

## TRANSACTION OVERVIEW

The following section contains the main information about the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. Prospective noteholders should carefully consider the following description together with the other information contained in this Prospectus before making an investment decision.

### 1. PRINCIPAL PARTIES

<b>Issuer</b>	IBL Finance S.r.l., a <i>società a responsabilità limitata</i> incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at Via di Campo Marzio n. 46, 00186 – Rome, Italy, fiscal code and enrolment with the companies register of Rome under number 13264381008, enrolled in the <i>elenco delle società veicolo</i> held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 1 October 2014 and having as its sole corporate object the realisation of securitisation transactions under Italian law no. 130 of 30 April 1999 (the “ <b>Securitisation Law</b> ”).
<b>Originator</b>	IBL Banca – Istituto Bancario del Lavoro S.p.A., a bank incorporated under the laws of the Republic of Italy as a joint stock company ( <i>società per azioni</i> ), having its registered office at Via Campo Marzio 46, Rome, Italy, fiscal code and enrolment with the companies register of Rome number 00452550585, enrolled under number 5578 in the <i>albo delle banche</i> held by the Bank of Italy pursuant to article 13 of the Legislative Decree no. 385 of 1 September 1993 (the “ <b>Consolidated Banking Act</b> ”), holding company ( <i>capogruppo</i> ) of the banking group ( <i>gruppo bancario</i> ) “IBL Banca” enrolled under number 3263.1 in the <i>albo dei gruppi bancari</i> held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act (“ <b>IBL Banca</b> ”).
<b>Servicer</b>	IBL Banca. The Servicer will act as such pursuant to the Servicing Agreement.
<b>Back-up Servicer</b>	Zenith Service S.p.A., a financial intermediary incorporated under the laws of the Republic of Italy as a joint stock company ( <i>società per azioni</i> ), having its registered office at in Via Guidubaldo del Monte, 61, 00197, Rome, Italy, with operating office at Via Alessandro Pestalozza n. 12/14, 20131, Milan, Italy, fiscal code and enrolment with the companies register of Rome number 02200990980, enrolled in the register of financial intermediaries held by the Bank of Italy under No. 32819 (“ <b>Zenith</b> ”). The Back-up Servicer will act as such pursuant to the Back-up Servicing Agreement.
<b>Representative of the Noteholders</b>	Zenith. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement and the Conditions.
<b>Calculation Agent</b>	IBL Banca. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.

<b>Back-up Calculation Agent</b>	Zenith. The Back-up Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Collection Account Bank</b>	IBL Banca. The Collection Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Cash Manager</b>	IBL Banca. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Paying Agent</b>	The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, a bank incorporated under the laws of the Grand Duchy of Luxembourg, duly authorised to carry out business in Italy through its Italian Branch whose registered office is at Via G. Carducci No. 31, 20123 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 05694250969, enrolled under in the <i>albo delle banche</i> held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (“ <b>BoNY, Italian Branch</b> ”). The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Italian Account Bank</b>	BoNY, Italian Branch. The Italian Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>English Account Bank</b>	The Bank Of New York Mellon, London Branch, a New York banking corporation, acting through its London Branch, having its registered office at One Canada Square, London E14 5AL, United Kingdom, registered in England and Wales with FC No 005522 and BR No 000818 (“ <b>BoNY, London Branch</b> ”). The English Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Custodian</b>	BoNY, London Branch. The Custodian will act as such pursuant to the Custody Agreement.
<b>Listing Agent</b>	The Bank of New York, (Luxembourg) S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at Aerogolf Center, 1A - Hoehenhof, Senningberg L-1736, Luxembourg (“ <b>Bank of New York, Luxembourg</b> ”). The Listing Agent will act as such pursuant to the Listing Agent Fee Letter entered into between the Issuer and, amongst others, Bank of New York, Luxembourg pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Corporate Servicer</b>	IBL Banca. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
<b>Quotaholder</b>	Stichting SFM Italy No. 1 (the “ <b>Quotaholder</b> ”).
<b>Initial Noteholder</b>	IBL Banca. The Initial Noteholder will act as such pursuant to the Subscription Agreement.
<b>Rating Agencies</b>	DBRS Ratings Limited (“ <b>DBRS</b> ”); and  Moody’s Investors Service (“ <b>Moody’s</b> ”).

Moody's and DBRS are established in the European Union and are 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. 513/2011), as evidenced by the list dated 12 December 2014 published by ESMA in accordance with Article 18(3) of the CRA Regulation. Such list is available on the website of the ESMA: <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>

## 2. PRINCIPAL FEATURES OF THE NOTES

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
<b>Rated Notes</b>	€2,009,800,000 Class A Asset Backed Fixed Rate Notes due December 2040 (the “ <b>Class A Notes</b> ” or the “ <b>Senior Notes</b> ” or the “ <b>Rated Notes</b> ”);
<b>Junior Notes</b>	€223,220,000 Class B Asset Backed Variable Return Notes due December 2040 (the “ <b>Class B Notes</b> ” or the “ <b>Junior Notes</b> ” and , together with the Rated Notes, the “ <b>Notes</b> ”).
<b>Partly payments</b>	The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full nominal amount (the “ <b>Nominal Amount</b> ”) of the Notes will be issued. Subject to the Conditions and the terms of the Transaction Documents, an aggregate initial instalment of €194,983,750.52 will be paid on the Issue Date by the Class A Noteholders in partial payment for the Class A Notes (the “ <b>Class A Initial Instalment</b> ”) and an initial instalment of €21,664,861.17 will be paid on the Issue Date by the Class B Noteholders in partial payment for the Class B Notes (the “ <b>Class B Initial Instalment</b> ” and, together with the Class A Initial Instalment, the “ <b>Initial Instalments</b> ”).

The amounts of the Initial Instalment for each Note of each Class shall be the following:

<i>Class</i>	<i>Initial Instalment per Note</i>
Class A	€9,701.65
Class B	€97.06

During the Ramp-Up Period, further instalments (the “**Further Instalments**” and, each, a “**Further Instalment**”) may be made and paid with respect to the Class A Notes and the Class B Notes on each Settlement Date in order to provide the Issuer with the necessary funds, in addition to the Issuer Available Funds available for such purposes under the Priority of Payments (and to the extent that the Issuer Available Funds are not sufficient to pay the relevant Purchase Price), to proceed with the purchase of Further Portfolios of Receivables (as defined below), subject to and in accordance with the Conditions and the terms of the Transaction Documents.

With respect to the Notes of each Class the maximum aggregate amount of the relevant Further Instalments that may be made and paid by the relevant Noteholders, shall be the following:

<i>Class</i>	<i>Aggregate Further Instalments per Class of Notes</i>
Class A	€1,814,816,249.48
Class B	€201,555,138.83

#### **Ramp-Up Period**

**“Ramp-Up Period”** means the period starting from the Issue Date and up to the earlier of:

- (a) the Payment Date falling in December 2016 (excluded),
- (b) the date on which the Representative of the Noteholders has delivered a Purchase Termination Notice or a Trigger Notice to the Issuer, and
- (c) the Settlement Date (included) in which the aggregate of the Initial Instalments and all the Further Instalments paid on the Notes (included the Further Instalments paid on such Settlement Date) is equal to the Nominal Amount of the Notes.

#### **Issue Price**

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

<i>Class</i>	<i>Issue Price</i>
Class A	100 per cent.
Class B	100 per cent.

The Issue Price of the Notes will be paid-up in instalments (the **“Instalments”** and, each, an **“Instalment”**), in accordance with the Conditions and the Subscription Agreement.

**“Instalment Factor”** means, on each Settlement Date, the ratio (expressed as a percentage) between (i) the Paid-Up Amount of the Notes up to such Settlement Date (included) and (ii) the Nominal Amount of the Notes.

**“Paid-Up Amount”** means, on any date, with reference to a Note or a Class of Notes, the aggregate of the Initial Instalments and any Further Instalments paid-up on such Note or Class of Notes up to such date.

#### **Rating**

The Class A Notes are expected to be assigned the rating of "A(low)" by DBRS and "Aa2" by Moody's on the Issue Date.

No rating shall be assigned to the Class B Notes.

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

Moody's and DBRS are established in the European Union and are 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. 513/2011.

#### **Interest on the Notes**

The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at rate of 1.25 per cent per annum.

The Class B Notes will have a remuneration equal to the Variable Return (as defined in the Junior Notes Conditions).

Interest in respect of the Notes will accrue on a daily basis and will be payable in arrears in euro on each Payment Date in accordance with the Priority of Payments.

Interest will start to accrue in respect of the Notes as follows:

- from the Issue Date (included), in respect of the Initial Instalments; and
- from the relevant Settlement Date (included), in respect of any Further Instalments.

The first payment of interest in respect of the Notes will be due on the Payment Date falling in 29 June 2015 (the "**First Payment Date**") in respect of the period from (and including) the Issue Date to (but excluding) such date.

#### **Junior Notes Conditions**

Except for Junior Notes Conditions relating to the interest/return payable on the Junior Notes, the denomination and the early redemption of the Junior Notes through the disposal of the Portfolio following full redemption of the Rated Notes, the terms and conditions of the Class B Notes are the same, *mutatis mutandis*, as the Rated Notes Conditions.

#### **Form and denomination**

The denomination of the Rated Notes of each Class will be €100,000, equal to the aggregate amount of the Initial Instalment and of the Further Instalments paid in respect of each Rated Note. The denomination of the Junior Notes will be €1,000, equal to the aggregate amount of the Initial Instalment and of the Further Instalments paid in respect of each Class B Note. The Notes will be issued in bearer form and held dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-bis of the Financial Laws Consolidation Act and the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

**Ranking, status and subordination**

The Class A Notes will rank *pari passu* and pro-rata without any preference or priority among themselves for all purposes, but in priority to the Class B Notes. The Class B Notes will rank *pari passu* and pro-rata without any preference or priority among themselves for all purposes, but subordinated to the Rated Notes.

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

**Withholding on the Notes**

As at the date hereof, payments of interest, Variable Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian substitute tax (*imposta sostitutiva*), in accordance with Decree 239. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

**Mandatory Redemption**

The Class A Notes will be subject to mandatory redemption in full (or in part *pro rata*) on the First Payment Date and on each Payment Date thereafter in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Priority of Payments, provided that redemption of the Class A Notes in respect of any Class A Further Instalments will be made on the first Payment Date falling after the relevant Settlement Date.

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

**Optional redemption**

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the Issuer:

- (i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and
- (ii) delivering, prior to the notice referred to in paragraph (i) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear

of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Rated Notes and any other payment in priority to or *pari passu* with the Rated Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments.

**“Clean Up Option Date”** means any date in which the Outstanding Principal Due of the Aggregate Portfolio is equal to or lower than 10% of the maximum Outstanding Principal Due reached by the Aggregate Portfolio.

**“Portfolio”** (or, also, **“Aggregate Portfolio”**) means the aggregate of the Initial Portfolio and any Further Portfolios purchased by the Issuer pursuant to the Receivables Purchase Agreement.

**Optional Redemption in whole for taxation reasons**

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

- (i) (a) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction) and/or (b) any withholding or deduction pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the **“Code”**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (**“FATCA Withholding Tax”**), or
- (ii) any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

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

- (a) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and
- (b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds not subject to the interests of any other person required to redeem in whole (but not in part) the Notes pursuant to the Rated Notes Condition, the Junior Notes Conditions and the Intercreditor Agreement and any

amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or pari passu with the Notes,

the Issuer may, subject as provided in the Conditions, redeem in whole (but not in part) the Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

#### **Final Maturity Date**

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

#### **Segregation**

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, the collections in respect thereof, any financial assets purchased with such moneys and the other claims of the Issuer which arise in the context of the Securitisation (the “**Issuer’s Segregated Assets**”), pursuant to the Securitisation Law are segregated by operation of law from the Issuer’s other assets. Both before and after a winding up of the Issuer, amounts deriving from the Issuer’s Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

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

#### **Trigger Events**

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

- (i) *Non-payment of principal:*

the Issuer defaults in the payment of the amount of principal on the Final Maturity Date, as due and payable on the Rated Notes, and such default is not remedied within a period of five Business Days from the due date



thereof; or

(ii) *Non-payment of interest:*

the Issuer defaults in the payment of the amount of interest on a Payment Date, as due on the Rated Notes, and such default is not remedied within a period of five Business Days from the due date thereof; or

(iii) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any "*Non-payment of principal*" referred to under (i) above and/or any "*Non-payment of interest*" referred to under (ii) above) and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(iv) *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

(v) *Unlawfulness:*

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

then the Representative of the Noteholders,

- (1) in the case of a Trigger Event under item (i), (ii) or (v) above, shall; and
- (2) in the case of a Trigger Event under items (iii) or (iv) above, may or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

in each case subject to being indemnified and/or secured in satisfaction, serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Conditions and described under section "*Priority of Payments following the delivery of a Trigger Notice*" below and on such dates as the Representative of the Noteholders may determine.

**Non petition**

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations or

enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents or to enforce the security created pursuant to the Deed of Pledge and/or the Deed of Charge. In particular:

- (i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the security created pursuant to the Deed of Pledge and/or the Deed of Charge or take any proceedings against the Issuer to enforce such security;
- (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (iii) until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (iv) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

**Limited recourse obligations of Issuer**

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

- (v) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- (vi) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due

and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

- (vii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the security created pursuant to the Deed of Pledge and/or the Deed of Charge (whether arising from judicial enforcement proceedings, enforcement of the security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Terms and Conditions of the Notes that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the security created pursuant to the Deed of Pledge and/or the Deed of Charge (whether arising from judicial enforcement proceedings, enforcement of the security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

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

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Terms and Conditions of the Notes), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the Initial Noteholder under the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**Selling restrictions of the Notes**

The Notes will be subject to certain selling restrictions, as set out in the Subscription Agreement. In particular, the Notes: (a) may not be offered or sold within the United States, subject to certain exceptions; and (b) may be sold in other jurisdictions (including the Republic of Italy and other Member States of the European Economic Area) only in compliance with applicable laws and regulations.

**Listing and admission to trading**

Application has been made to list the Rated Notes on the official list of the Luxembourg Stock Exchange and to admit the Rated

Notes to trading on the Regulated Market.

## Governing Law

The Notes are governed by Italian Law.

## Regulatory Disclosure

On 26 June 2013 the European Parliament and the European Council adopted the Regulation (EU) No. 575/2013 (the “**CRR**”), relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions. The CRR applies from 1 January 2014. Further to the adoption of the CRR, the Bank of Italy has issued Circular No. 285 of 17 December 2013 (*Disposizioni di Vigilanza per le Banche*, as amended and supplemented from time to time), which implements the provisions set forth in the CRR in respect of securitisation transactions.

On 19 December 2012, the European Commission adopted the Delegated Regulation (EU) No. 231/2013 (the “**AIFMR**”), supplementing Directive 2011/61/EU on Alternative Investment Fund Managers (the “**AIFMD**”). On 22 July 2014, the transitional period under the AIFMD will end and, therefore, from such date, EU Alternative Investment Fund Managers which intend to be authorised under the AIFMD will have to comply with the relevant requirements provided thereunder.

Pursuant to articles 405 *et seq.* of CRR the Bank of Italy's Circular No. 285 dated 17 December 2013 and articles 51 *et seq.* of the AIFMR (together, the “**Retention Requirement Law**”), the Originator shall be required, *inter alia*, to retain at least 5 per cent of net economic interest in the Securitisation.

In the Intercreditor Agreement, IBL Banca, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, in accordance with the Retention Requirement Law:

- (1) it will retain at the origination and maintain on an ongoing basis at least 5 per cent of net economic interest in accordance with option (a) of article 405 of CRR and article 51 of the AIFMR (or any permitted alternative method thereafter), and provide adequate disclosure to the Noteholders in accordance with the Retention Requirement Law;
- (2) it will provide adequate disclosure to the Noteholders and comply with any other undertakings or requirements provided for the originators of securitisation transactions under the Retention Requirement Law.

For such purpose, the Originator has undertaken to retain the 5 per cent of the Principal Amount Outstanding of each Class of the Notes with effect from the Issue Date and to disclose that it continues to fulfil the obligation to maintain such net economic interest in the Securitisation on a monthly basis and at any point where the requirement is breached.

Furthermore, in the Intercreditor Agreement, the Originator has undertaken that prospective investors will have readily available

access to all information as it would be necessary to conduct comprehensive and well informed stress tests, in accordance with the Retention Requirement Law, as implemented from time to time.

In the light of the above, the Originator has made available on or about the Issue Date, and will make available on a monthly basis through the Servicer Report, the information required under the Retention Requirement Law, as implemented from time to time, which will not form part of the Prospectus as at the Issue Date but may be of assistance to certain categories of prospective investors before investing and which is specified under the terms of the Intercreditor Agreement.

In accordance with the Intercreditor Agreement, the Originator undertakes that any of such information:

- (a) on the Issue Date will:
  - (i) be included in the following sections of the Prospectus: “Transaction Overview”, “Risk Factors”, “The Portfolio”, “Credit and Collection Policies”, “Description of the Transaction Documents”; and
- (b) following the Issue Date, will:
  - (i) be published, on a monthly basis, on the Calculation Agent’s web site ([www.iblbanca.it](http://www.iblbanca.it)) provided that the Calculation Agent will include such information in the Investors Report on the basis and to the extent of the information received by the Servicer in the Servicer Report. It is understood that the Investors 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 to investors under the Retention Requirement Law;
  - (ii) with reference to any further information required by the Retention Requirement Law and not covered under (i) above, will be provided, upon request via email to [iblbanca.servicer@iblbanca.it](mailto:iblbanca.servicer@iblbanca.it), by the Servicer;
  - (iii) with reference to the further information which from time to time may be deemed necessary under the Retention Requirement Law in accordance with the market practice and not covered under (i) and (ii) above, appear on the website of the Originator.

Under the Intercreditor Agreement, the Originator has undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, in compliance with the requirements set forth in the Retention

Requirement Law.

### 3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

<b>Issuer Available Funds</b>	<p>The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of:</p> <ul style="list-style-type: none"><li>(i) all Collections and Recoveries collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period;</li><li>(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement during the immediately preceding Collection Period;</li><li>(iii) the amount credited to the Payments Account on the immediately preceding Payment Date;</li><li>(iv) any revenues and other amounts matured or deriving from the realisation, liquidation and any other proceeds on maturity of any Eligible Investments (including, for the avoidance of doubt, interest, premium or any other amount representing its yield) and credited to the Payments Account not later than 2 (two) Business Days prior to such Payment Date;</li><li>(v) all amounts (other than the amounts already allocated under other items of the Issuer Available Funds) of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer's Accounts, other than the Expenses Account, during the immediately preceding Collection Period;</li><li>(vi) all the proceeds deriving from the sale (in whole or in part), if any, of the Portfolio and/or of other components of the Issuer's Segregated Assets, in accordance with the provisions of the Transaction Documents;</li><li>(vii) all the proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;</li><li>(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period;</li><li>(ix) the Cash Reserve Amount transferred from the Cash Reserve Account to the Payments Account on or prior to such Payment Date;</li><li>(x) the Management Fee Prepayment Amount (if any) transferred from the Management Fee Reserve Account</li></ul>
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to the Payments Account on or prior to such Payment Date.

For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Issuer's Accounts as at the immediately preceding Calculation Date.

**Use of Further Instalments paid on the Notes**

On each Settlement Date during the Ramp-Up Period, the Issuer will use the net proceeds of the payment of any Further Instalments made by the Noteholders in respect of the Notes on such Settlement Date, to pay the Purchase Price and/or the portion thereof which is not covered by the Issuer Available Funds available for such purposes under the Priority of Payments, of the Further Portfolio for which the Issuer has received an Offer from the Originator and/or any Other Seller, made pursuant to the Receivables Purchase Agreement, on the Offer Date immediately preceding such Settlement Date. The Issuer, in cooperation with the Calculation Agent, may request the Noteholders, by making a request in accordance with the provisions of the Subscription Agreement (the "**Further Instalment Request**"), to effect the payment of the Further Instalments on the Notes, in order to fund the payment of the Purchase Price of such Further Portfolios and increase the Principal Amount Outstanding of the Notes. The amount of each Further Instalment shall be calculated by the Calculation Agent as of the relevant Offer Date and set out in the relevant Further Instalment Request.

Pursuant to the Subscription Agreement, the aggregate amount of each Further Instalment for each Class of the Notes shall not be in excess of (a) the difference between (x) the Nominal Amount of such Class of Notes and (y) the then current Principal Amount Outstanding of such Class of Notes, and (b) the limit of Euro 200,000,000, provided that such limit shall not apply to Further Instalments to be paid for funding the purchase of Receivables to be sold to the Issuer by any of the Other Sellers (the "**Further Instalment Limit**").

The maximum amount of each Further Instalment with respect to each Note of each Class to be funded on each Settlement Date will be the following:

Class A Note	Class B Note
€8,956.52	89.56

Upon payment of the relevant Further Instalments, the Required Tranching Ratio (as defined below) shall be satisfied.

"**Required Tranching Ratio**" means the condition that is deemed to be satisfied if the Class A Tranching Ratio is satisfied.

"**Class A Tranching Ratio**" means the condition that is deemed

to be satisfied if, with reference to each relevant Settlement Date, the ratio between (i) the Class A Further Instalment, and (ii) the Further Instalment in respect of each Class of Notes is equal to or lower than 90%.

**Payment of the Management Fee Reserve Released Amount**

The Management Fee Reserve Released Amount (if any) will be paid by the Issuer to the Originator on a monthly basis on each Payment Date out of the applicable Priority of Payments, in all circumstances in accordance with the Transaction Documents.

**Repayment of the Amounts Not Pertaining to the Securitisation**

The Amounts Not Pertaining to the Securitisation (if any): (i) will be determined and notified to the Issuer by the Servicer; (ii) will be paid to the Originator (also by way of set-off) within 2 Business Days from the notification under (i) above pursuant to the Servicing Agreement; and (iii) will be set out in each Servicer's Report, with respect to the immediately preceding Collection Period.

**Principal Payment Amount**

On any Payment Date starting from the First Payment Date for the Class A Notes, and upon repayment in full the Rated Notes for the Class B Notes, the Issuer will pay an amount equal to the relevant Notes Formula Redemption Amount.

**"Aggregate Notes Formula Redemption Amount"** means, in respect of any Payment Date, an amount calculated in accordance with the following formula:

$$A + B - CP - R$$

where:

A = the Principal Amount Outstanding of the Class A Notes on the day following the immediately preceding Payment Date;

B = the Principal Amount Outstanding of the Class B Notes on the day following the immediately preceding Payment Date;

CP = the Collateral Portfolio Outstanding Principal Due on the last day of the immediately preceding Collection Period; and

R = the Cash Reserve Target Amount calculated with reference to the relevant Payment Date.

**"Class A Notes Formula Redemption Amount"** means, in respect of any Payment Date on which the Issuer has to make principal payments for the Class A Notes in accordance with the relevant Priority of Payments:

- (i) in the event that a Trigger Event or an Acceleration Event has not occurred, an amount equal to the lower of: (a) the Principal Amount Outstanding of the Class A Notes on the day following the immediately preceding Payment Date; and (b) the Aggregate Notes Formula Redemption Amount for that Payment Date;
- (ii) in the event that a Trigger Event or an Acceleration Event has occurred, the Principal Amount Outstanding



of the Class A Notes.

**“Class B Notes Formula Redemption Amount”** means, with respect to any Payment Date on which the Issuer has to make principal payments for the Class B Notes in accordance with the relevant Priority of Payments:

- (i) in the event that a Trigger Event or an Acceleration Event has not occurred, an amount equal to the lower of: ((a) the Principal Amount Outstanding of the Class B Notes on the day following the immediately preceding Payment Date; and (b) the Aggregate Notes Formula Redemption Amount for that Payment Date less (i) the Class A Notes Formula Redemption Amount for that Payment Date;
- (ii) in the event that a Trigger Event or an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Class B Notes.

**“Notes Formula Redemption Amount”** means any of the Class A Notes Formula Redemption Amount and the Class B Notes Formula Redemption Amount, as the case may be.

**Priority of Payments prior to the delivery of a Trigger Notice**

Prior to the delivery of a Trigger Notice or redemption in full of all the Notes pursuant to the Conditions, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority:

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

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

*Third*, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

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

*Fifth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;

*Sixth*, on any Payment Date until repayment in full of the Rated

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

*Seventh*, (i) during the Ramp-Up Period, if applicable, to pay to the Originator (or to each Other Seller, as the case may be) any amount due as Purchase Price which is financed through the Issuer Available Funds available for such purposes under the Priority of Payments, for any Further Portfolio purchased in accordance with the provisions of the Receivables Purchase Agreement up to the Target Amount, and (ii) on any relevant Payment Date, to pay to the Originator (or to each Other Seller, as the case may be) any amount due as Purchase Price for any Further Portfolio under (i) above and unpaid on the previous Payment Dates;

*Eighth*, to pay, *pari passu* and *pro rata*, the Class A Notes Formula Redemption Amount on such Payment Date;

*Ninth*, to pay to the Originator (or to each Other Seller, as the case may be) any Adjustment Purchase Price pursuant to the Receivables Purchase Agreement;

*Tenth*, to pay to the Originator (also in its capacity as Initial Noteholder with respect to any indemnity payments payable in accordance with the Subscription Agreement) any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

*Eleventh*, if the Cash Trapping Condition is satisfied, to pay, *pari passu* and *pro rata*, all amounts of Remuneration due and payable on the Class B Notes on such Payment Date, provided that if the Cash Trapping Condition is not satisfied, such amount shall not be paid to the Class B Noteholders but shall be credited to the Payments Account;

*Twelfth*, to pay, *pari passu* and *pro rata*, to the extent that the Rated Notes have been redeemed in full, the Class B Notes Formula Redemption Amount on such Payment Date;

*Thirteenth*, to pay, *pari passu* and *pro rata*, any Additional Remuneration on the Class B Notes.

**Priority of Payments following the delivery of a Trigger Notice**

On each Payment Date following the delivery of a Trigger Notice and upon full redemption of all the Notes pursuant to Condition, the Issuer Available Funds shall be applied in making the following payments in the following order of priority:

*First*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

*Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, the remuneration due to the

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

*Third*, if the relevant Trigger Event is not an Insolvency Event, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

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

*Fifth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;

*Sixth*, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class A Notes;

*Seventh*, to pay to the Originator (or to each Other Seller, as the case may be): (i) any Adjustment Purchase Price pursuant to the Receivables Purchase Agreement, and (ii) any amount due as Purchase Price for any Further Portfolio, which is financed through the Issuer Available Funds available for such purposes under the Priority of Payments, and unpaid on the previous Payment Dates;

*Eighth*, to pay to the Originator (also in its capacity as Initial Noteholder with respect to any indemnity payments payable in accordance with the Subscription Agreement) any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

*Ninth*, to pay, *pari passu* and *pro rata*, all amounts of Remuneration due and payable on the Class B Notes on such Payment Date, provided that if the Cash Trapping Condition is not satisfied, such amount shall not be paid to the Class B Noteholders but shall be credited to the Payments Account;

*Tenth*, to pay, *pari passu* and *pro rata*, to the extent that the Rated Notes have been redeemed in full, all amounts outstanding in respect of principal due and payable on the Class B Notes;

*Eleventh*, to pay, *pari passu* and *pro rata*, any Additional Remuneration on the Class B Notes.

#### **4. TRANSFER OF THE PORTFOLIO**

## The Portfolio

The principal source of payment of interest and of repayment of principal on the Notes will be collections and recoveries made in respect of the Initial Portfolio which has been purchased on 16 April 2015 and the Further Portfolios which will be purchased thereafter, from time to time, by the Issuer, in accordance with the provisions of the Receivables Purchase Agreement.

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

The Purchase Price in respect of the Initial Portfolio and of each Further Portfolio is equal to the sum of all Individual Purchase Prices of the relevant Receivables.

The Purchase Price in respect of the Initial Portfolio will be paid on the Issue Date using the net proceeds of the issue of the Notes.

Sales of Further Portfolios may take place during the Ramp-Up Period in accordance with the provisions of the Receivables Purchase Agreement. Following any such sale, the relevant Purchase Price will be funded:

- (a) on the Payment Date immediately following the relevant Offer Date through the Issuer Available Funds available for such purposes under the Priority of Payments; and/or
- (b) on the Settlement Date immediately following the relevant Offer Date using, for the amount not covered under (a) above and within the limits of, the net proceeds of the payment of any Further Instalments made by the Noteholders in respect of the Notes,

in any case to the extent no Purchase Termination Notice or Trigger Notice has been served pursuant to Conditions of the Notes.

During the Ramp-Up Period, the Issuer may also purchase Further Portfolios of Receivables originated by the Originator from each Other Seller (as defined below).

“**Other Seller**” means each of:

IBL CQS S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at Via di Campo Marzio n. 46, 00186 – Rome, Italy, fiscal code and enrolment with the companies register of Rome under number 04454630262, enrolled in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 1 October 2014 and having as its sole corporate object the realisation of securitisation transactions

under the Securitisation Law; and

IBL CQS 2013 S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at Via di Campo Marzio n. 46, 00186 – Rome, Italy, fiscal code and enrolment with the companies register of Rome under number 08394260965, enrolled in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 1 October 2014 and having as its sole corporate object the realisation of securitisation transactions under the Securitisation Law.

## Criteria

Pursuant to the Receivables Purchase Agreement, the Originator (or each Other Seller, as the case may be) will sell to the Issuer and the Issuer will purchase from the Originator (or from each Other Seller, as the case may be) all the Receivables arising from Loan Agreements which meet, as at the relevant Valuation Date, the Common Criteria and Specific Criteria set out below. In particular, in respect of the Further Portfolios (if any) transferred by any Other Seller, pursuant to the Receivables Purchase Agreement, the Receivables included therein shall not have, *inter alia*, any Unpaid Instalment as of the relevant Valuation Date.

### Common Criteria

- 1) are personal Loans to be reimbursed through a Salary Assignment or, alternatively, assisted by a Payment Delegation issued in favour of IBL Banca by the relevant Debtor and notified to the relevant Employer/Pension Authority and accepted by it;
- 2) have been granted only by IBL Banca as lender;
- 3) have been denominated in Euro and do not contain provisions that allow their exchange in another currency;
- 4) have been entirely granted by IBL Banca and in respect of which there are no obligation or possibility to make further disbursements under the relevant Loan Agreement;
- 5) have been granted pursuant to Loan Agreements governed by Italian Law;
- 6) at least one Instalment has been paid;
- 7) have a Nominal Interest Rate not less than 4% (four per cent.);
- 8) are assisted by an Insurance Policy in favour of IBL Banca to cover any life or unemployment risk of the Debtor;
- 9) have been granted in favour of individuals, resident or domiciled in Italy, employees of a private company or

by a public administration or pensioners;

- 10) have been not granted to directors or employees of IBL Banca and to employees of the same Insurance Company with which has been entered into the Insurance Policy assisting this Loan in accordance with point (8) above;
- 11) provide for an amortisation plan characterized by monthly Instalments of fixed amount and having a fixed interest rate;
- 12) do not have more than 2 (two) Unpaid Instalments;
- 13) have not been classified as “*sofferenza*” (Defaulted Receivable) pursuant to Circular no. 139 dated 11 February 1991 of the Bank of Italy (“Centrale dei Rischi – Instructions for credit intermediaries”), as supplemented and amended from time to time;
- 14) have not been classified as “*inadempienze improbabili*” pursuant to the circular no. 49 dated 8 February 1989 of the Bank of Italy (“Manual for the filing of the accounts matrix”) as supplemented and amended from time to time;
- 15) have not been characterized by events in relation to which the Insurance Company must pay the relevant indemnity on the basis of the Insurance Policy in accordance with point (8) above;
- 16) must be reimbursed in whole not later than 31.01.2027 (included);
- 17) should accrue at least an Instalment following the Valuation Date;
- 18) whose Debtors have not opened at IBL Banca a bank account or a deposit account;
- 19) have not been entered into or executed in accordance with any law or regulation that provide from the beginning financial facilitations, public contributions of any nature, law discounts, maximum contractual limits to the interest rate and/or other provisions that give facilitations or reductions to the debtors or to the relevant guarantors, in relation to the capital and/or the interests;
- 20) that have not been object of previous transfer and/or securitisation transactions with third parties (other than, for the avoidance of doubt, in respect of the Receivables securitised under the Previous Securitisations carried out by IBL Banca and the Other Sellers and which will be transferred to the Issuer pursuant to the Receivables Purchase Agreement), as communicated to the relevant Debtor by IBL Banca and/or by the relevant Other Seller, unless they have

been repurchased afterwards by IBL Banca and/or by the relevant Other Seller (and this circumstance has been communicated to the relevant Debtor by IBL Banca and/or the relevant Other Seller);

- 21) are not Receivables arising from loans granted to Debtors whose Employer is part of the Alitalia/Cai Group;
- 22) are not Receivables arising from Loans assisted by an insurance policy issued by Ferservizi S.p.A.

Specific Criteria

- 1) are not Receivables assisted by an Insurance Policy granted by the following Insurance Companies:
  - Inpdap;
  - Milano Assicurazioni;
  - Axeria Prevoyance SA ;
  - Carige Assicurazioni e Riassicurazioni S.p.A..

**Purchase Termination Events**

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

- (i) *Breach of obligations by the Originator:*
  - (A) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 5 days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders and requiring the same to be remedied; or
  - (B) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (A) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 30 days after

the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders and requiring the same to be remedied; or

- (ii) *Breach of representations and warranties by the Originator and the Other Sellers:*

any of the representations and warranties given by the Originator and/or by each Other Seller under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect which is relevant in the opinion of the Representative of the Noteholders when made or repeated and such breach is not remedied; or

- (iii) *Insolvency of the Originator:*

(A) 30 days have elapsed since an application is made for the commencement of an *amministrazione straordinaria* or *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings against the Originator in any jurisdiction and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant (unless a legal opinion or other adequate comfort is obtained by the Originator and is delivered to the Representative of the Noteholders confirming that such application is manifestly without grounds), provided that during the period comprised between the date of such application and thirty days thereafter, the Originator shall not be entitled to send any Offer to the Issuer for the transfer of a Further Portfolio pursuant to the Receivables Purchase Agreement; or

(B) the Originator becomes subject to any *amministrazione straordinaria*, *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

(C) the Originator takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors (to the extent such out of court settlements may be materially prejudicial to the interests of the Noteholders) for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any



guarantee given to guarantee such fulfilment; or

(iv) *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

(v) *Breach of ratios:*

(a) the Delinquency Ratio has exceeded the Delinquency Trigger on the last day of the immediately preceding Collection Period, as specified in the latest Servicer's Report available as at the relevant Offer Date; or

(b) the Cumulative Net Default Ratio has exceeded the Cumulative Default Trigger during the immediately preceding Collection Period, as specified in the latest Servicer's Report available as at the relevant Offer Date; or

(c) the Asset Coverage Test on the immediately preceding Calculation Date, is not satisfied, as resulting from the latest Payment Report available as at the relevant Offer Date; or

(vi) *Termination of IBL Banca's appointment as Servicer*

the Issuer has terminated the appointment of IBL Banca as Servicer following the occurrence of a Servicer's Termination Event set forth in Clause 9.1 of the Servicing Agreement, except for the Servicer Termination Event set forth in Clause 9.1.6 of the Servicing Agreement,

then the Originator shall deliver a notice (the "**Purchase Termination Notice**") to the Issuer and the Representative of the Noteholders. After the service of a Purchase Termination Notice or, in any case, knowledge by the Issuer that a Purchase Termination Event has occurred, the Issuer shall refrain from purchasing any Further Portfolios under the Receivables Purchase Agreement and, consequently, no Further Instalments shall be paid on the Notes.

**Servicing of the Portfolio**

On or about the date of execution of the Receivables Purchase Agreement, the Servicer and the Issuer will enter into the Servicing Agreement, pursuant to which the Servicer will agree to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

Pursuant to the Servicing Agreement, the Servicer will undertake, *inter alia*, to prepare and submit to the Issuer, on a monthly and a monthly basis, reports in the form which will be set out in the Servicing Agreement, providing key information relating to the amortisation of the Portfolio and the Servicer's activity during the relevant preceding period, including, without

limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections and Recoveries during the relevant preceding period and a performance analysis.

In particular, the Servicer shall prepare on a monthly basis, a Servicer's Report.

Pursuant to the Servicing Agreement, the Servicer shall transfer all amounts received or recovered by it in respect of the Receivables to the Collection Account of the Issuer within 1 Business Day of the date on which the Servicer has received such amounts.

Pursuant to the Servicing Agreement, the Amounts Not Pertaining to the Securitisation (if any): (i) will be determined and notified to the Issuer by the Servicer; (ii) will be paid to the Originator within 2 Business Days from the notification under (i) above pursuant to the Servicing Agreement; and (iii) will be set out in each Servicer's Report, with respect to the immediately preceding Collection Period.

#### **Back-up Servicing**

On or about the date of execution of the Servicing Agreement, the Issuer, the Servicer and the Back-up Servicer will enter into the Back-up Servicing Agreement.

Pursuant to the Back-up Servicing Agreement, the Back-up Servicer will undertake to act as substitute of the Servicer, in the event that: (i) the appointment of the Servicer has been revoked in accordance with terms of the Servicing Agreement; or (ii) the Servicer has withdrawn from the Servicing Agreement; or (iii) the appointment of the Servicer is terminated for any reason whatsoever (other than as a consequence of the occurrence of the condition subsequent provided under the Servicing Agreement) in accordance with the terms of the Servicing Agreement.

#### **Warranties and indemnities**

In the Warranty and Indemnity Agreement, to be entered into on or about the date of execution of the Receivables Purchase Agreement, the Originator and each Other Seller will make certain representations and warranties to the Issuer in relation to, *inter alia*, the Receivables (in respect of the Originator, including the Receivables that will be transferred to the Issuer by each Other Seller) and the Originator will agree to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties (including in respect of any breach made by any Other Seller of the representations and warranties of any such Other Seller).

## **5. OTHER TRANSACTION DOCUMENTS AND CREDIT STRUCTURE**

#### **Intercreditor Agreement**

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Trigger Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer

and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and third party creditors in respect of costs and expenses incurred in the context of the Securitisation, in accordance with the terms of the Post Trigger Notice Priority of Payments.

**Cash Allocation,  
Management and  
Payments Agreement**

Under the terms of the Cash Allocation, Management and Payments Agreement, the Servicer, the Collection Account Bank, the Italian Account Bank, the English Account Bank, the Cash Manager, the Calculation Agent, the Back-up Calculation Agent, the Corporate Servicer and the Paying Agent will agree to provide the Issuer with certain calculation, notification, cash management and reporting services together with account handling services in relation to moneys and securities from time to time standing to the credit of the Issuer's Accounts and with certain agency services.

Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will undertake, *inter alia*, to prepare: (i) on or prior to each Calculation Date, the Payments Report containing details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the applicable Priority of Payments, and (ii) not later than the second Business Day following each Payment Date, the Investors Report. On each Payment Date, the Paying Agent shall apply amounts transferred to it out of the Payments Account in making payments to the Noteholders in accordance with the applicable Priority of Payments, as set out in the Payments Report.

Under the Cash Allocation, Management and Payments Agreement, Zenith will be appointed as Back-up Calculation Agent and will undertake to act as substitute of the Calculation Agent, in the event that: (i) the Servicer's Report is not timely delivered and, therefore, the information set out therein necessary to prepare the relevant Payments Report are not available; or (ii) IBL Banca as Calculation Agent fails to prepare the Payments Report (or the Post-Trigger Payments Report, as the case may be) or the Investor Report.

**Custody Agreement**

Under the terms of the Custody Agreement, the Custodian has agreed to provide the Issuer with custody and depository services in respect of securities deriving from Eligible Investments made by the English Account Bank (as instructed by the Cash Manager) in accordance with the Cash Allocation, Management and Payments Agreement.

**Mandate Agreement**

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

**Corporate Services**

Under the terms of the Corporate Services Agreement between the Issuer and the Corporate Servicer, the Corporate Servicer

<b>Agreement</b>	will agree to provide certain corporate administrative services to the Issuer.
<b>Quotaholder's Agreement</b>	Under the terms of the the Quotaholder's Agreement, certain rules will be set forth in relation to the corporate management of the Issuer.
<b>Deed of Pledge</b>	Under the terms of the Deed of Pledge, the Issuer will grant to the Representative of the Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Creditors) a pledge over certain monetary rights to which the Issuer is entitled from time to time pursuant to certain Transaction Documents to which the Issuer is a party.
<b>Deed of Charge</b>	Under the terms of the Deed of Charge, the Issuer will grant to the Representative of the Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Creditors) a security interest over the sums standing to the credit of, and/or the securities deposited in, the Investment Account pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Listing Agent Fee Letter</b>	Under the terms of the Listing Agent Fee Letter, the Listing Agent has agreed to provide certain services to the Issuer in connection with the listing of the Rated Notes.

## 6. ISSUER's ACCOUNTS

<b>Collection Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Collection Account with the Collection Account Bank. Pursuant to the terms and conditions of the Servicing Agreement, the Servicer shall transfer on a daily basis to the Collection Account all the amounts received or recovered in respect of the Receivables.
<b>Payments Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Payments Account with the Italian Account Bank. All amounts due to the Issuer under any of the Transaction Documents will be paid into the Payments Account (other than the Collections).
<b>Cash Reserve Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Cash Reserve Account with the Italian Account Bank. On the Issue Date and, thereafter, on each Payment Date until the Rated Notes have been repaid in full, the Required Cash Reserve Amount shall be transferred into the Cash Reserve Account.
<b>Management Fee Reserve Account</b>	<p>Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Management Fee Reserve Account with the Italian Account Bank.</p> <p>On the Issue Date, the Management Fee Reserve Initial Amount shall be transferred by the Originator into the Management Fee Reserve Account.</p> <p>After the Issue Date, on each Transfer Date until the Rated</p>

Notes have been repaid in full, (i) the Management Fee Reserve Target Amount in respect of all the Receivables comprised in each Further Portfolio transferred by the Originator on such Transfer Date, (ii) the Management Fee Available Amount in respect of all the Receivables comprised in each Further Portfolio transferred by each Other Seller on such Transfer Date, and (iii) the amount specified under clause 3.3.3(b)(i)(b) of the Receivables Purchase Agreement as additional amount in respect of management fee relating to each Receivable comprised in each Further Portfolio transferred by IBL CQS S.r.l., shall be paid (or procured to be paid) by the Originator into the Management Fee Reserve Account.

On each relevant Payment Date, the Management Fee Reserve Increased Amount, as specified in the Servicer's Report issued as of the immediately preceding Servicer's Report Date, shall be credited by the Originator into the Management Fee Reserve Account.

The Management Fee Reserve Released Amount (if any) will be repaid by the Issuer to the Originator on a monthly basis on each Payment Date out of the applicable Priority of Payments, in all circumstances in accordance with the Transaction Documents.

The Management Fee Prepayment Amount (if any) as specified by the Calculation Agent under the Payments Report (or the Post Trigger Payments Report, as the case may be) will be transferred from the Management Fee Reserve Account to the Payments Account on or prior to any Payment Date.

All amounts standing to the credit of the Management Fee Reserve Account, on the Business Day after the Payment Date on which the Notes are redeemed in full or cancelled, will be paid to the Originator.

**Investment Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Investment Account with the English Account Bank for the purpose of making Eligible Investments.

**Expenses Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Expenses Account with the Collection Account Bank into which, on the Issue Date, the Retention Amount will be credited.

During each Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses.

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account in accordance with the relevant Priority of Payments.

**Quota Capital Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Quota Capital Account

with IBL Banca for the purpose of depositing its quota capital.

**Eligible Institution**

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

- a) with a “Baa2” long-term rating by Moody’s or, in the event of a depository institution which does not have a long-term rating by Moody’s, a “P-2” short-term rating by Moody’s; and
- b) whose long term rating debt obligations are rated at least “BBB (high)” from DBRS.

For clarification, the DBRS rating is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, then (b) the private rating assigned by DBRS. In the event of a depository institution which does not have a private rating nor a public rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating.

**“DBRS Minimum Rating”** means: (a) if a Fitch public rating, a Moody’s public rating and an S&P public rating (each, a “Public Long Term Rating”) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody’s and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody’s and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of “C” shall apply at such time.

**“DBRS Equivalent Rating”** has the meaning given to it in the Conditions.

**Eligible Investments**

**“Eligible Investments”** means

- (A) euro-denominated senior dematerialised unsubordinated debt financial instruments but excluding for the avoidance of doubt credit linked notes and money market funds, or
- (B) account or deposit with a maturity date falling not later than the next succeeding Eligible Investments Maturity Date, held with an Eligible Institution,

provided that, in all cases: (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount), and (iii) the debt securities or other debt instruments are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least one of the following ratings:

- (X) with respect to Moody's ratings, either: (i) "Baa2" by Moody's in respect of long term debt or, in the event of an investment which does not have a long-term rating by Moody's, "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than or equal to one month; or (ii) "Baa1" by Moody's in respect of long term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time; and
- (Y) with respect to DBRS ratings, either: (i) "R-1(low)" by DBRS in respect of short-term debt and "A" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than or equal to one month; or (ii) "R-1(middle)" by DBRS in respect of short-term debt and "AA (low)" in respect of long-term debt, with regard to investments having a maturity of less than or equal to three months; or (iii) otherwise, with regard to investments having a maturity of less than or equal to one month, which has the following ratings from at least 2 of the following rating agencies: (a) at least "A" by Fitch; (b) at least "A" by Standard & Poor's; (c) at least "A2" by Moody's, or (iv) otherwise, with regard to investments having a maturity of less than or equal to three months, which has the following ratings from at least 2 of the following rating agencies: (a) at least "AA" by Fitch; (b) at least "AA" by Standard & Poor's; (c) at least "Aa2" by Moody's,

provided that, in any event, none of the Eligible

Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**“Eligible Investments Maturity Date”** means in relation to Eligible Investments deriving from the investment of Issuer Available Funds to be distributed on a certain Payment Date, the day falling the second Business Day immediately preceding such Payment Date.