Loan Agreement.

Outstanding Principal means, on any date and with respect to each Consumer Loan Agreement, the Instalment Principal Components not yet due as at such date pursuant to the relevant Consumer Loan Agreement.

Paying Agent means Crédit Agricole Corporate & Investment Bank, Milan Branch and any successor or assignee thereto pursuant to the terms of the Cash Allocation, Agency and Management Agreement.

Payments Account (*Conto Pagamenti*) means the Euro denominated account IBAN No. IT96R0343201600002212120790, which will be held in Italy with Crédit Agricole Corporate & Investment Bank, Milan Branch in its capacity as Account Bank or any other Eligible Institution, pursuant to the Cash Allocation, Management and Agency Agreement and out of which payments will be made pursuant to the Quarterly Priority of Payments.

Payment Date (*Data di Pagamento*) means any Monthly Payment Date or any Quarterly Payment Date, as the case may be.

Payments Report means the quarterly report (or, after a Trigger Notice has been served upon the Issuer following the occurrence of the Trigger Event, the report to be prepared quarterly or upon reasonable request by the Representative of the Noteholders) setting out all the payments to be made on the following Quarterly Payment Date under the applicable Quarterly Priority of Payments which shall be delivered by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider, the others Agents and the Rating Agencies on each Payments Report Date, pursuant to the Cash Allocation, Management and Agency Agreement.

Payments Report Date means the date which falls 2 Business Days prior to each Quarterly Payment Date.

Person(s) means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint-stock partnership or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

Personal Loan (*Prestito Personale*) means a loan without a specific purpose (although the purpose of the loan may be specified in the relevant loan's request) granted by Compass.

Pool Audit Report means the report prepared by an appropriate and independent party pursuant to article 22, paragraph 2 of the Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify that:

(a) the data disclosed in the Prospectus in respect of the Receivables is accurate;
(b) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and
(c) the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Compass are compliant with the Eligible Criteria that are able to be tested prior to the Issue Date.

Pool of the New Car Loans (*Pool dei Prestiti per l'Acquisto di Auto Nuove*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing new vehicles (*i.e.* cars and motorbikes registered with the *Pubblico Registro Automobilistico* within the 24 months preceding the draw down date of the loan).

Pool of the Personal Loans (*Pool dei Prestiti Personali*) means the pool of the Consumer Loan Agreements under which Compass has granted a Personal Loan**.**

Pool of the Other Purpose Loans (*Pool dei Prestiti Finalizzati*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing an asset different from a car and a motorbike.

Pool of the Used Car Loans (*Pool dei Prestiti per l'Acquisto di Auto Usate*) means the pool of the Consumer Loan Agreements under which Compass has granted to the relevant Debtor a loan for the purpose of purchasing used cars (*i.e.* cars and motorbikes registered with the *Pubblico Registro Automobilistico* prior to the 24th month preceding the draw down of the loan).

Portfolio (*Portafoglio*) means, collectively, the Initial Portfolio and any Subsequent Portfolio purchased by the Issuer from Compass after the Issue Date pursuant to the Master Receivables Purchase Agreement and **relevant Portfolio** means any one of them.

Previous Quarzo Securitisations means:

(i) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in April 2002 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) the Euro

480,640,000 Series 2002-1-A Asset-Backed Floating Rate Notes due 2015, (b) the Euro 17,380,000 Series 2002-1-B Asset-Backed Floating Rate Notes due 2015 and (c) the Euro 5,990,000 Series 2002-1-C Asset-Backed Floating Rate Notes due 2015 and Euro 7,310,000 Series 2002-1-D Asset-Backed Fixed Rate Notes due 2015; on 15 January, 2008 such notes have been repaid in full and all the Quarzo's payment obligations vis-à-vis the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2002 Securitisation**");

(ii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in August 2008 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) the Euro 1,000,000,000 Series A Asset Backed Floating Rate Notes due 2020 (ISIN Code IT0004397359) and (b) the Euro 250,000,000 Series B Asset Backed Variable Rate Notes due 2020 (ISIN Code IT0004397367); on 24 May 2013 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2008 Securitisation**");

(iii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2009 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) 690,000,000 Series A Asset Backed Floating Rate Notes due 2021 and (b) Euro 209,550,000 Series B Asset Backed Variable Rate Notes due 2021; on 24 May 2013 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged (such securitisation, the "**Quarzo 2009 Securitisation**");

(iv) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in June 2013 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) 2,960,000,000 Series A Asset Backed Fixed Rate Notes due 2028 and (b) Euro 540,000,000 Series B Asset Backed Variable Rate Notes due 2028 (such securitisation, the "**Quarzo 2013 Securitisation**"); on 12 February 2016 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged;

(v) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in July 2015 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 1,694,000,000 Series A Asset Backed Fixed Rate Notes due 2032 and (b) Euro 506,000,000 Series B Asset Backed Variable Rate Notes due 2032 (such securitisation, the "**Quarzo 2015 Securitisation**"); on 22 May 2019 such notes have been repaid in full and all the Quarzo's payment obligations *vis-à-vis* the other parties to the transaction documents have been fully discharged;

(vi) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2016 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 2,640,000,000 Series A Asset Backed Fixed Rate Notes due November 2032and (b) Euro 660,000,000 Series B Asset Backed Variable Rate Notes due November 2032 (such securitisation, the "**Quarzo 2016 Securitisation**"); and

(vii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo in February 2017 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033 and (b) 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033 (such securitisation, the "**Quarzo 2017 Securitisation**"); and

(viii) the securitisation transaction of consumer receivables originated by Compass carried out by Quarzo on December 6th 2018 pursuant to the Securitisation Law, in the context of which Quarzo issued (a) Euro 600,000,000 Series A1 Asset Backed Fixed Rate Notes due April 2035 (b) Euro 147,000,000 Series A2 Asset Backed Fixed Rate Notes due April 2035 and (c) Euro 153,000,000 Series B Asset

Backed Variable Rate Notes due April 2035 (such securitisation, the "**Quarzo 2018 Securitisation**" and, together with the Quarzo 2002 Securitisation, the Quarzo 2008 Securitisation, the Quarzo 2009 Securitisation, the Quarzo 2013 Securitisation and the Quarzo 2015 Securitisation, the Quarzo 2016 Securitisation and the Quarzo 2017 Securitisation, the "**Previous Quarzo Securitisations**").

Principal Amount Outstanding means, on any date, in respect of a Note, the nominal principal amount of such Note upon issue, less the aggregate amount of all principal payments in respect of such Note that have been made prior to such date.

Priority of Payments (*Ordine di Priorità*) means the Monthly Priority of Payments or the Quarterly Priority of Payments, as the case may be.

Privacy Code means the legislative decree no. 196 dated 30 June 2003 as amended and supplemented from time to time.

Privacy Rules means the Privacy Code, the GDPR and any other legislative act or provision of an administrative or regulatory nature – adopted by the Italian Privacy Authority (*Autorità Garante per la Protezione dei Dati Personali*) and/or other competent authority in force from time to time.

Prospectus means this prospectus prepared in connection with article 2 of the Securitisation Law and the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended, updated and supplemented from time to time.

Purchase Price (*Corrispettivo di Acquisto*) means the Purchase Price of the Initial Portfolio or the Purchase Price of the Subsequent Portfolio, as the case may be, as determined in the Master Receivables Purchase Agreement.

Purchase Price of the Initial Portfolio (*Corrispettivo di Acquisto del Portafoglio Iniziale*) means the purchase price set out in clause 4.1 of the Master Receivables Purchase Agreement to be paid by the Issuer to the Originator as consideration of the Initial Portfolio.

Purchase Price of the Subsequent Portfolio (*Corrispettivo di Acquisto del Portafoglio Successivo*) means the purchase price to be calculated pursuant to clause 4.2 of the Master Receivables Purchase Agreement and to be paid by the Issuer to the Originator as consideration of each Subsequent Portfolio.

Purchase Termination Event (*Cause di Estinzione del Diritto di Cessione*) means any of the events referred to in Condition 10 (*Purchase Termination Events*).

Purchase Termination Notice (*Comunicazione di Estinzione del Diritto di Cessione*) means the notice served by the Representative of the Noteholders following the occurrence of a Purchase Termination Event, as defined in Condition 10 (*Purchase Termination Events*).

Quarterly Available Funds (*Fondi Disponibili Trimestrali dell'Emittente*) means on each Calculation Date immediately preceding a Quarterly Payment Date, the aggregate of:

(a) any Collection and any recovery received (including, without limitation, any surety payment, insurance proceed, penalty and any amount whatsoever received) in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding three Collection Periods (avoiding double counting) (including, for the avoidance of doubt, penalties and any other sum paid by the Debtor pursuant to the relevant Consumer Loan Agreement during the immediately preceding three Collection Periods) and not utilized in the two immediately preceding Monthly Payment Date;

(b) any amount deriving from the disinvestment of the Eligible Investments including, without limitation, any interest and *premia* received during the immediately preceding three Collection

Periods in respect thereof and credited to the Payments Account, avoiding double counting under item (a) above and not utilised in the two immediately preceding Monthly Payment Date;

(c) any amounts paid to the Issuer by the Hedging Counterparty under the Hedging Agreement, other than any collateral posted by the Hedging Counterparty on the Collateral Account;

(d) following the date on which the Hedging Agreement is terminated, any amounts standing to the credit of the Collateral Account, up to the amount (if any) that would be payable as termination amount by the Hedging Counterparty to the Issuer in accordance with the Hedging Agreement;

(e) any other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Liquidity Reserve Account) as at the end of the immediately preceding Collection Period – including, without limitation, any interest accrued thereon during the immediately preceding three Collection Periods – (to the extent not already calculated under item (a) and (b) above or item (f) below); and

(f) any other amount received by the Issuer under the Transaction Documents during the immediately preceding three Collection Periods, including, without limitation the purchase price of the outstanding Portfolio paid in relation to the exercise of the Clean-up Option to such Quarterly Payment Date;

provided that, for the avoidance of doubt, after the service of a Trigger Notice or following an optional redemption of the Notes pursuant to Condition 6.2 (*Optional Redemption*) or Condition 6.3 (*Redemption for taxation*), the Quarterly Available Funds shall also comprise (to the extent not already included) the proceeds from the sale (if any) of all or part of the Portfolio.

Quarterly Payment Date (*Data di Pagamento Trimestrale*) means the 15th day of January, April, July and October of each year (or if such day is not a Business Day, the immediately following Business Day). The first Quarterly Payment Date will fall on January 2020.

Quarterly Priority of Payments means the order in which the Quarterly Available Funds in respect of each Quarterly Payment Date shall be applied in accordance with Condition 4 (*Priority of Payments*).

Quarzo means Quarzo S.r.l., a limited liability company incorporated in the Republic of Italy under the Securitisation Law having its registered office at Galleria del Corso No. 2, 20122, Milan, Italy, VAT number 10536040966, Fiscal Code and registration with the Companies Register in Milan No. 03312560968, registered with the register of special purpose vehicles (*elenco delle società veicolo di cartolarizzazione – SPV*) held by the Bank of Italy pursuant to article 3, paragraph 3, of the Securitisation Law, and the order of the Bank of Italy (provvedimento) dated 7 June 2017 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) under No. 32609.0.

Quotaholders' Agreement means the quotaholders' agreement entered into the context of the Quarzo 2013 Securitisation between the Issuer, the Representative of the Noteholders and the Quotaholders, as amended and supplemented within the context of the Securitisation.

Quotaholders means Compass and SPV Holding, and each assignee of the relevant participation in the issued and paid-up corporate capital of Quarzo.

Rates of Interest means the rates of interest payable from time to time in respect of the Notes pursuant to the Condition 5 (*Interest*) and **Rate of Interest** means each such rate.

Rating Agencies (*Agenzia di Rating*) means Moody's and DBRS and their permitted successors and assignees.

Receivables (*Crediti*) means any and all monetary receivables and other rights arising from the Consumer Loan Agreement (as specifically defined in the exhibit B of the Definitions Agreements) transferred and to be transferred to the Issuer pursuant to the Master Receivables Purchase Agreement and comprised in the Initial Portfolio and in each Subsequent Portfolio.

Regulatory Technical Standards means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

Reporting Entity means Compass in its capacity as reporting entity pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation.

Representative of the Noteholders (*Rappresentante dei Portatori dei Titoli*) means KPMG and any of its permitted successor or assignee, in its capacity as representative of the Noteholders, appointed pursuant to the terms of the Subscription Agreements and the Intercreditor Agreements.

Residual Amount (*Importo Capitale Iniziale*) means all the Instalment Principal Component of each Receivable starting from (and excluding) the relevant Valuation Date.

Retention Amount means Euro 40,000.

Revolving Available Amount (*Ammontare Disponibile per il Revolving*) means on each Quarterly Payment Date the lower of:

(a) any Instalment Principal Component received or recovered in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables, as the case may be, collected during the immediately preceding Collection Period pursuant to the Servicing Agreement and credited to the Collection Account plus any Instalment Principal Component received or recovered in respect of the Receivables or the Defaulted Receivables or the Delinquent Receivables and not utilised to purchase Subsequent Portfolio in the immediately preceding Monthly Payment Date plus an amount equal to the principal component of the Defaulted Receivables (net of any related recovery) of the three immediately preceding Collection Periods plus an amount equal to the principal component of the Defaulted Receivables (net of any related recovery) of the preceding Collection Periods (other than the three immediately preceding Collection Periods) not covered by purchasing Subsequent Portfolio in the preceding Quarterly Payment Dates, plus – without double counting – any funds credited on the Accounts which have been not used on the previous Quarterly Payment Dates to purchase Subsequent Portfolios; and

(b) the residual amount of the Issuer Available Funds after having paid item from (i) to (vi) of such Revolving Period Quarterly Priority of Payment,

as calculated pursuant to the relevant provisions of the Master Receivables Purchase Agreement and the Cash Allocation, Management and Agency Agreement.

Revolving Period (*Periodo Rotativo*) means the period commencing on (and including) the Monthly Payment Date falling in December 2019 and ending on the Revolving Period End Date.

Revolving Period End Date means the Monthly Payment Date falling in May 2020 (included) or, if earlier, the date (excluded) on which a Purchase Termination Notice has been served or on which a Trigger Notice is

served by the Representative of the Noteholders following the occurrence of, respectively, a Purchase Termination Event or a Trigger Event.

Rules of the Organisation of the Noteholders (*Regolamento dei Portatori dei Titoli*) means the rules of the organisation of the Noteholders, attached to the Conditions and forming an integral part thereof.

SDD means Sepa Direct Debt.

Securitisation means the securitisation transaction implemented by the Issuer within the scope of which the Notes are issued.

Securitisation Law (*Legge sulla Cartolarizzazione*) means the law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as subsequently amended and supplemented.

Securitisation Regulation means Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

Security Interest (*Garanzia Accessoria*) 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 in relation to the Portfolio.

Senior Notes (*Titoli Senior*) means, collectively, the Series A1 Notes and the Series A2 Notes.

Senior Noteholders (*Portatori dei Titoli Senior*) means the persons who are, for the time being, the holders of the Series A Notes.

Senior Notes Subscription Agreement (*Contratto di Sottoscrizione dei Titoli Senior*) means the subscription agreement for the subscription of the Series A Notes entered into on or about the Issue Date between the Issuer, the Series A2 Subscriber, Compass, the Joint Lead Managers 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 (and together with the Junior Notes Subscription Agreement, the "**Subscription Agreements**").

Series means each series of Notes issued in the context of the Securitisation.

Series A Notes means, collectively, the Series A1 Notes and the Series A2 Notes.

Series A Notes Target Principal Amount means in respect of each Payment Date the lesser of:

(a) the Principal Amount Outstanding of the Series A1 Notes plus the Principal Amount Outstanding of the Series A2 Notes as at the Calculation Date immediately preceding that Payment Date; and

(b) any excess of the principal amount outstanding of all Receivables (other than Defaulted Receivables) as of the immediately preceding Collection Date over the aggregate Principal Amount Outstanding of the Series B Notes as of such Calculation Date.

Series A Notes means, collectively, the Series A1 Notes and the Series A2 Notes

Series A1 Notes means Euro 600,000,000 Series A1 Asset Backed Floating Rate Notes due October 2036.

Series A1 Notes Initial Principal Amount means Euro 600,000,000.

Series A2 Notes means Euro 183,000,000 Series A2 Asset Backed Floating Rate Notes due October 2036.

Series A2 Notes Initial Principal Amount means Euro 183,000,000.

Series B Notes means Euro 117,000,000 Series B Asset Backed Variable Rate Notes due October 2036.

Series B Notes Initial Principal Amount means Euro 117,000,000.

Servicer means Compass and its permitted successors and assignees.

Servicer Termination Event means any event described in Clause 9 (*Revoca del Servicer*) of the Servicing Agreement entered into on 14 October 2019.

Servicing Agreement (*Contratto di Servicing*) means the servicing agreement entered into on the Initial Portfolio Legal Effective Date between the Servicer, the Issuer and the Back-Up Servicer Facilitator, as amended and supplemented from time to time.

Solvency II Amendment Regulation means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

Specified Office means the office in which a party carry out its own activity.

SPV Holding means SPV Holding S.r.l., a a limited liability company incorporated in the Republic of Italy having its registered office at Galleria del Corso 2, 20122 Milan, Italy, VAT and registration with the Companies Register in Milan No. 05505310960.

Subsequent Portfolio (*Portafoglio Successivo*) means each of the portfolios of Receivables which may be purchased by the Issuer after the purchase of the Initial Portfolio pursuant to clause 3 of the Master Receivables Purchase Agreement.

Supplier (*Fornitore*) means any supplier of goods or services in relation to which a Consumer Loan (other than a Personal Loan) has been granted.

Target Liquidity Reserve Amount means € 3,915,000 and, following the earlier of (i) the Quarterly Payment Date on which the Series A1 Notes and the Series A2 Notes are redeemed in full (including) and (ii) the date on which the Trigger Notice has been delivered by the Representative of the Noteholders (excluding) and therefore the replenishment of the Liquidity Reserve will not be effected anymore, zero.

Tax or **tax** (*Tassa*) means any present or future taxes, levies, imposts, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable authority of a Taxing Jurisdiction (including any related interest, surcharge or penalties).

Tax Deduction means any withholding or deduction for or on account of Tax.

Taxing Jurisdiction has the meaning given to such term in Condition 8 (*Taxation*).

Transfer Proposal (*Proposta di Cessione*) means the proposal sent by the Originator to the Issuer pursuant to clause 6.2 of the Master Receivables Purchase Agreement.

Transaction Documents (*Documenti dell'Operazione*) means the Prospectus, the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement, the Intercreditor Agreement, the Hedging Agreement, the Cash Allocation, Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreements, the English Deed of Charge and the Quotaholders' Agreement as well as any other contract, deed or document entered into or to be entered into the context of the Securitisation by the Issuer, as amended from time to time.

Trigger Event *(Causa di Decadenza del Beneficio del Termine)* means any of the events referred to in Condition 11 (*Trigger Events*).

Trigger Notice *(Comunicazione di Decadenza del Beneficio del Termine)* means a notice served by the Representative of the Noteholders following the occurrence of a Trigger Event, as defined in Condition 11 (*Trigger Events*).

Unicredit means Unicredit Bank A.G., a bank incorporated as a public company limited by shares (*aktiengesellschaft*) organised under the laws of the Federal Republic of Germany, registered with commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the "Gruppo Bancario UniCredit" and having its head office at Arabellastr. 12, 81925 Munich, Federal Republic of Germany.

Usury Law *(Legge sull'Usura)* means the Italian Law No. 108 of 7 March 1996, and Law Decree No. 394 of 29 December 2000, as converted into Law No. 24 of 28 February 2001, including provisions of article 1, paragraph 2 and 3, as amended and supplemented from time to time.

Valuation Date (*Data di Valutazione*) means, in relation to the Initial Portfolio, the Initial Valuation Date and, in relation to each Subsequent Portfolio the relevant cut-off date as from time to time determined by the Originator.

VAT (*IVA*) means value added tax as provided for in the Presidential Decree no. 633 of 26 October 1972 of the Republic of Italy and any other tax of a similar nature.

ISSUER

Quarzo S.r.l.

Galleria del Corso 2

20122 – Milan, Italy

ORIGINATOR AND SERVICER

Compass Banca S.p.A.

Via Caldera 21

20153 – Milan, Italy

REPRESENTATIVE OF THE NOTEHOLDERS

KPMG Fides Servizi di Amministrazione S.p.A.

Via Vittor Pisani 27

20144 – Milan, Italy

BACK-UP SERVICER FACILITATOR

Zenith Service S.p.A.

Via Vittorio Betteloni 2

20131 – Milan

Italy

LISTING AGENT

McCann FitzGerald Listing Services Limited

Riverside One, Sir John Rogerson's Quay

DUBLIN 2, IRELAND

CALCULATION AGENT, PAYING AGENT AND ACCOUNT BANK

Crédit Agricole Corporate & Investment Bank; Milan Branch

Piazza Cavour, 2

20121 – Milan, Italy

CORPORATE SERVICES PROVIDER

D&B Tax Accounting S.r.l. – Società tra professionisti

Galleria del Corso 2

20122 – Milan, Italy

HEDGING COUNTERPARTY AND REPORTING DELEGATE

Crédit Agricole Corporate & Investment Bank

Place des Etats-Unis, no. 12

CS 70052

92547 Montrouge Cedex

France

ARRANGER, ACCOUNT BANK, CUSTODIAN AND CASH MANAGER

Mediobanca – Banca di Credito Finanziario S.p.A.

Piazzetta Enrico Cuccia 1

20121 – Milan, Italy

JOINT LEAD MANAGERS

Mediobanca – Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

Crédit Agricole Corporate & Investment Bank
Place des Etats-Unis, no. 12
CS 70052
92547 Montrouge Cedex
France

Banca Akros S.p.A. Gruppo Banco BPM
Viale Eginardo, 29
20149 Milan
Italy

UniCredit Bank A.G.
Arabellastr. 12,
81925 Munich, Federal Republic of Germany

LEGAL ADVISERS

To the Arranger

Legance AVVOCATI ASSOCIATI

Via Broletto, 20

20123 – Milan, Italy