

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

Quarzo S.r.l.

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

€ 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033

Issue Price: 100%

€ 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033

Issue Price: 102.07%

This Prospectus contains information relating to the issue by Quarzo S.r.l. (the “**Issuer**”) on 15 February 2017 of the € 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033 (the “**Series A Notes**” or the “**Senior Notes**”) and the € 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033 (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 1 October 2014 (*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 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 the Directive 2003/71/EC, as amended by the Directive 2010/73/EU, (the “**Prospectus Directive**”), 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 Directive, 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 Arranger and the Account Bank (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 on 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 the 6 February 2017 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**”) and the holders of the Series B Notes (the “**Series B Noteholders**”), and together with the Series A Noteholders, the “**Noteholders**”) starting from the Quarterly Payment Date falling in May 2017. Interest on the Notes will be payable quarterly in arrears in Euro on the 15th day of February, May, August and November 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 the 15th May 2017 (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 A Notes: 95 bps *per annum*; 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**”).

The Series A Notes are expected, on issue, to be rated A+sf by Fitch Italia S.p.A. (“**Fitch**”) and A(high)(sf) by DBRS Ratings Limited (“**DBRS**”). 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 Fitch or DBRS or Fitch Ratings Limited or S&P or Moody’s, 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*”.

The Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Series A Notes to be admitted to the official list of the Irish Stock Exchange (the “**Official List**”) and to trading on its regulated market (the “**Main Securities Market**”). Such approval relates only to the Series A Notes which are to be admitted to trading on the Main Securities Market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

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 (*emessa 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 22 February, 2008 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*).

The Originator will retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the Securitisation in accordance with each of article 405 of Regulation (EU) No. 575/2013 (the “**CRR**”), article 51 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 (the “**AIFM Regulation**”) and article 254 of the Commission Delegated Regulation (EU) No. 35/2015 (the “**Regulation 2015/35**”). As at the Issue Date, such interest will be comprised of an interest in the Junior Notes which is not less than 5% of the nominal value of the securitized exposures. The manner in which the net economic interest is retained by the Originator may be changed (but without obligation to do so) in connection with any amendment to, or change in the interpretation of the CRR and/or the AIFM Regulation.

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

The date of this Prospectus is 14 February 2017

NOTICE TO INVESTORS

None of the Issuer, the Representative of the Noteholders, the Arranger, the Account Bank, the Calculation Agent, the Paying Agent, the Cash Manager, the Irish Listing Agent, the Back-Up Servicer Facilitator, the Servicer, the Corporate Services Provider 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 Bank, the Calculation Agent, the Paying Agent, the Cash Manager, the Irish Listing Agent, the Back-Up Servicer Facilitator, the Servicer, the Corporate Services Provider 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 (which has 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*”. 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 and Cash Manger accepts responsibility for the information contained in this Prospectus under the section headed “*The Account Bank and Cash Manager*” 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 the section headed “*The Account Bank and Cash Manager*”, but does not accept responsibility for any other part of this Prospectus.

Deutsche Bank S.p.A. (“**Deutsche Bank**”), in its capacity as Paying Agent and Calculation Agent accepts responsibility for the information contained in this Prospectus under the section headed “*The Paying Agent and Calculation Agent*” and, to the best of the knowledge of Deutsche Bank (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. Deutsche Bank accepts responsibility for the section headed “*The Paying Agent and Calculation Agent*”, but does not accept responsibility for any other part of this Prospectus.

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 Bank, the Calculation Agent, the Cash Manager, or any other person. Neither

the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has been no change in the affairs of the Issuer or 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.

This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or the Arranger to subscribe for, or purchase, any of the Notes. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Arranger 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 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.

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 Bank, the Cash Manager, the Servicer, the Irish 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.

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

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

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.

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 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.

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.

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

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 Receivables 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.

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

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.

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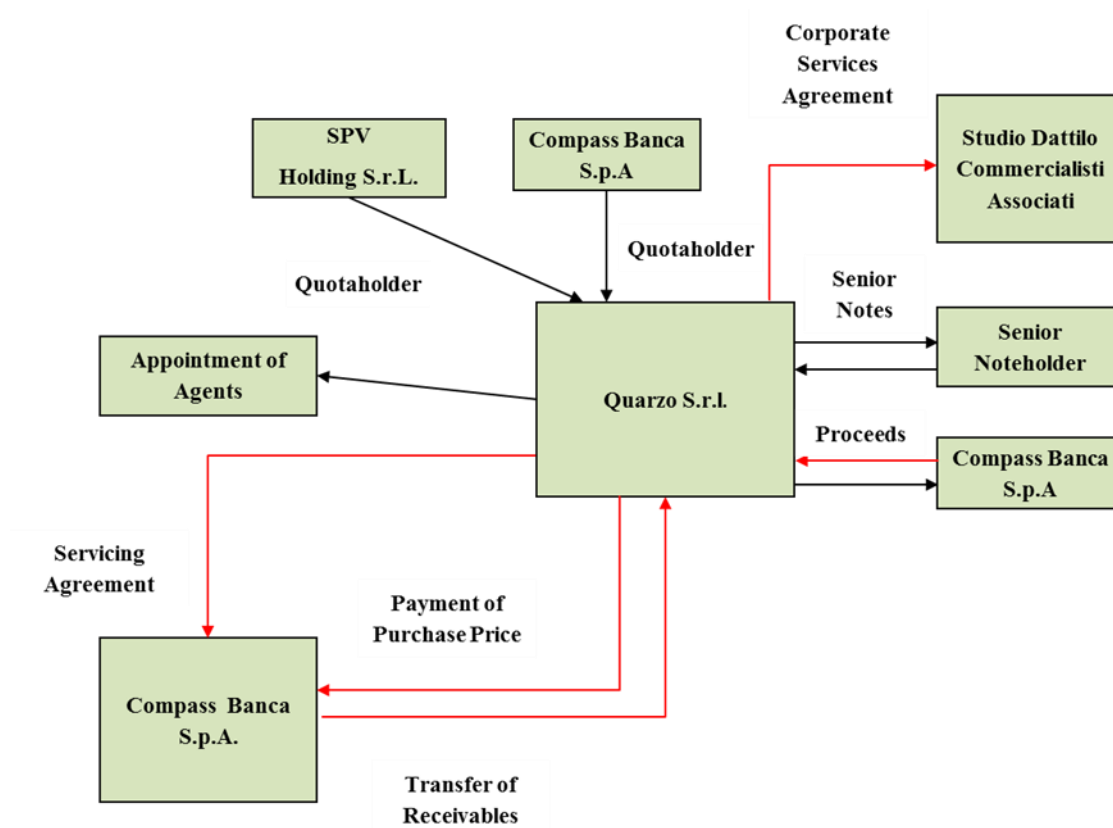
OVERVIEW OF THE TRANSACTION

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 the Prospectus as a whole. Following the implementation of the relevant provisions of the Prospectus Directive 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 the 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.



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, Fiscal code, VAT number 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 1 October 2014 (*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 and the Quarzo 2016 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, Fiscal Code and VAT number 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 Noteholders

of the **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

Studio Dattilo Commercialisti Associati, with registered office at Galleria del Corso, 2, 20122, Milan, Italy, VAT number 10246540156, 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 incorporated and organised under the laws of the Republic of Italy, with registered office at Via Guidubaldo del Monte 61, 00197, Rome, enrolled with the companies register of Rome with No. 02200990980 and with the register held by the Bank of Italy pursuant to article 106 of the Banking Act under number 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.

Calculation Agent and Paying Agent

Deutsche Bank S.p.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is located at Piazza del Calendario 3, 20126 Milan, Italy, Fiscal Code, VAT number and Register of Enterprises of Milan registration number 01340740156 and registered in the register held by the Bank of Italy pursuant to article 13 of the Banking Act under number 3104, subject to the direction and coordination of Deutsche Bank Aktiengesellschaft, acting through its office at Piazza del Calendario 3, 20126 Milan (“**Deutsche Bank**”) will act as the paying agent (in such capacity, the “**Paying Agent**”), and as calculation agent (in such capacity, the “**Calculation Agent**”) to the Issuer pursuant to the terms of the Cash Allocation, Management and Agency Agreement.

See “*Overview of the Transaction – Provisions relating to the Paying Agent*”, “*Overview of the Transaction – Calculation Agent*”, “*The Other Transaction Documents - The Cash Allocation, Management and Agency Agreement*” and “*The Paying Agent and Calculation*”

Agent”, below.

Account Bank 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 and the cash manager (in such capacity, respectively, the “**Account Bank**” 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 “*The Account Bank and Cash Manager*”, below.

Irish Listing Agent McCann FitzGerald Listing Services Limited, Riverside One, Sir John Rogerson’s Quay, Dublin 2, Ireland will be the Irish listing agent (in such capacity, the “**Irish Listing Agent**”).

2. Summary of the Notes

The Notes On or about 15 February 2017 (the “**Issue Date**”), the Issuer will issue:

- (a) € 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033 (the “**Series A Notes**” or the “**Senior Notes**”); and
- (b) € 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033 (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.

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 A Notes	100%
Series B Notes	102.07%

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, the Deed of Pledge 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 A Notes, 95 bps *per annum* (the "**Series A 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 February, May, August and November 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 15th May 2017 (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 November 2033 (the “**Final Maturity Date**”).

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 November 2035, 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. 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 0.4%; 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 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 3%;

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

following the purchase by the Issuer of each Subsequent Portfolio, the Revolving Available Amount which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio,

(each, a “**Purchase Termination Event**”), then the Representative of the Noteholders:

- (1) with reference to events listed under letters (C) (*Insolvency of the Originator*), (E) (*Winding-up of the Originator*), (F) (*Bank of Italy order*), (H) (*Termination of the appointment of the Servicer*), (I) (*Trigger Notice*), (J) (*Breach of the Portfolio Default Ratio*), (K) (*Breach of the Cumulative Default Ratio*), (L) (*Collateral Portfolio Performance*), (M) (*Portfolio Delinquency Ratio*) and (N) (*Non disposal of the Revolving Available Amount*) above, in its sole and absolute discretion; or
- (2) with reference to events listed under letters (A) (*Material Breach of Obligations by the Originator*), (B) (*Breach of Representations and Warranties by the Originator*), (D) (*Restructuring Agreements*) and (G) (*Transaction Documents*) above, if so requested by the majority of the Noteholders,
 - (a) of the Series A Notes, until the Principal Amount Outstanding of the Series A Notes will be repaid in full;
 - (b) of the Series B Notes until the Principal Amount Outstanding of the Series B Notes will be repaid in full;

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 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) 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 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) 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.

Security for the Notes

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.

In addition, the Notes are secured over certain assets of the Issuer pursuant to the Deed of Pledge. The rights arising from the Deed of Pledge in favour of the Noteholders are incorporated in each of the Notes and are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

See “*The Other Transaction Documents – The Deed of Pledge*”, 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 Cash Manager, the Account Bank, 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

The Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Directive 2003/71/EC as amended and supplemented from time to time (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Series A Notes to be admitted to the Official List and trading on the Main Securities Market. Such approval relates only to the Series A Notes which are to be admitted to trading on the Main Securities Market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

Rating

Upon issue it is expected that:

- (a) the Series A Notes will be rated “A+sf” by Fitch Italia S.p.A. (“**Fitch**”), and “A(high)(sf)” by DBRS Ratings Limited (respectively “**Fitch**” 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.

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 6 February, 2017 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 indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with, *inter alia*, the purchase and ownership of the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio. 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.

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:

- (a) a Euro denominated bank account, IBAN No. IT50Y1063101600000070201468 (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 has the Minimum Rating, for the deposit of all amounts collected and/or recovered by Compass, as Servicer, in respect of the Receivables pursuant to the Servicing Agreement;
- (b) a Euro denominated bank account, IBAN No. IT73P0310401600000000828792 (the “**Payments Account**”), which will be held in Italy with the Paying Agent in the name of the Issuer for so long as the Paying Agent qualifies as an Eligible Institution, for the deposit of the amounts standing to the credit of the Collection Account, the Liquidity Reserve Account and the Eligible Investments Account up to the amounts which are necessary for the Paying Agent in order to make payments on behalf of the Issuer on each relevant

Payment Date in accordance with the Cash Allocation, Management and Agency Agreement; and out of which payments will be made on behalf of the Issuer on each relevant Payment Date;

- (c) a Euro denominated bank account, IBAN No. IT27Z1063101600000070201469 (the “**Flexible & LibeRata Loans Cash Reserve Account**”), which will be held in Italy in the name of the Issuer with the Account Bank for so long as the Account Bank has the Minimum Rating, to be replenished only to the extent that, on any of the three Calculation Dates immediately preceding each Quarterly Payment Date, the sum of the principal amount outstanding of the Flexible Loans and the principal amount outstanding of the Loans so called “*LibeRata*”, in relation to which the relevant Debtors have exercised, during the relevant Collection Period, the contractual option to postpone the payment of the relevant Instalments, is higher than 1% (the “**Trigger**”) of the principal amount outstanding of all the Consumer Loans as at the Valuation Date immediately preceding each Calculation Date (in accordance with the relevant Monthly Report). In such a case the Flexible & *LibeRata* Loans Cash Reserve Account shall be credited with an amount equal to sum of the relevant Instalment Interest Components of the Flexible Loans and the Loans so called *LibeRata* not collected by the Issuer during those of the three Collection Periods immediately preceding each Quarterly Payment Date in which the Trigger has been exceeded (the “**Flexible & LibeRata Loans Cash Reserve Amount**”);
- (d) a Euro denominated bank account IBAN No. IT73X1063101600000070201467 (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 has the Minimum Rating, into which (i) on the First Quarterly Payment Date, an amount equal to Euro 40,000 (the “**Retention Amount**”) shall be paid, in accordance with the applicable Priority of Payments; (ii) all the amounts due to the Issuer by any party to the Transaction Documents to which the Issuer is a party (if it is not otherwise provided) will be credited; and (iii) on each Quarterly Payment Date an amount as to replenish the Expense Account up to the Retention Amount shall be paid, in accordance with the applicable Priority of Payments, and out of which any taxes due and payable by the Issuer and any fees, costs and expenses required to be paid to any third party other than the Noteholders and the other Issuer Secured Creditors in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations will be paid, in the period comprised between a Quarterly Payment Date and the immediately subsequent

Quarterly Payment Date;

- (e) a Euro denominated bank account IBAN No. IT69S1063101600000070201470 (the “**Eligible Investments Account**”), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank has the Minimum Rating, for the deposit of the Eligible Investments (in so far as such investments can be deposited in such account), deriving from the investment of funds standing, from time to time, to the credit of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account;
- (f) a Euro denominated bank account IBAN No. IT46T1063101600000070201471 (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 has the Minimum Rating, for the deposit, on each Quarterly Payment Date, starting from the Issue Date, of amounts available under item (v) of the Quarterly Priority of Payments to be applied by the Issuer during the Revolving Period or under item (iv) of the Quarterly Priority of Payments to be applied by the Issuer during the Amortisation Period;
- (g) a bank account No. IT51X1063101600000070201475 (the “**Securities Account**”), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank has the Minimum Rating, for the deposit of the Eligible Investments (only consisting in securities and debt instruments) deriving from the investment of funds standing, from time to time, to the credit of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account; and
- (h) a Euro denominated bank account IBAN No. IT60R1063101600000070201172 (the “**Corporate Capital Account**” and, together with the Collection Account, the Payments Account, the Flexible & *LibeRata* Loans Cash Reserve Account, the Liquidity Reserve Account, the Expense Account, the Eligible Investments Account and the Securities 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.

See “*The Issuer Accounts*”, and the “*Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*” below.

Provisions relating to the Cash Manager

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, the Flexible & *LibeRata* Loans

Cash Reserve Account and the Liquidity Reserve Account.

See “*Credit Structure*” and the “*Other Transaction Documents – the Cash Allocation, Management and Agency Agreement*”, below.

Provisions relating to the Account Bank 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, including the preparation of statements (*estratti conto*) of such Accounts on or prior to each Settlement Report Date.

Provisions relating to the Paying Agent Pursuant to the Cash Allocation, Management and Agency Agreement, the Paying Agent agrees 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, notify such interest rate and amount to the Initial Subscribers, the Issuer, the Servicer, the Representative of the Noteholders, the other Agents, the Corporate Services Provider and maintain records of the quotations obtained, and all rates determined, by it and make such records available for inspection at all reasonable times upon reasonable notice by the Issuer and the other Agents.

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.

The Calculation Agent on the basis of the Monthly Report and of the statement of the Collection Account (as at the close of business of the second Business Day immediately succeeding the end of the Collection Period immediately preceding the relevant Monthly Payment Date), to be received in accordance with the provisions of the relevant Transaction Documents, shall calculate the Monthly Available Funds (or the Revolving Available Amount should the Monthly Payment Date be also a Quarterly Payment Date) and notify such amount to the Issuer, Compass and the Corporate Services Provider by 12.00 p.m. (Milan time) of the Calculation Date immediately preceding the relevant Offer Date.

The Calculation Agent on each Payments Report Date shall prepare, on the basis, *inter alia*, of the information set out in the Monthly Report provided by the Servicer and in the statements (*estratti conto*) provided by the Account Bank under the Cash Allocation, Management and Agency Agreement, a quarterly report with respect to the last three preceding Collection Periods (the “**Payments Report**”) setting out, *inter alia*, the amount of the Quarterly Available Funds, of the Revolving Available Amount and the payments to be made in accordance with the Quarterly Priority of Payments set out in the Intercreditor Agreement and shall make it available via the Calculation Agent's internet website currently

located at <https://tss.sfs.db.com/investpublic/> to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider, the others Agents and the Rating Agencies.

On each Investor Report Date, the Calculation Agent shall also prepare a quarterly report containing certain information in respect of the Portfolio and the Notes (the “**Investor Report**”) and shall make available such Investor Report via the Calculation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic/> to the Issuer, the Initial Subscribers, the Representative of the Noteholders, the Cash Manager, the Paying Agent, the Servicer and the Account Bank. The Investor Report will be sent by e-mail by the Calculation Agent to the Rating Agencies.

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, the Monthly Available Funds; and
- (ii) on each Quarterly Payment Date, the Quarterly Available Funds.

Monthly Available Funds

On each Calculation Date prior to the relevant Monthly 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) 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.

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 other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Flexible & *LibeRata* Loans Cash Reserve Account and 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 (d) below);
- (d) 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 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 – 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.

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):

1. *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;
2. *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 Bank, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;
3. *Third*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.3 (a) of the Master Receivables Purchase Agreement;
4. *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A Notes;
5. *Fifth*, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount
6. *Sixth*, 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;
7. *Seventh*, to credit the Collection Account with the difference if positive between the Revolving Available Amount and the

amount paid under item (vi) above;

8. *Eighth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreements;
9. *Ninth*, if on any of the three Calculation Dates immediately preceding each Quarterly Payment Date, the sum of the principal amount outstanding of the Flexible Loans and the principal amount outstanding of the Loans so called “*LibeRata*”, in relation to which the relevant Debtors have exercised, during the relevant Collection Period, the contractual option to postpone the payment of the relevant Instalments, is higher than 1% (the “**Trigger**”) of the principal amount outstanding of all the Consumer Loans as at the Valuation Date immediately preceding each Calculation Date (in accordance with the relevant Monthly Report), to credit the Flexible & *LibeRata* Loans Cash Reserve Account up to an amount equal to the sum of the relevant Instalment Interest Components of the Flexible Loans and the Loans so called *LibeRata* not collected by the Issuer during those of the three Collection Periods immediately preceding each Quarterly Payment Date in which the Trigger has been exceeded (the “**Flexible & LibeRata Loans Cash Reserve Amount**”);
10. *Tenth*, to pay the interests in respect of the Series B Notes up to an amount that will cause the First Available Cash Amount Condition to be triggered;
11. *Eleventh*, to pay to the Series B Notes the Additional Return up to an amount that will not cause the Second Available Cash Amount Condition to be triggered.

Amortisation Period

Quarterly Priority of Payments

During the Amortisation 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):

1. *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 Expenses Account up to the Retention Amount;
2. *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 Bank, the Calculation Agent, the Corporate Services Provider and the

Representative of the Noteholders;

3. *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A Notes;
4. *Fourth*, 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;
5. *Fifth*, to repay, *pari passu* and *pro rata*, the principal on the Series A Notes;
6. *Sixth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreements;
7. *Seventh*, to pay the interests in respect of the Series B Notes;
8. *Eight*, to repay the principal in respect of the Series B Notes, only to the extent the Series A Notes have been redeemed in full;
9. *Ninth*, 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 Priority of Payments, on each Quarterly Payment Date occurring on the earlier of (i) November 2019, (ii) 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*), 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 Priority of Payments, and (iv) to the extent that Condition 6.3 (*Redemption for taxation*) is applicable, on the date on which the prior written notice under Condition 6.3 (*Redemption for taxation*) 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 Priority of Payments.

Optional redemption of the Notes

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 30 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.

Without prejudice to the foregoing, should the Originator become the sole holder of all the Senior Notes, it may, under the provisions of the Master Receivables Purchase Agreement, also exercise a further option (the “**Second Portfolio Call**”) 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 15 Business Days prior written notice before the relevant Quarterly Payment Date and provided that, as at the date of the exercise of such option, the following requirements are met:

- (a) the consideration therefore (the “**Second Portfolio Call 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 Quarterly Payment Date immediately following the notice of the exercise of the Second Portfolio Call, the Principal Amount Outstanding of the Senior 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 Senior Notes pursuant to the then applicable Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Quarterly Payment Date;
- (b) the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Second Portfolio Call, in compliance with article 58 of the Banking Act;
- (c) the Originator has delivered to the Issuer a solvency certificate signed by its legal representative on the date of exercise of the option thereof; and
- (d) the Originator has delivered to the Issuer a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) dated not earlier than 5 Business Days before the date of exercise of the option thereof;

The Second Portfolio Call Purchase Price shall be equal to the sum of:

- (i) the outstanding Instalment Principal Components of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the date of exercise of the Second Portfolio Call; and
- (ii) the actual value of Defaulted Receivables and Delinquent Receivables as at such Payment Date, as determined by a third party arbitrator jointly appointed by the Originator and the Issuer or, in case the parties do not agree on the person to be appointed, by the chairman of the Italian Banking Association (ABI).

The repurchase of the Receivables and the payment of the Second Portfolio Call Purchase Price shall take place on the date of exercise of the Second Portfolio Call.

The Issuer shall apply the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming the Notes in accordance with Condition 4 (*Priority of Payments*) and the provisions of the Intercreditor Agreement.

The provisions specified in clause 17 of the Master Purchase Receivables Agreement shall apply

In case of redemption of the Notes by the Issuer pursuant to the provisions provided for under Condition 6.2 (*Optional Redemption*) the Issuer shall inform in advance the Rating Agencies.

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 separado*) 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 redemption 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 constant 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 means € 5,899,500 and, following the earlier of (i) the Quarterly Payment Date on which the Series A 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, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account.

Governing Law

The Notes and the Transaction Documents are governed by Italian law.

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should make their own independent valuations of all investment considerations and should also read the information set out elsewhere in this document and in the Transaction Documents.

1) RISK FACTORS RELATING TO THE SECURITIES

Source of Payments to Noteholders

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 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 and any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party. The Issuer's principal assets will be the Receivables. As at the date hereof, the Issuer's principal assets are the Receivables included in the Initial Portfolio. During the Revolving Period, pursuant to the Master Receivables Purchase Agreement, it is envisaged that the Issuer will purchase the Receivables included in any Subsequent Portfolio. The Receivables included in the Initial Portfolio, together with the Receivables included in the Subsequent Portfolios (if any) will form one and the same collateral for the Notes. For a description of the Receivables included in the Initial Portfolio and the criteria that the Issuer will utilise when investing in Subsequent Receivables, please see "*The Portfolio*", below. The Issuer will not have any significant assets, for the purpose of meeting its obligations under this Securitisation, other than the Receivables, any amounts standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party. Consequently, 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.

The Notes will be limited recourse obligations solely of the Issuer. 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. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the other Issuer Secured Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

Other than as provided in the Master Receivables Purchase Agreement and the Servicing Agreement, the Issuer and the Representative of the Noteholders will have no recourse to Compass Banca S.p.A. (in any capacity) or any other entity including, but not limited to, in circumstances where the proceeds received by the Issuer from the enforcement of any particular Consumer Loan are insufficient to repay in full the Receivable in respect of such Consumer Loan.

If, upon default by one or more Debtors under the Consumer Loans and after the exercise by the Servicer of all usual remedies in respect of such Consumer Loans, the Issuer does not receive the full amount due from those Debtors, then the Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay in full the interest due on the Notes.

Performance of the Portfolio

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 Signing 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. 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.

No Independent Investigation in relation to the Receivables

Neither the Issuer nor the Arranger nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolio sold by the Originator to the Issuer, nor has any of such parties undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

Pursuant to the Master Receivables Purchase Agreement, the Originator has given certain representations and warranties in favour of the Issuer with respect to the Initial Portfolio and the Originator will give the same representations and warranties in favour of the Issuer in respect of each Subsequent Portfolio transferred by it to the Issuer pursuant to the Master Receivables Purchase Agreement, and has undertaken and will undertake connected indemnification obligations. Such indemnification obligations of the Originator are unsecured claims of the Issuer and no assurance can be given that the Originator can or will pay the relevant amounts when due.

Recoveries under the Consumer Loans

Following the default of a Debtor under a Consumer Loan, the Servicer will be required to take steps to recover the sums due under the Consumer Loan in accordance with its credit and collection policies and the Servicing Agreement.

The Consumer Loans provide that if any Debtor fails to pay in due time any amount due thereunder, the lender is entitled to take steps to terminate its agreement with the relevant Debtor under the relevant Consumer Loan and to require immediate repayment of all amounts advanced and/or due under such Consumer Loan in accordance with its terms. See "*The Servicing Agreement*", below.

The Servicer may take steps to recover the deficiency from the Debtor. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the 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 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. See "*The Originator and the Servicer*" and "*The Credit and Collection Policies*" above.

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

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

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

The average length of time for a forced sale of a debtor's goods, from the court order or injunction of payment to the final sharing-out, is about three years. The average length of time for a forced sale of a debtor's real estate assets, from the court order or injunction of payment to the final sharing-out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in southern Italy the duration of the procedure can significantly exceed the average.

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

Restructuring arrangements in accordance with Law No. 3 of 27 January 2012

Following the enactment of Law No. 3 of 27 January 2012, a debtor who is neither subject nor eligible to be subject to ordinary insolvency proceedings in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors. The new law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over indebtedness. A debtor in a state of over indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement.

However, it is important to note that a favourable vote of creditors representing at least 70% of the relevant claims is required for the approval of the draft restructuring arrangement.

Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those creditors not adhering to such arrangement for a period of up to one year.

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order an hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to the creditors. During the hearing, the judge may award an automatic stay of up to 120 days with respect to the enforcement actions over the assets of the relevant debtor. The automatic stay however will not apply to those creditors having title to receivables which are not subject to attachment.

However it is to be noted that some of the the conditions to be met in order to validly enter into the above restructuring arrangement are quite burdensome as a favourable vote of creditors representing at least 70% of the relevant claims need to be obtained together with the certification (*omologazione*) of the restructuring arrangement issued by the relevant judge.

Liquidity and Credit Risk

The Issuer will be subject to the risk that any payments due by the Debtors under the Consumer Loans are paid after the scheduled payment dates.

The Issuer will be 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.

Commingling Risk

The Issuer may be subject to the risk that, in the event of insolvency of Compass Banca S.p.A., acting as Servicer, the Collections held by the Servicer are lost or temporary unavailable to the Issuer. However, please consider that recently the Securitisation Law has been amended by virtue of the Law Decree No. 91/2014, as converted into law by Law No. 116/2014 (the “**Law Decree Competitività**”). The new provisions, *inter alia*, clarify that, 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, as well as any amounts credited to such account/s during such procedure, shall be immediately returned to the Issuer regardless the ordinary procedural rules about the filing of claims and distribution of payments out of the insolvency estate.

Moreover, please also consider that, within the context of the Securitisation, the commingling risk that may remain is in any case mitigated through the prompt payment to the Issuer of any Collections held by the Servicer into the Collection Account.

In addition to the above, in order to further mitigate such risk, in the following events:

- (i) certain bankruptcy events with respect to the Servicer;
- (ii) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited within 5 (five) Business Days after the due date thereof, only if such failure is attributable to the Servicer;
- (iii) 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;
- (iv) any representation and warranty of the Servicer contained in the Servicing Agreement shall prove to have been incorrect or incomplete; and
- (v) 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,

the Issuer at its sole discretion and with the previous consent of the Representative of the Noteholders shall be empowered to terminate the appointment of Compass to act as Servicer and to appoint a substitute servicer bearing the characteristics contained in the the Servicing Agreement. The appointment of the substitute servicer shall be subject: (a) to the approval of the Representative of the Noteholders and (b) to the previous notice thereof to the Rating Agencies.

Limited Enforcement Rights

Pursuant to the Transaction Documents, the Representative of the Noteholders is responsible for implementing the resolutions of the Meeting of the Noteholders and for protecting the Noteholders’ common interests *vis-à-vis* the Issuer, and is entitled to exercise all the rights granted by the Issuer in favour of the Noteholders under the Deed of Pledge and, following the service of a Trigger Notice, the contractual rights of the Issuer under the Intercreditor Agreement. The Rules of the Organisation of the Noteholders limit the

ability of an individual Noteholder to commence proceedings against the Issuer by giving the Meeting of the Organisation of the Noteholders the power to decide whether a Noteholder may commence any such individual actions.

Relationship amongst Noteholders and between Noteholders and the other Issuer Secured Creditors

The Intercreditor Agreement contains provisions applicable where, in the opinion of the Representative of the Noteholders, there is a conflict between all or any of the interests of the Noteholders and those of the other Issuer Secured Creditors; such provisions require the Representative of the Noteholders to have regard only to the interests of the Noteholders and then, subject to the above, of whichever other Issuer Secured Creditor ranks higher in the Priority of Payments for the payment of the amounts therein specified; the Intercreditor Agreement contains moreover provisions applicable where, in the opinion of the Representative of the Noteholders, there is a conflict between the Senior Noteholders and the Junior Noteholders: in such case the Representative of the Noteholders shall exercise its powers, authorities, rights, duties and discretions in full accordance with the provisions set forth in the Conditions and in the Rules of the Organisation of the Noteholders.

Under Condition 11 (*Trigger Events*), the Representative of the Noteholders, subject to, in each case, it being indemnified to its satisfaction:

- (A) shall, upon the occurrence of a Trigger Event referred to under Condition 11 letters (A) (*Non-payment*), (D) (*Insolvency of the Issuer*) and (E) (*Winding-up of the Issuer*); or
- (B) 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 Condition 11 letters (B) (*Breach of other Obligations by the Issuer*), (C) (*Breach of Representations and Warranties by the Issuer*) and (F) (*Unlawfulness*),

deliver written notice (a “**Trigger Notice**”) to the Issuer and the Servicer, declaring the Notes to be immediately due and payable in an amount equal to their Principal Amount Outstanding together with accrued interests, without further action or formality.

Moreover, prospective Noteholders’ attention is drawn to the fact that payments due in respect of the Notes will be subordinated to payments due from time to time to any third party creditors (other than the Noteholders and the other Issuer Secured Creditors) arising in connection with the Securitisation and to payments due to the Servicer, the Paying Agent, the Cash Manager, the Account Bank, the Calculation Agent, the Irish Listing Agent, the Corporate Services Provider and the Representative of the Noteholders.

Claims of the creditors of the Issuer

Without prejudice to the right of the Representative of the Noteholders to enforce the Deed of Pledge, the Intercreditor Agreement contains provisions stating that each of the other Issuer Secured Creditors has undertaken, that no Noteholder or other Issuer Secured Creditor will begin proceedings for a declaration of insolvency against the Issuer 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. There can be no assurance that each and every Noteholder and other Issuer Secured Creditor will honour its contractual obligation not to begin proceedings for a declaration of insolvency against the Issuer before the time-bars set above. In addition, under Italian law, any other creditor of the Issuer, a director of the Issuer (who could not validly undertake not to do so) or (in limited cases) an Italian public prosecutor (*pubblico ministero*) would be able to begin insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt. Such creditors could arise, for example, by virtue of unexpected expenses owed

to third parties. In order to address this risk, the Priority of Payments contains provision for the payment of amounts to third parties other than the Noteholders and the other Issuer Secured Creditors.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction 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 which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions.

No creditors other than the Representative of the Noteholders on behalf of the Noteholders, the other Issuer Secured Creditors and any third-party creditors having the right to claim for amounts due in connection with this Securitisation would have the right to claim in respect of the Receivables, even in a bankruptcy of the Issuer.

Notwithstanding the above, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Limited secondary market

There is not at present an active and liquid secondary market for the Notes. The Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States. Although the application has been made to the Irish Stock Exchange for the Series A Notes to be admitted to the Official List and trading on the Main Securities Market, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop in respect of any 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 or cancellation of such Notes. Consequently, any purchaser of the Notes may hold such Notes until the final redemption or cancellation thereof.

In addition, prospective Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue as at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. As a result of the current liquidity crisis, there exists significant additional risks to the Issuer and the investors which may affect the returns on the Notes to investors.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors.

There exists significant additional risks for the Issuer and investors as a result of the current crisis.

These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Claims in accordance with the Transaction Documents, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the increased illiquidity and price volatility of the Notes as there is currently no secondary trading in asset-backed securities. These additional risks may affect the returns on the Notes to investors.

Suitability

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to the relevant risk. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting

and financial evaluation of the merits and risks of investment in the Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition.

Servicing of the Portfolio

The Portfolio has always been serviced by Compass, previously 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. Consequently, the net cash flows from the Portfolio may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

The Servicer has been appointed by the Issuer as responsible for the collection of 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 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 relative cash and payment services comply with Italian law and this Prospectus.

Regulatory Capital Framework

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

The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as “**Basel III**”), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systematically important banks) and to establish a leverage ratio “backstop” for financial institution and certain minimum liquidity standards for credit institutions. In particular, the changes refer to, among other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as “**Liquidity Coverage Ratio**” and the “**Net Stable Funding Ratio**”). The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches calculating risk weights and a new risk weight floor of 15%. Participating countries have been required to implement the new capital standards as of January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and the European Commission proposed to implement the changes through the CRD IV and the CRR (as defined below). The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

The Basel III framework has been substantially reflected in the EU legislation by means of the recently agreed package consisting of the Capital Requirements Directive (Directive 2013/36/EU, also known as “**CRD IV**”) and Capital Requirements Regulation (Regulation (EU) No. 575/2013, also known as “**CRR**”), the latter being directly applicable in each Member State. The adoption of these measures will allow the set-up of a Single Rule book which is the key tool in the EU to allow a level playing field, to contrast regulatory arbitrage and foster the convergence of supervisory practices. The CRD IV and the CRR were formally adopted by the European Council on 20 June 2013 and published in the Official Journal on 27 June 2013. The CRR entered into application on 1 January 2014. The CRD IV has been implemented in Italy through the Bank of Italy Circular No. 285 issued on 17 December 2013, as amended and supplemented from time to

time, and Legislative Decree No. 72 of 12 May 2015 entering into force on 27 June 2015 that transposes in Italy those provisions of the CRD IV which were not implemented by means of the aforesaid Bank of Italy Circular. The provisions required by CRR and CRD IV are expected to be fully implemented by 1 January 2019.

Changes to the Basel II Framework (including the Basel III changes described above) as reflected in the aforesaid EU legislation, as well as in the piece of legislation currently implemented in Italy, may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

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

The Securitisation Law

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

Consumer protection legislation

In Italy, consumer loans are regulated by, amongst other things: (a) as per *Credito al Consumo* Loans, by articles 121 to 126 of the Banking Act; (b) as per *Credito al Consumo* loans and Personal Loans, by Italian legislative decree 6 September 2005 n. 206 as amended (the “**Legislative Decree No. 206**”) and (c) the regulation of the Bank of Italy dated 29 July 2009, as recently amended by the regulation dated 30 September 2016 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*). Under the current legislation, *Credito al Consumo* 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.

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

- (i) pursuant to sub-sections 1 and 2 of article 125-*quinquies* of the Banking Act, debtors under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a breach by the supplier, provided that (i) they have previously and unsuccessfully made the *costituzione in mora* of the supplier and (ii) such breach of the supplier 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 and is not entitled to receive from the consumer any amount paid by the consumer to the supplier. However, the lender has the right to claim these payments from the relevant supplier who is in breach. Pursuant to sub-section 4 of article 125-*quinquies* of the Banking Act, debtors are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under sub-sections 1 to 3 of the same article, which they had against the original lender. In any case (i) such risk does not relate to the Personal Loans assigned to the Issuer in the context of the Securitisation; and (ii) with reference to all the Consumer Loan other than the Personal Loans, under the Master Receivables Purchase Agreement the Originator has assigned to the Issuer, *inter alia*, any receivable

related to the amount to be paid by the Supplier in accordance with the Consumer Loan Agreements pursuant to article 125-*quinquies*, paragraph 2, of the Banking Act. Moreover, with reference to the Insurance Policies ancillary to the Consumer Loan Agreements, it is debatable whether the relevant Insurance Policy can be qualified as a *contratto di credito collegato* under the provisions of article 125-*quinquies* of the Banking Act;

- (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;
- (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;

- (iv) pursuant to sub-section 2 of article 125-*septies* of the Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a *credito al consumo* loan contract when the original lender maintains the servicing of the relevant claims. In addition, regulation of the Bank of Italy dated 20 June 2012 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*) provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Banking Act with respect to the assignment of claims to be carried out in accordance with article 58 of the Banking Act and article 4 of the Securitisation Law with respect to the securitisation transaction of claims. Prior notice of the purchase of the Receivables under the Master Receivables Purchase Agreement was not, and will not be, given to the Debtors as the Originator will continue to service the relevant Receivables and the Debtors' payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that Debtors who qualify as a "consumer" pursuant to the Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Consumer Loans qualifying as "consumer loans" extended to them that the assignment of the Receivables cannot be enforced against them if the Originator does not continue to service the relevant Receivables and the Debtors' payment procedure are subject to change, until they receive formal notice of the assignment.

The Consumer Loans are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by articles 33 to 38 of the legislative decree 6 September 2005 n. 206, which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material

imbalance between the rights and obligations of the consumer under the contract is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 33 identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, amongst others, clauses which give the right to the contracting supplier (as defined in EC Directive 93/13/CEE) to (a) terminate the contract without reasonable cause (*giusta causa*) or (b) modify the conditions of the contract without a valid reason previously stated in such contract (*giustificato motivo*). However, with regard to the financial contracts, the supplier is empowered to modify the economic terms upon occurrence of a valid reason (*giustificato motivo*), even if such a valid reason (*giustificato motivo*) has not been previously indicated in the relevant consumer contract; in this case the supplier must anyway inform the consumer immediately, and the consumer has the right to terminate the contract.

Pursuant to article 36 of the legislative decree 6 September 2005 n. 206, the following clauses, amongst others, are considered unfair as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the contracting supplier to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party accepting terms it has not had any opportunity to consider and evaluate before entering into the consumer contract.

The Originator has represented and warranted in the Master Receivables Purchase Agreement that the Consumer Loans comply with all applicable laws and regulations.

Italian Usury Law

The interest payments and other remuneration paid by the Debtors under the Consumer Loans are subject to Italian law No. 108 of 7 March, 1996 (the “**Usury Law**”), which 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 Ministry of Economy and Finance. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific situations of the transaction and the average rate usually applied for similar transactions); and (ii) the person who paid or agreed to pay them 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.

The Italian Government, with law decree No. 394 of 29 December, 2000 (the “**Usury Law Decree**” and, together with the Usury Law, the “**Usury Regulations**”), converted into law by law No. 24 of 28 February, 2001, has established, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on installments 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 substituted with a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

The Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February, 2002), a constitutional exception raised by the Court of Benevento (2 January, 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above mentioned conversion law No. 24 of 28 February, 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed as between the debtor and the lender and not at the time such rates are actually paid by the debtor.

If a Consumer Loan is found to contravene the Usury Regulations, 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 Consumer Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

Pursuant to the Master Receivables Purchase Agreement, the Originator has undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any failure or alleged failure by the Originator to comply with the Usury Regulations in respect of any Receivables.

For a description of the terms of the Consumer Loans, see “*The Portfolio*”, below.

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian civil code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices (*usi normativi*) to the contrary. Banks and financial companies in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgments from Italian courts (including the judgment from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99) have held that such practices are not *uso normativo*. Consequently, if customers of the Originator were to challenge this practice and such interpretation of the Italian civil code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Consumer Loans.

Compass has consequently undertaken in the Master Receivables Purchase Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of interest on interest.

In this respect, it should be noted that article 25, paragraph 3, of the legislative decree No. 342 of 4 August, 1999 (“**Law No. 342**”), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February, 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October, 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the CICR issued on 22 February, 2000. Law No. 342 has been challenged and decision No. 425 of 17 October, 2000 of the Italian Constitutional Court has declared as unconstitutional the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Article 17-*bis* of Law Decree number 18 of 14 February 2016 (as converted into law with amendments by Law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Banking Act, providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2 of the Banking Act delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Banking Act, interests are due as from 1 March of the year following the year of the relevant accrual. In any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day the debtor is aware of the amount to be paid; and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor’s account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount).

Intermediaries shall apply the 2016 CICR resolution no later than 1 October 2016.

Yield and repayment considerations

The yield to maturity of the Notes of each Series will depend, *inter alia*, on the amount and timing of repayment of principal (including prepayments and sale proceeds arising on enforcement of a Consumer Loan) on the Consumer Loans. Such yield may therefore be adversely affected by a higher or lower than anticipated rate of prepayments on the Consumer Loans.

Moreover, as specified above, 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 (even though 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). This defence could potentially be used by the Debtors against the payment of any amount on the termination of a Consumer Loan entered into pursuant to articles 121 and followings of the Banking Act.

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

The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a holder of any Notes.

Italian Legislative Decree n. 141 of 13 August 2010, as subsequently amended (“**Legislative Decree 141**”) has introduced in the Banking Act article 120-*quater* which provides for certain measures for the protection of consumers’ rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Law 2 April 2007 n.40 (the “**Bersani Decree**”), replicating though, with some additions, such repealed provisions. The purpose of article 120 *quater* of the Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the “**Subrogation**”), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower’s debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-*quater* of the Banking Act provides that, in case the Subrogation is not perfected within 30 days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

Historical, financial and other information

The historical, financial and other information set out in the sections headed “*The Originator and the Servicer*”, “*The Servicing Agreement*” and “*The Portfolio*”, including information in respect of collection

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

Competition in the consumer credit business

Compass faces significant competition from a large number of banks and consumer credit firms throughout the Republic of Italy. Many of its competitors have in the recent past adopted and implemented aggressive policies aimed at increasing their market share and reaching the critical mass which would enable them to face the challenges imposed by the market and in particular to invest heavily in more reliable and efficient credit scoring technologies. Strong competition has in general led to a progressive narrowing of the margins (consumer loan rates less funding cost). Consequently, no assurance can be given that the interest rates charged to Debtors under Consumer Loans constituting the Subsequent Portfolios from which the Issuer may purchase Subsequent Receivables will be as high as those described under “*The Portfolio*” below.

The deregulation of the banking industry in Italy and throughout the European Union has intensified competition in both deposit-taking and lending activities, contributing to a progressive narrowing of spreads between deposit and loan rates. In addition, as with all European banks, the introduction of European Economic and Monetary Union (“**EMU**”) pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union, may eliminate markets in which the Originator has a comparative advantage and provide significantly more competition in other areas, such as electronic banking.

Administration and reliance on third parties

The ability of the Issuer to make payments in respect of the Notes will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are each a party. In particular, without limitation, the punctual payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Delinquents Receivables and Defaulted Receivables (if any). 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 representation and warranties contained in the Master Receivables Purchase Agreement in respect of the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case, the performance by the Issuer of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, Compass.

In the event of termination of the appointment of the Servicer under the Servicing Agreement, it would be necessary for the Issuer to appoint a substitute servicer (acceptable to the Representative of the Noteholders). Such substitute servicer would be required to assume responsibility for the services required to be performed under the Servicing Agreement for the Consumer Loans. The ability of a substitute servicer to perform fully the required services would depend, *inter alia*, on the information, software and records available at the time of the relevant appointment. There can be no assurance that a substitute servicer will be found or that any substitute servicer will be willing to accept such appointment or that a substitute servicer will be able to assume and/or perform the duties of the Servicer pursuant to the Servicing Agreement. In such circumstances, the Issuer 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. The Representative of the Noteholders has no obligation to assume the role or responsibilities of the Servicer or to appoint a substitute servicer.

In any case, the investors should consider that under the Servicing Agreement, upon termination of the mandate conferred 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.

Legal proceedings

The Originator represented that there is no litigation: (i) concerning the Consumer Loan Agreements or the Receivables arising therefrom, (ii) that is likely to affect the transfer of the Receivables, or (iii) that is likely to have a material adverse effect on Compass' financial position or ability to perform its obligations under the Transaction Documents to which it is a party.

Claw-back of the transfer of the Receivables

The transfer of the Receivables under the Master Receivables Purchase Agreement are subject to revocation upon bankruptcy of the Originator under article 67 of the Bankruptcy Law but only in the event that the relevant transfer is perfected within three months of the adjudication of bankruptcy of Compass or, in cases where paragraph 1 of article 67 applies, within six months of the adjudication of bankruptcy.

The Representative of the Noteholders and conflicts of interests between holders of different Series of Notes

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.

Limited Nature of Credit Ratings assigned to the Notes

Each credit rating to be assigned to each Series of the Notes upon their issue reflects the relevant Rating Agencies' assessment only of the likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Maturity Date, not that such payments will be paid when expected or scheduled. These 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.

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

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

Ratings are not a recommendation to buy, sell or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor or the tax-exempt nature or taxability of payments made in respect of any security.

Any Rating Agency may reduce or withdraw its rating if, in the sole judgment of that Rating Agency, the credit quality of the Notes has declined or is in question. If any rating assigned to the Notes is reduced or withdrawn, the market value of the Notes may be affected.

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 credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 (“**CRA III**”) which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under article 8(b) of the CRA Regulation, the issuer, originator and sponsor of structured finance instruments (“**SFI**”) established in the European Union (which includes the Issuer and the Originator) must jointly publish certain information about those SFI on a specified website set up by ESMA. This includes information on, *inter alia*, (i) the credit quality and performance of the underlying assets of the SFI; (ii) the structure of the securitisation transaction; (iii) the cash flows and any collateral supporting a securitisation exposure; and (iv) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. On 6 January 2015, Commission Delegated Regulation 2015/3 (the “**Regulation 2015/3**”) on disclosure requirements for SFI was published in the Official Journal of the EU. The Regulation 2015/3 contains regulatory technical standards specifying:

- the information that the issuers, originators and sponsors must publish to comply with article 8b of the CRA Regulation;
- the frequency with which this information should be updated;
- a standardised disclosure template for the disclosure of this information.

The Regulation 2015/3 will apply from 1 January 2017, with the exception of article 6(2), which applies from 26 January 2015 and obliges ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017.

Terms of the Consumer Loans

Although the majority of the Consumer Loan Agreements entered into by Compass with the Debtors are based on the standard terms and conditions of Compass, there can be no assurance that the Consumer Loan Agreements do not contain any terms or conditions that adversely affect in any manner the value of the Receivables or the enforceability of the Consumer Loans. Compass has represented (or will be deemed to represent) in the Master Receivables Purchase Agreement that the Consumer Loan Agreements were entered into in the form of the standard agreements used by Compass from time to time.

Tax regime of the Notes

Payments under the Notes may in certain circumstances, described in the section headed “*Taxation in the Republic of Italy*” of this Prospectus, be subject to a Decree 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Series will receive amounts of interest payable on the Notes net of a substitutive tax (Substitutive Tax) At the date of this Prospectus, such Substitutive Tax is levied at the rate of 26 per cent (for further details, see section headed “*Taxation in the Republic of Italy*”).

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, none of the Issuer, the Originator, the Representative of the Noteholders, the Paying Agent or any other person – save that it is differently agreed among the relevant parties thereof - will 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.

EU Prospectus Directive, Transparency Directive and Market Abuse Directive

As part of the harmonisation of securities markets in Europe, the European Commission has adopted EU

Directive No. 2003/71/EC, as amended by Directive No. 73/2010/EU, implemented by Commission Regulation (EC) No. 809/2004 (as amended, *inter alia*, by Commission Regulation (EC) No. 486/2012, No. 862/2012 and No. 759/2013), and supplemented by Commission Regulation (EU) No. 382/2014 (the “**Prospectus Directive**”), that regulates offers of securities to the public and admissions to trading to E.U. regulated markets. Moreover, the European Parliament and the Council have adopted Directive 2004/109/EC, as amended by Directive No 50/2013/EU (the “**Transparency Directive**”), (which has been implemented by the Italian Government through the Legislative decree 6 November 2007 n. 195) that, among other things, imposes continuing financial reporting obligations on issuers that have certain types of securities admitted to trading on an E.U. regulated market. In addition, Directive 2003/6/EC (the “**Market Abuse Directive**”) (which has been implemented by the Italian Government through Law 18 April 2005 n. 62) harmonises the rules on insider trading and market manipulation in respect of securities admitted to trading on an E.U. regulated market and requires issuers of such securities to disclose any non-public, price-sensitive information as soon as possible, subject to certain limited exemptions. The listing of Notes on the Official List of the Irish Stock Exchange and the admission of the Notes to trading on the regulated market of the Irish Stock Exchange would subject the Issuer to regulation under these directives, although the requirements applicable to the Issuer are not yet fully clarified.

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 securitization 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 Senior Notes are responsible for analyzing their own regulatory position and none of the Issuer, the Joint Arrangers, the Senior Notes subscribers nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Senior Notes regarding the regulatory capital treatment of their investment in the Senior Notes on the Issue Date or at any time in the future.

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied with respect to regulated investors (including, *inter alia*, authorised alternative investment fund managers, insurance and reinsurance undertakings, credit institutions, investment firms or other financial institutions) 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. Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

(a) CRR

Details on certain aspects of the requirements and what is or will be required for the relevant investors to demonstrate compliance to national regulators are included in the Commission Delegated Regulation (EU) No. 625/2014 of 13 March 2014, (“**Regulation 625/2014**”) and Commission Delegated Regulation (EU) No. 602/2014 (“**Regulation 602/2014**”), developed respectively in accordance with Article 410, paragraph 2 and Article 410, paragraph 3 of the CRR. Regulation 625/2014 supplements CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions

relating to exposures to transferred credit risk set out regulatory technical. Regulation 602/2014 lays down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to the CRR. No assurance can be provided that any changes made or that will be made in connection with CRD IV and/or CRR (including through the corresponding regulatory technical standards) will not affect the requirements applying to relevant investors.

In particular, in Europe, investors should be aware that the Capital Requirements Regulation restricts an institution (credit institution, investment firm or other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent, in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR. In addition, Article 406 of the CRR requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each of its securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

Pursuant to Article 407 of the CRR, where an institution does not meet the requirements in Articles 405, 406 or 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (capped at 1 250%) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

Finally, it should be noted that on 30 September 2015, the European Commission published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by the Basel Committee (the “**CRR Amendment Regulation**”) 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 (the “**STS Regulation**”). The STS Regulation also aims to create common foundation criteria for identifying “STS securitisations”. There are material differences between the legislative proposals and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain. No assurance can be given that the Securitisation will be designated as an “STS securitisation” under the STS Regulation at any point in the future.

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.

(b) AIFMR

In accordance with Article 17 of Directive 2011/61/EU (AIFMD), the AIFMR contains level 2 measures, directly applicable in each Member States, similar to those set out in CRR, permitting EU managers of alternative investment funds (“**AIFMs**”) to invest in securitisation transactions on behalf of the alternative investment funds (“**AIFs**”) they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5 (five) per

cent in respect of certain specified credit risk tranches or asset exposures (Article 51 of the AIFMR) and also to undertake certain due diligence requirements.

Although certain requirements in the AIFMR are similar to those which apply under the CRR, they are not identical. In particular, the AIFMR requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than the ones are imposed on prospective investors under the CRR. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 (five) per cent of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise. The requirements of the AIFMR apply to new securitisations issued on or after 1 January 2011.

(c) Solvency II

Directive 2009/138/EU (Solvency II Directive) requires the adoption by the European Commission of implementing measures that complement the high level principles set out in the Solvency II Directive. On 10 October 2014, the European Commission adopted Commission Delegated Regulation (EC) No. 35/2015, (as amended, by Commission Delegated Regulation (EU) No. 467/2016 of 30 September 2015) (the “**Regulation 2015/35**”) which sets out, among other things, (i) under Article 254, the requirements that will need to be met by originators of asset-backed securities in order for EU insurance and reinsurance companies to be allowed to invest in such instruments (including, *inter alia*, the requirement that the originator, the sponsor or the original lender retains a material net economic interest in the underlying assets of no less than 5 (five) per cent); and (ii) under Article 256, the qualitative requirements that must be met by insurance or reinsurance companies that invest in such securities (including, *inter alia*, the requirement that insurance and reinsurance companies shall conduct adequate due diligence prior to make the investment, which shall include an assessment of the commitment of the originator, sponsor or original lender to maintain a material net economic interest securitisation of no less than 5 % on an on-going basis).

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of some investors, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be provided that such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors.

The risk retention and due diligence requirements described above apply in respect of the Notes. Prospective Noteholders should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

With respect to the commitment to retain a material net economic interest in the securitisation under article 405 of the CRR, Article 51 of the AIFMR and Article 254 of the Regulation 2015/35 and, with respect to the information disclosure requirements under Article 409 of the CRR, Chapter 3, Section 5, of the AIFMR and Article 254 and 256 of the Regulation 2015/35, please refer to section headed “*Regulatory Disclosure and Retention Undertaking*” of this Prospectus.

The EU risk retention and due diligence requirements 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.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the

information described above and in this Prospectus generally for the purposes of complying with Article 405 of the CRR, Article 51 of the AIFMR and Article 256 of the Regulation 2015/35 and none of the Issuer, nor any of the Joint Arrangers or the other parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition each prospective Noteholder should ensure that they comply with the implementing provisions in respect of article 405 and followings of the CRR, the provisions of the chapter 3, section 5 of the AIFMR and of article 254 and followings of Regulation 2015/35 in their relevant jurisdiction. Prospective Noteholders should also carefully review the Regulation 625/2014, to the extent applicable, in order to ensure that they understand their due diligence and monitoring obligations prior to becoming exposed to a securitization. Prospective Noteholders who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Change of law

The structure of the transaction and, *inter alia*, the issue of the Notes and the rating assigned to the Senior Notes are based on Italian law, tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to any possible change to Italian law, tax or administrative practice after the Issue Date.

Projections, Forecasts and Estimates

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

2) RISK FACTORS RELATING TO THE ISSUER

Liquidity and Credit Risk

The Issuer will be subject to the risk that any payments due by the Debtors under the Consumer Loans are paid after the scheduled payment dates.

The Issuer will be 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.

Commingling Risk

See Section headed “*Commingling Risk*” under “*Risk Factors – 1) Risk Factors relating to the Securities*”, above.

Further Securitisations

Since the date of its incorporation on 26 October 2002, 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 and the Quarzo 2016 Securitisation (all such securitisation transactions, the “**Previous Quarzo Securitisations**”) and 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.

Moreover, the Issuer may, by way of a separate transaction, purchase and securitise further portfolios of monetary claims in addition to the Receivables (each, a "**Further Securitisation**"). Before entering into any Further Securitisation, the Issuer is required to obtain the consent of the Representative of the Noteholders and to give previous written notice thereof to the Rating Agencies. (See "*The Terms and Conditions of the Notes*").

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction carried out by a company are stated to be segregated from all other assets of the company and from those related to each other securitisation transaction, and, therefore, on a winding-up of such a company, such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation. Accordingly, the right, title and interest of the Issuer in and to the Receivables should be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Quarzo 2015 Securitisation or any Further Securitisation) and amounts deriving therefrom should be available on a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the payment of any amounts due and payable to the other Secured Issuer Creditors.

In order to ensure the above segregation: (i) the Issuer is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction; and (ii) the Servicer shall be able to individuate at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose.

Although the Securitisation Law provides for the assets relating to a securitisation transaction carried out by the Issuer to be segregated and separated from those of the Issuer or of other securitisation transactions carried out by the Issuer, such as the Quarzo 2015 Securitisation or any Further Securitisation, this segregation principle will not extend to the tax treatment of the Issuer and should not affect the applicable methods of calculation of the net taxable income of the Issuer.

Tax treatment of the Issuer

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. 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 Presidential Decree No. 917 of 22 December, 1986, 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.

The interest accrued on any account opened by the Issuer in the Republic of Italy, with the Account Bank or another bank resident in Italy for tax purposes or an Italian branch of a non Italian bank, will be subject to withholding tax on account of Italian corporate income tax which, as at the date of this Prospectus, is levied at the rate of 26%.

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

CREDIT STRUCTURE

1. Ratings of the Senior Notes

Upon issue it is expected that:

- (i) the Series A Notes will be rated “A+sf” by Fitch and “A(high)(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 Flexible and *LibeRata* Loans Cash Reserve Account, the Liquidity Reserve Account, the Eligible Investments Account, the Corporate Capital Account and the Securities 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 € 5,899,500 and, following the earlier of (i) the Quarterly Payment Date on which the Series A 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 and were published on 9 February, 2017 on No. 17 *Parte II of the Gazzetta Ufficiale della Repubblica Italiana* (the Official Gazette of the Republic of Italy) as required by the Securitisation Law. 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) and other criteria agreed between the Issuer and the Originator; both sets of criteria will be published in the *Gazzetta Ufficiale della Repubblica Italiana* promptly after each relevant Acceptance Date (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 of the Initial Portfolio

Receivables deriving from consumer loan agreements entered into by the Originator, in its capacity as lender, that as at 5 February 2017 (the “**Initial Valuation Date**”) have the following characteristics:

- (i) classified as performing receivables pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation and therefore have never been classified as “*incagliati*” or as “*in sofferenza*” pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation;
- (ii) consumer loans agreements whose financing has been granted by Compass (also in its previous denomination of Compass S.p.A.);
- (iii) consumer loan agreements entered into with individuals (in their capacity as either borrower or guarantor or obligor) resident in the Republic of Italy;
- (iv) consumer loan agreements denominated in euro;
- (v) consumer loan agreements under which the instalments shall be paid on monthly basis, through the direct debit procedure (“**SDD**”) or through postal payment or by direct debit of the relevant debtor’s credit card;
- (vi) consumer loan agreements whose *pro-rata* payments include, 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;
- (vii) consumer loan agreements whose due instalments have been fully paid;
- (viii) consumer loan agreements with at least one due instalment;
- (ix) consumer loan agreements whose amortisation plan has not more than 120 instalments;
- (x) consumer loan agreements entered into by Compass (also in its previous denomination of Compass S.p.A.) in the period falling between 4 January 2016 and 31 December 2016;

- (xi) consumer loan agreements entered into in order to finance the purchase of vehicles (cars and motorbikes) registered with the public register of motorveichles (*Registro Pubblico Automobilistico – PRA*) whose date of first registration falls within 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted, the relevant principal outstanding amount is comprised between euro 8,569.92 and euro 49,821.12 and the last two digits of the relevant number code are comprised between 13 and 99; or

consumer loan agreements entered into to finance the purchase of vehicles (cars and motorbikes) registered with PRA whose date of first registration falls beyond 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted, the relevant principal outstanding amount is comprised between euro 4,457.44 and euro 40,846.77 and the last two digits of the relevant number code are comprised between 13 and 99; or

consumer loan agreements named as “personal loans” originated by Compass (also in its previous denomination of Compass S.p.A.) whose principal outstanding amount is comprised between euro 5,800.31 and euro 59,156.08 and whose last two digits of the relevant number code are comprised between 24 and 99; or

consumer loan agreements entered into in order to purchase the good as indicated in the relevant agreement and in any event other than the above mentioned agreements listed under this paragraph (xi), whose principal outstanding amount is comprised between euro 1,860.10 and euro 48,590.19 and whose last two digits of the relevant number code are comprised between 13 and 99; and

- (xii) consumer loan agreements whose initially agreed amortisation plan (i) has never 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 been modified only 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.

The receivables arising from the consumer loan agreements that as at the Initial Valuation Date have at least one of the following characteristics, notwithstanding matching the above mentioned criteria, will be excluded from the assignment:

- (i) in relation to which at least one instalment have 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);
- (ii) in relation to which at least one instalment has been paid with a 60 day or more delay, taking into account the whole amortisation plan;
- (iii) whose borrowers have been financed by Compass pursuant to any other different agreement 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);
- (iv) whose borrowers have been financed by Compass pursuant to any other different agreement 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 whole amortisation plan;

- (v) have 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) have been granted in favour of employees of Compass or other companies controlled by Compass or associated to Compass or other companies comprised in the Mediobanca banking group;
- (vii) whose relevant amortisation plan provides for a final maxi instalment, higher than the other instalments of the relevant amortisation plan;
- (viii) have been disbursed pursuant to contributions or subsidies made by third entities in accordance with applicable law;
- (ix) whose relevant debtors are individuals who have a payment balance higher than euro 100,000.00 on payment accounts opened with Compass;
- (x) arise from loan agreements secured by (or that otherwise provide the) the assignment of one fifth of the salary ("*cessione del quinto*", pursuant to the Presidential Decree n. 180/1950), or which provide the delegation for the payment of part of the debtor's salary directly in favor of Compass.

Main characteristics of the Initial Portfolio

The following tables set forth certain information as at 5 February 2017. 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 5 February 2017. 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 5 February 2017.

In the Initial Portfolio are comprised 151,018 Receivables for a total amount in principal of Euro 1,499,996,142.46.

	Total	01 - New Vehicle	02 - Used Vehicle	03 - Purpose	04 - Personal
Number of Claims	151.018	17.427	20.519	44.194	68.878
Tot Outstanding Principal	1.499.996.142,46	255.007.025,39	165.002.447,79	179.993.945,20	899.992.724,08
% Composition	100,00%	17,00%	11,00%	12,00%	60,00%
Weight Avg Rate	9,519	7,107	8,347	5,697	11,182
Interest	400.540.588,63	50.251.105,14	28.280.332,87	17.886.157,67	304.122.992,95
Fees	9.573.071,50	1.520.380,50	1.304.539,50	1.740.217,50	5.007.934,00
Rateo Cessione	5.128.304,85	629.583,06	492.653,91	353.921,76	3.652.146,12
Weight Avg Original Term	63,95	66,37	51,14	40,43	70,32
Weight Avg Remaining Term	57,73	59,91	44,78	34,28	64,18
Weight Avg Seasoning	6,22	6,45	6,36	6,15	6,14
Avg Outstanding Principal	9.932,57	14.632,87	8.041,45	4.072,81	13.066,48
Avg Original Principal	10.856,60	15.878,23	9.006,92	4.841,81	13.996,35
% loans with Insurance coverage	44,9%	43,7%	50,5%	4,9%	69,3%
Weighted Insurance outstanding	3,9%	3,6%	3,4%	0,2%	4,8%

Outstanding Principal Ranges

	min	max
01 - New Vehicle	8.569,92	49.821,12
02 - Used Vehicle	4.457,44	40.846,77
03 - Purpose	1.860,10	48.590,19
04 - Personal	5.800,31	59.156,08

Data di Liquidazione

min	max
04/01/2016	31/12/2016

Top 20 borrowers

number	Total outstanding	% Outstanding
1	88.516,71	0,00590%
2	81.958,38	0,00546%
3	80.305,64	0,00535%
4	70.614,08	0,00471%
5	59.833,39	0,00399%
6	59.500,00	0,00397%
7	59.156,08	0,00394%
8	59.050,35	0,00394%
9	59.040,43	0,00394%
10	58.978,68	0,00393%
11	58.700,21	0,00391%
12	58.614,30	0,00391%
13	58.405,73	0,00389%
14	58.394,48	0,00389%
15	58.104,72	0,00387%
16	58.092,11	0,00387%
17	58.004,93	0,00387%
18	57.923,74	0,00386%
19	57.806,00	0,00385%
20	57.580,68	0,00384%

Insurance company	Outstanding	% on total Insurance Outstanding
Allianz	3.059.840	5,3%
AXA	8.151.650	14,0%
Cardif	2.324.226	4,0%
Cattolica	1.670.612	2,9%
Europ Assistance	7.910.386	13,6%
Global Assistanc	127.477	0,2%
Metlife	32.514.640	56,0%
Poste Assicura / Poste	1.254.575	2,2%
Unipol	1.054.442	1,8%
Total	58.067.846,81	100,0%

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
5 to 6 months	10	25.000,51	0,00							10	25.000,51	0,01			
6 to 7 months	54	139.857,81	0,01							54	139.857,81	0,08			
7 to 8 months	6	18.529,50	0,00							6	18.529,50	0,01			
8 to 9 months	20	53.435,45	0,00							20	53.435,45	0,03			
9 to 10 months	53	143.364,27	0,01							53	143.364,27	0,08			
10 to 11 months	457	1.144.847,29	0,08							457	1.144.847,29	0,64			
11 to 12 months	190	562.548,94	0,04				1	4.853,46	0,00	189	557.695,48	0,31			
12 to 18 months	2617	7.501.400,80	0,50	1	16.745,84	0,01	19	108.274,02	0,07	2597	7.376.380,94	4,10			
18 to 24 months	5084	15.856.074,41	1,06	13	147.155,13	0,06	99	555.123,67	0,34	4890	14.466.267,70	8,04	82	687.527,91	0,08
24 to 30 months	11686	45.653.719,76	3,04	99	1.095.040,70	0,43	745	4.233.602,13	2,57	9865	32.114.141,44	17,84	977	8.210.935,49	0,91
30 to 36 months	6224	32.974.352,15	2,20	194	2.200.883,74	0,86	1287	7.608.862,61	4,61	3663	13.823.405,79	7,68	1080	9.341.200,01	1,04
36 to 42 months	16692	106.097.385,53	7,07	933	10.726.435,89	4,21	4473	28.363.616,79	17,19	7375	32.015.964,44	17,79	3911	34.991.368,41	3,89
42 to 48 months	5210	41.531.803,37	2,77	440	5.232.803,60	2,05	1271	8.973.118,87	5,44	1284	6.054.446,90	3,36	2215	21.271.434,00	2,36
48 to 54 months	19440	166.453.602,48	11,10	2570	31.905.230,80	12,51	4815	36.658.579,46	22,22	4778	23.077.854,91	12,82	7277	74.811.937,31	8,31
54 to 60 months	5662	59.009.890,85	3,93	694	9.504.495,33	3,73	850	8.162.387,81	4,95	1009	5.367.859,89	2,98	3109	35.975.147,82	4,00
60 to 66 months	35135	359.040.808,82	23,94	4984	69.041.667,43	27,07	6330	61.534.714,95	37,29	7355	36.551.425,93	20,31	16466	191.913.000,51	21,32
66 to 72 months	2977	39.602.682,60	2,64	441	6.747.720,88	2,65	44	561.838,87	0,34	58	708.813,26	0,39	2434	31.584.309,59	3,51
72 to 78 months	10461	145.685.467,89	9,71	2706	41.982.240,70	16,46	294	3.952.424,94	2,40	201	2.408.903,72	1,34	7260	97.341.898,53	10,82
78 to 84 months	3201	48.187.016,73	3,21	439	7.476.284,15	2,93	45	681.778,31	0,41	47	510.658,43	0,28	2670	39.518.295,84	4,39
84 to 90 months	25023	399.759.757,44	26,65	3913	68.930.321,20	27,03	246	3.603.271,90	2,18	283	3.435.091,54	1,91	20581	323.791.072,80	35,98
90 to 96 months	22	777.200,38	0,05										22	777.200,38	0,09
Over 96 months	794	29.777.395,48	1,99										794	29.777.395,48	3,31
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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
1 to 2 months	7	21.935,37	0,00							7	21.935,37	0,01			
2 to 3 months	28	74.826,09	0,00							28	74.826,09	0,04			
3 to 4 months	79	217.590,29	0,01							79	217.590,29	0,12			
4 to 5 months	126	370.581,00	0,02				1	7.089,44	0,00	125	363.491,56	0,20			
5 to 6 months	180	467.012,74	0,03							180	467.012,74	0,26			
6 to 7 months	298	805.485,58	0,05				1	5.545,43	0,00	297	799.940,15	0,44			
7 to 8 months	500	1.294.567,14	0,09				2	10.908,38	0,01	498	1.283.658,76	0,71			
8 to 9 months	784	2.159.941,13	0,14				3	17.706,22	0,01	781	2.142.234,91	1,19			
9 to 10 months	796	2.289.901,84	0,15				7	44.500,15	0,03	789	2.245.401,69	1,25			
10 to 11 months	948	2.899.504,92	0,19	1	16.745,84	0,01	6	30.493,86	0,02	941	2.852.265,22	1,58			
11 to 12 months	514	1.620.235,26	0,11	2	18.870,01	0,01	12	62.327,59	0,04	484	1.405.500,37	0,78	16	133.537,29	0,01
12 to 18 months	7557	25.462.451,52	1,70	28	317.347,41	0,12	248	1.366.986,53	0,83	6982	21.497.411,60	11,94	299	2.280.705,98	0,25
18 to 24 months	10626	44.139.363,74	2,94	132	1.455.748,30	0,57	992	5.657.502,57	3,43	8440	28.057.399,44	15,59	1062	8.968.713,43	1,00
24 to 30 months	10981	63.616.772,44	4,24	445	5.109.631,01	2,00	2784	16.952.471,29	10,27	5486	22.169.534,09	12,32	2266	19.385.136,05	2,15
30 to 36 months	11696	80.040.524,38	5,34	828	9.556.897,94	3,75	3150	20.566.262,23	12,46	4561	20.610.725,71	11,45	3157	29.306.638,50	3,26
36 to 42 months	12038	99.087.040,57	6,61	1466	17.492.700,28	6,86	3058	22.171.235,33	13,44	2980	14.735.902,46	8,19	4534	44.687.202,50	4,97
42 to 48 months	12952	117.116.631,74	7,81	1651	21.266.640,09	8,34	2892	23.479.878,73	14,23	2927	13.808.132,09	7,67	5482	58.561.980,83	6,51
48 to 54 months	19883	198.316.570,38	13,22	2820	37.736.853,10	14,80	3609	33.801.576,50	20,49	4130	20.923.029,82	11,62	9324	105.855.110,96	11,76
54 to 60 months	19815	212.417.868,04	14,16	2778	40.076.737,87	15,72	3143	32.229.065,52	19,53	3910	19.513.220,52	10,84	9984	120.598.844,13	13,40
60 to 66 months	6416	86.381.396,58	5,76	1557	23.239.981,46	9,11	136	1.737.632,09	1,05	125	1.479.981,80	0,82	4598	59.923.801,23	6,66
66 to 72 months	7086	101.820.053,64	6,79	1583	25.665.346,01	10,06	191	2.685.805,75	1,63	135	1.628.951,91	0,91	5177	71.839.949,97	7,98
72 to 78 months	13150	202.993.412,05	13,53	2167	37.452.499,14	14,69	123	1.709.011,73	1,04	152	1.768.646,83	0,98	10708	162.063.254,35	18,01
78 to 84 months	13746	225.957.591,59	15,06	1969	35.601.026,93	13,96	161	2.466.448,45	1,49	157	1.927.151,78	1,07	11459	185.962.964,43	20,66
84 to 90 months	36	1.158.842,97	0,08										36	1.158.842,97	0,13
90 to 96 months	90	2.725.868,07	0,18										90	2.725.868,07	0,30
Over 96 months	686	26.540.173,39	1,77										686	26.540.173,39	2,95
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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	14423	153.639.204,08	10,24	1493	23.051.649,47	9,04	1845	16.777.882,78	10,17	4370	16.422.248,07	9,12	6715	97.387.423,76	10,82
2 to 3 months	20297	205.219.155,89	13,68	1940	29.849.906,13	11,71	2260	18.923.012,29	11,47	6188	24.002.348,45	13,34	9009	132.443.889,02	14,72
3 to 4 months	16068	156.065.618,85	10,40	1682	25.058.792,35	9,83	1990	15.995.325,13	9,69	5390	21.505.940,32	11,95	7006	93.505.561,05	10,39
4 to 5 months	16025	156.443.523,42	10,43	1876	27.564.188,83	10,81	2182	17.601.248,43	10,67	5136	20.679.125,41	11,49	6831	90.598.960,75	10,07
5 to 6 months	7827	78.071.905,25	5,20	869	12.844.830,06	5,04	1199	9.340.315,31	5,66	2027	7.963.394,16	4,42	3732	47.923.365,72	5,32
6 to 7 months	13240	131.196.835,30	8,75	1703	24.587.618,07	9,64	2045	16.622.504,70	10,07	3920	16.475.417,27	9,15	5572	73.511.295,26	8,17
7 to 8 months	12380	122.871.173,26	8,19	1462	21.876.229,67	8,58	1784	14.186.683,20	8,60	3578	15.204.394,68	8,45	5556	73.024.833,21	7,00
8 to 9 months	11012	107.731.661,60	7,18	1345	19.237.948,19	7,54	1476	11.522.649,23	6,98	3210	13.769.706,10	7,65	4981	63.201.358,08	7,02
9 to 10 months	11093	108.510.305,31	7,23	1364	19.289.004,43	7,56	1599	12.415.779,41	7,52	3137	13.555.211,29	7,53	4993	63.250.310,18	7,03
10 to 11 months	10700	104.736.479,24	6,98	1326	18.824.648,79	7,38	1456	11.209.118,99	6,79	2806	11.677.877,25	6,49	5112	63.024.833,21	7,00
11 to 12 months	10655	103.761.056,62	6,92	1365	18.906.323,33	7,41	1507	11.929.515,64	6,93	2735	11.639.335,50	6,47	5048	61.785.882,15	6,87
12 to 18 months	7298	71.749.224,64	4,78	1002	13.915.886,10	5,46	1176	8.978.412,68	5,44	1697	7.098.946,70	3,94	3423	41.755.979,16	4,64
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Region

	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col	N	Outs Princ	%col
Abruzzi	3348	38.171.755,51	2,54	203	2.945.133,11	1,15	222	1.643.736,43	1,00	592	2.460.819,51	1,37	2331	31.122.066,46	3,46
Basilicata	1963	21.614.519,09	1,44	157	2.356.774,46	0,92	425	3.336.116,53	2,02	453	2.216.269,81	1,23	928	13.705.358,28	1,52
Calabria	6332	60.313.103,93	4,02	790	11.492.868,40	4,51	751	6.295.568,06	3,82	2345	10.541.542,09	5,86	2446	32.001.125,35	3,56
Campania	15094	158.885.895,52	10,59	3350	46.900.872,54	18,39	3618	27.861.169,13	16,89	3658	14.982.349,06	8,32	5468	69.141.504,79	7,68
Emilia Romagna	7609	69.565.853,08	4,64	442	6.166.169,00	2,71	478	3.916.340,31	2,37	2834	11.008.760,61	6,12	3755	47.815.587,35	5,31
Friuli	2257	24.423.586,46	1,63	152	2.362.946,95	0,93	233	1.975.723,60	1,20	721	2.603.203,18	1,45	1445	17.481.712,73	1,94
Lazio	12277	126.474.540,27	8,43	1145	16.418.975,95	6,44	1306	10.625.543,84	6,44	3328	11.556.871,55	6,42	6498	87.873.148,93	9,76
Liguria	2159	21.673.882,22	1,44	249	3.589.135,17	1,41	156	1.227.641,00	0,74	566	2.343.940,59	1,30	1188	14.513.165,41	1,61
Lombardia	18818	179.073.296,52	11,94	1698	25.791.991,33	10,11	1896	17.018.901,90	10,31	7026	30.187.346,91	16,77	8198	106.075.056,38	11,79
Marche	5141	58.431.169,96	3,90	409	6.286.453,34	2,47	280	2.253.533,63	1,37	1001	4.081.908,07	2,27	3451	45.809.274,92	5,09
Molise	1106	12.732.938,40	0,72	127	1.853.296,55	0,73	248	1.888.847,61	1,14	307	1.534.050,06	0,85	424	5.456.744,18	0,61
Piemonte	6170	55.784.261,84	3,72	797	12.134.647,41	4,76	943	7.962.605,97	4,83	2320	10.231.902,93	5,68	2110	25.446.105,53	2,83
Puglia	17400	163.777.851,02	10,92	2655	39.942.430,29	15,66	3722	29.933.969,43	17,81	5425	21.651.960,52	12,03	5598	72.789.490,78	8,09
Sardegna	5963	58.650.953,90	3,91	871	12.724.039,78	4,99	766	6.177.328,66	3,74	2107	9.111.354,71	5,06	2219	30.638.230,75	3,40
Sicilia	17663	167.857.899,05	11,39	2122	29.719.558,43	11,65	3614	28.160.304,16	17,07	4805	19.787.743,14	10,99	7122	93.190.293,32	10,35
Toscana	12533	140.923.081,00	9,39	1240	18.167.653,83	7,12	745	5.820.166,97	3,53	2668	9.938.368,91	5,52	7880	106.996.419,29	11,89
Trentino Alto Adige	801	7.161.295,50	0,48	95	1.362.515,07	0,53	129	1.137.006,06	0,69	337	1.471.359,07	0,82	240	3.190.415,30	0,35
Umbria	2485	27.030.654,58	1,80	343	5.179.920,27	2,03	229	1.793.781,81	1,09	497	1.944.207,26	1,08	1416	18.112.745,24	2,01
Valle d'Aosta	154	1.464.922,67	0,10	4	70.752,12	0,03	9	99.359,18	0,06	53	237.426,00	0,13	88	1.057.385,37	0,12
Veneto	10551	104.875.681,94	6,99	578	8.781.891,39	3,44	749	6.414.803,46	3,89	3151	12.102.561,22	6,72	6073	77.576.425,87	8,62
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Geo Area

	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
Center	35784	391.031.201,32	26,07	3340	48.998.136,50	19,21	2782	22.136.762,68	13,42	8086	29.982.175,30	16,66	21576	289.914.126,84	32,21
North	48713	464.113.780,23	30,94	4015	61.019.048,44	23,93	4593	39.752.381,53	24,09	17008	70.186.500,51	38,99	23097	293.155.849,75	32,57
South	66521	644.851.160,91	42,99	10072	144.989.840,45	56,86	13144	103.113.303,58	62,49	19100	79.825.269,39	44,35	24205	316.922.747,49	35,21
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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
<= 1%	13271	52.573.687,31	3,50	16	208.211,02	0,08	11	58.735,69	0,04	13244	52.306.740,60	29,06			
<= 2%	1	2.503,84	0,00							1	2.503,84	0,00			
<= 3%	239	2.606.207,20	0,17	174	2.211.011,13	0,87	3	19.447,47	0,01	62	375.748,60	0,21			
<= 4%	659	7.964.094,53	0,53	446	6.784.796,66	2,66	9	69.911,35	0,04	204	1.109.386,52	0,62			
<= 5%	2107	21.628.794,97	1,44	888	13.983.467,26	5,48	58	413.710,37	0,25	1161	7.231.617,34	4,02			
<= 6%	4761	46.886.027,23	3,13	2259	33.300.689,18	13,06	476	3.220.293,37	1,95	2019	10.162.012,02	5,65	7	203.032,66	0,02
<= 7%	10644	105.478.726,28	7,03	5072	73.813.810,30	28,95	2484	16.198.763,92	9,82	3068	15.135.775,00	8,41	20	330.377,06	0,04
<= 8%	18565	162.849.079,48	10,86	4508	66.231.352,03	25,97	6155	50.793.104,22	30,78	6441	30.578.698,40	16,99	1461	15.245.924,83	1,69
<= 9%	24691	204.138.726,15	13,61	2785	40.555.231,02	15,90	7018	59.664.607,47	36,16	8125	29.905.774,17	16,61	6763	74.013.113,49	8,22
<=10%	26291	289.858.476,08	19,32	919	12.766.963,47	5,01	3223	26.150.050,43	15,85	6461	21.995.496,64	12,22	15688	228.945.965,54	25,44
<=11%	17769	197.960.775,36	13,20	267	3.928.369,37	1,54	904	6.971.113,63	4,22	2182	7.517.741,88	4,18	14416	179.543.550,48	19,95
<=12%	7432	88.629.860,69	5,91	56	753.644,07	0,30	113	941.004,86	0,57	622	1.784.682,34	0,99	6641	85.150.529,42	9,46
<=13%	19693	263.381.283,51	17,56	27	323.003,02	0,13	57	411.658,99	0,25	534	1.666.741,89	0,93	19075	260.979.879,61	29,00
<=14%	3934	45.772.453,12	3,05	10	146.476,86	0,06	8	90.046,02	0,05	68	217.225,49	0,12	3848	45.318.704,75	5,04
<=15%	726	7.280.208,47	0,49							1	1.900,05	0,00	725	7.278.308,42	0,81
<=16%	235	2.985.238,24	0,20							1	1.900,42	0,00	234	2.983.337,82	0,33
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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	32170	232.424.559,35	15,50	2731	35.217.077,98	13,81	5796	41.199.408,60	24,97	13662	48.600.864,24	27,00	9981	107.407.208,53	11,93
Direct Debt	118848	1.267.571.583,11	84,50	14696	219.789.947,41	86,19	14723	123.803.039,19	75,03	30532	131.393.080,96	73,00	58897	792.585.515,55	88,07
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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 2000	940	1.796.022,79	0,12							940	1.796.022,79	1,00			
Up to 2500	7147	15.005.398,02	1,00							7147	15.005.398,02	8,34			
Up to 3000	9412	22.927.414,47	1,53							9412	22.927.414,47	12,74			
Up to 3500	5385	15.001.895,19	1,00							5385	15.001.895,19	8,33			
Up to 4000	4642	14.425.508,33	0,96							4642	14.425.508,33	8,01			
Up to 4500	2089	7.188.582,33	0,48							2089	7.188.582,33	3,99			
Up to 5000	3176	12.673.969,78	0,84				421	1.953.125,52	1,18	2755	10.720.844,26	5,96			
Up to 6000	6433	30.721.374,36	2,05				3240	16.117.566,45	9,77	3058	13.812.868,46	7,67	135	790.939,45	0,09
Up to 7000	9310	53.932.825,22	3,60				3772	21.287.658,47	12,90	2000	10.781.007,09	5,99	3538	21.864.159,66	2,43
Up to 8000	10079	67.208.592,22	4,48				3234	20.984.591,73	12,72	1409	8.895.355,89	4,94	5436	37.328.644,60	4,15
Up to 9000	9116	69.147.414,23	4,61	73	635.511,50	0,25	2375	17.593.535,69	10,66	983	7.137.182,96	3,97	5685	43.781.184,08	4,86
Up to 10000	7316	63.163.299,12	4,21	782	7.101.891,28	2,78	1476	12.444.300,43	7,54	1289	10.602.039,85	5,89	3769	33.015.067,56	3,67
Up to 11000	16682	159.308.381,82	10,62	2239	21.486.597,21	8,43	1657	15.469.553,30	9,38	506	4.570.853,29	2,54	12280	117.781.378,02	13,09
Up to 12000	7513	79.059.837,00	5,27	1568	16.379.276,67	6,42	836	8.656.086,30	5,25	463	4.624.952,80	2,57	4646	49.399.521,23	5,49
Up to 13000	6335	72.716.728,19	4,85	1668	18.945.842,65	7,43	746	8.427.230,64	5,11	326	3.589.010,70	1,99	3595	41.754.644,20	4,64
Up to 14000	5235	64.942.440,70	4,33	1509	18.566.847,50	7,28	671	8.228.907,66	4,99	274	3.265.452,21	1,81	2781	34.881.233,33	3,88
Up to 15000	4699	62.854.031,48	4,19	1389	18.463.197,51	7,24	512	6.782.162,16	4,11	406	5.195.027,08	2,89	2392	32.413.644,73	3,60
Up to 16000	7003	99.764.589,15	6,65	1470	20.697.632,13	8,12	449	6.327.554,87	3,83	172	2.383.895,20	1,32	4912	70.355.506,95	7,82
Up to 17000	5512	84.201.247,17	5,61	1151	17.433.678,31	6,84	288	4.322.860,62	2,62	128	1.887.767,77	1,05	3945	60.556.940,47	6,73
Up to 18000	3126	50.863.493,26	3,39	857	13.853.371,36	5,43	180	2.868.185,00	1,74	123	1.906.675,32	1,06	1966	32.235.261,58	3,58
Up to 19000	2159	37.148.168,15	2,48	661	11.253.117,96	4,41	128	2.161.932,61	1,31	77	1.293.433,39	0,72	1293	22.439.684,19	2,49
Up to 20000	2146	38.867.329,07	2,59	649	11.734.257,08	4,60	94	1.673.197,41	1,01	184	3.158.200,64	1,75	1219	22.301.673,94	2,48
Up to 22500	6024	118.832.233,54	7,92	1450	28.197.880,31	11,06	212	4.051.836,55	2,46	79	1.498.389,23	0,83	4283	85.084.127,45	9,45
Up to 25000	2598	57.630.362,98	3,84	732	16.179.789,34	6,34	91	2.014.429,58	1,22	130	2.789.431,47	1,55	1645	36.646.712,59	4,07
Up to 27500	2356	57.906.320,39	3,86	550	13.366.431,66	5,24	72	1.728.625,84	1,05	44	1.040.617,19	0,58	1690	41.770.645,70	4,64
Up to 30000	1440	38.996.473,27	2,60	236	6.335.660,86	2,48	33	880.837,74	0,53	164	4.208.371,43	2,34	1007	27.571.603,24	3,06
Up to 35000	2346	70.861.047,55	4,72	285	8.502.985,05	3,33	24	733.099,51	0,44	7	196.273,65	0,11	2030	61.428.689,34	6,83
Over 35000	799	32.851.162,68	2,19	158	5.873.057,01	2,30	8	295.169,71	0,18	2	91.474,19	0,05	631	26.591.461,77	2,95
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	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 2000	4358	8.406.332,28	0,56							4358	8.406.332,28	4,67			
Up to 2500	11394	25.482.775,29	1,70							11394	25.482.775,29	14,16			
Up to 3000	8253	22.582.865,02	1,51							8253	22.582.865,02	12,55			
Up to 3500	4533	14.661.807,90	0,98							4533	14.661.807,90	8,15			
Up to 4000	3097	11.552.733,48	0,77							3097	11.552.733,48	6,42			
Up to 4500	2187	9.341.578,87	0,62				215	962.751,64	0,58	1972	8.378.827,23	4,66			
Up to 5000	4357	20.673.232,40	1,38				2694	12.791.602,19	7,75	1663	7.881.926,98	4,38			
Up to 6000	8223	45.719.538,24	3,05				4375	23.989.524,59	14,54	2280	12.475.818,50	6,93	1568	9.254.195,15	1,03
Up to 7000	11097	72.015.454,29	4,80				3386	21.973.598,57	13,32	1472	9.563.577,80	5,31	6239	40.478.277,92	4,50
Up to 8000	9401	70.318.990,48	4,69				2309	17.201.499,28	10,42	1095	8.196.552,20	4,55	5997	44.920.939,00	4,99
Up to 9000	9387	80.097.442,77	5,34	881	7.743.731,23	3,04	1756	14.910.773,24	9,04	940	7.981.311,31	4,43	5810	49.461.626,99	5,50
Up to 10000	12376	117.876.004,54	7,86	2180	20.709.101,63	8,12	1384	13.149.156,13	7,97	717	6.789.696,10	3,77	8095	77.228.050,68	8,58
Up to 11000	10502	109.725.232,40	7,32	1915	20.063.741,47	7,87	1022	10.697.697,25	6,48	439	4.599.204,20	2,56	7126	74.364.589,48	8,26
Up to 12000	6497	74.637.643,41	4,98	1626	18.699.274,87	7,33	780	8.967.514,63	5,43	365	4.200.806,90	2,33	3726	42.770.047,01	4,75
Up to 13000	5907	73.845.660,92	4,92	1623	20.289.271,35	7,96	623	7.789.521,30	4,72	298	3.731.603,32	2,07	3363	42.035.264,95	4,67
Up to 14000	5727	77.390.731,95	5,16	1465	19.790.969,96	7,76	548	7.393.286,83	4,48	267	3.598.594,75	2,00	3447	46.607.880,41	5,18
Up to 15000	6092	88.438.359,54	5,90	1395	20.235.127,58	7,94	400	5.800.972,52	3,52	210	3.038.363,07	1,69	4087	59.363.896,37	6,60
Up to 16000	4867	75.362.752,82	5,02	998	15.446.541,18	6,06	262	4.049.501,50	2,45	144	2.230.317,65	1,24	3463	53.636.392,49	5,96
Up to 17000	3504	57.714.687,65	3,85	925	15.248.758,33	5,98	174	2.871.090,24	1,74	113	1.861.071,03	1,03	2292	37.733.768,05	4,19
Up to 18000	2442	42.708.963,05	2,85	739	12.935.076,71	5,07	120	2.096.679,24	1,27	104	1.822.083,69	1,01	1479	25.855.123,41	2,87
Up to 19000	2362	43.701.736,22	2,91	646	11.951.270,03	4,69	106	1.958.028,89	1,19	78	1.447.275,87	0,80	1532	28.345.161,43	3,15
Up to 20000	2438	47.552.430,16	3,17	610	11.890.189,62	4,66	86	1.674.654,76	1,01	71	1.381.218,15	0,77	1671	32.606.367,63	3,62
Up to 22500	4190	88.435.793,31	5,90	953	20.151.867,53	7,90	117	2.478.900,35	1,50	86	2.046.323,54	1,14	3024	63.758.701,89	7,08
Up to 25000	2441	57.912.449,47	3,86	639	15.126.838,41	5,93	82	1.937.536,87	1,17	102	2.418.748,74	1,34	1618	38.429.325,45	4,27
Up to 27500	1751	45.842.728,33	3,06	337	8.800.125,69	3,45	38	992.584,28	0,60	74	1.939.227,09	1,08	1302	34.110.791,27	3,79
Up to 30000	1590	45.749.691,84	3,05	207	5.936.226,23	2,33	21	603.153,56	0,37	57	1.633.408,92	0,91	1305	37.576.903,13	4,18
Up to 35000	1387	44.115.425,94	2,94	189	6.056.247,89	2,37	15	486.108,75	0,29				1183	37.573.069,30	4,17
Over 35000	658	28.132.803,12	1,88	99	3.932.665,68	1,54	6	226.311,18	0,14	2	91.474,19	0,05	551	23.882.352,07	2,65
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Self Employees

	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
Other	122564	1.157.559.621,48	77,17	13227	185.606.805,86	72,78	17141	134.172.370,63	81,32	37331	142.859.454,75	79,37	54865	694.920.990,24	77,21
Self Employees	28454	342.436.520,98	22,83	4200	69.400.219,53	27,22	3378	30.830.077,16	18,68	6863	37.134.490,45	20,63	14013	205.071.733,84	22,79
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Debtors whose income has not been assessed

	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
Not Assessed	7119	58.863.053,20	3,92	906	11.247.253,01	4,41	1743	12.654.368,36	7,67	1894	5.430.108,08	3,02	2576	29.531.323,75	3,28
Other	143899	1.441.133.089,26	96,08	16521	243.759.772,38	95,59	18776	152.348.079,43	92,33	42300	174.563.837,12	96,98	66302	870.461.400,33	96,72
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

EU debtor

	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
Non-EU	11797	138.205.299,44	9,21	604	9.433.549,23	3,70	1099	9.520.936,24	5,77	810	3.025.852,08	1,68	9284	116.224.961,89	12,91
EU	139221	1.361.790.843,02	90,79	16823	245.573.476,16	96,30	19420	155.481.511,55	94,23	43384	176.968.093,12	98,32	59594	783.767.762,19	87,09
Total	151018	1.499.996.142,46	100,00	17427	255.007.025,39	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Debtor Nationality

	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
ALB	630	6.309.497,74	0,42	56	844.441,75	0,33	162	1.356.786,98	0,82	95	367.726,39	0,20	317	3.740.542,02	0,42
ALG	5	35.352,94	0,00	1	10.826,78	0,00	2	11.809,32	0,01	1	4.512,50	0,00	1	8.204,34	0,00
ALT	1122	13.353.855,50	0,89	44	634.548,03	0,25	44	371.227,75	0,22	64	241.631,86	0,13	970	12.106.447,86	1,35
AUS	5	35.189,42	0,00	1	11.099,52	0,00				3	8.197,72	0,00	1	15.892,18	0,00
BAN	96	1.128.804,65	0,08	3	52.958,27	0,02	2	9.965,82	0,01				31	1.065.880,56	0,12
BEL	8	57.976,37	0,00	1	16.345,63	0,01				3	7.207,18	0,00	4	34.423,56	0,00
BOS	67	718.520,18	0,05	5	68.047,39	0,03	16	142.703,42	0,09	4	3.272,69	0,01	42	498.496,68	0,06
BRA	62	627.375,48	0,04	5	89.885,59	0,04	11	81.455,19	0,05	10	32.163,85	0,02	36	423.870,85	0,05
BUL	106	1.141.889,43	0,08	4	63.575,51	0,02	7	48.379,32	0,03	10	29.211,58	0,02	85	1.000.723,02	0,11
CEC	12	139.339,15	0,01	1	12.488,03	0,00	2	13.952,27	0,01	2	29.684,59	0,02	7	83.214,26	0,01
CIN	221	3.025.145,74	0,20	81	1.425.918,18	0,56	65	744.196,50	0,45	19	95.666,61	0,05	56	753.364,45	0,08
CIP	1	2.284,31	0,00							1	2.284,31	0,00			
COL	45	499.622,76	0,03	3	49.160,70	0,02	2	13.877,01	0,01	1	4.350,00	0,00	39	432.235,05	0,05
CRO	40	448.109,78	0,03	3	70.842,62	0,03	3	15.870,75	0,01	4	13.015,11	0,01	30	348.381,30	0,04
CTA	17	183.341,37	0,01	1	16.118,54	0,01				2	5.020,79	0,00	14	162.202,04	0,02
DAN	2	17.997,69	0,00	1	10.076,89	0,00							1	7.920,80	0,00
ECU	513	6.332.418,68	0,42	32	493.521,83	0,19	24	221.806,14	0,13	27	92.554,21	0,05	430	5.524.536,50	0,61
EGI	18	165.332,06	0,01	2	20.911,55	0,01	4	36.898,80	0,02	5	32.410,01	0,02	7	75.111,70	0,01
EST	4	40.296,48	0,00	1	9.121,34	0,00	1	6.727,06	0,00	1	15.799,33	0,01	1	8.648,75	0,00
FIN	2270	31.709.389,06	2,11	37	534.932,90	0,21	40	307.756,25	0,19	38	101.203,81	0,06	2155	30.765.496,10	3,42
FIL	26	328.020,94	0,02	2	22.282,87	0,01	2	40.736,19	0,02	5	19.607,35	0,01	17	245.394,53	0,03
GER	31	294.097,04	0,02	2	25.882,22	0,01	1	14.547,89	0,01	9	49.203,82	0,03	19	204.463,11	0,02
GHA	63	669.826,30	0,04	1	23.011,68	0,01	3	19.261,58	0,01	3	10.469,09	0,01	56	617.083,95	0,07
GRE	12	123.217,38	0,01	1	22.606,72	0,01	2	15.043,39	0,01	2	5.322,58	0,00	7	86.244,69	0,01
IND	181	2.167.153,10	0,14	6	106.869,66	0,04	13	85.332,52	0,05	7	15.697,46	0,01	155	1.959.193,46	0,22
ING	23	257.500,79	0,02	5	66.231,86	0,03	4	41.401,35	0,03	3	24.246,83	0,01	11	125.620,75	0,01
IRL	3	23.701,41	0,00										3	23.701,41	0,00
ITA	138716	1.356.643.699,43	90,44	16781	244.961.798,06	96,06	19376	155.116.751,97	94,01	43296	176.606.861,36	98,12	59263	779.958.288,10	86,66
JUG	28	261.818,93	0,02	2	33.943,51	0,01	4	29.050,52	0,02	3	12.552,88	0,01	19	186.272,02	0,02
LET	4	34.333,25	0,00	1	18.098,17	0,01				1	1.938,00	0,00	2	14.297,08	0,00
LIT	4	33.706,71	0,00				1	11.120,81	0,01	1	4.388,48	0,00	2	18.197,42	0,00
MAC	120	1.259.608,75	0,08	7	83.889,64	0,03	28	251.123,72	0,15	10	36.540,18	0,02	75	888.055,21	0,10
MAR	89	856.991,76	0,06	4	75.764,20	0,03	18	137.311,13	0,08	18	76.278,40	0,04	49	567.638,03	0,06
MOL	638	7.076.029,11	0,47	31	525.098,21	0,21	49	422.979,71	0,26	47	187.787,75	0,10	511	5.940.163,44	0,66
NIG	38	385.506,10	0,03	1	14.481,40	0,01	2	9.930,01	0,01				35	361.094,69	0,04
OLA	5	65.564,04	0,00	1	16.390,83	0,01							4	49.173,21	0,01
PAK	25	244.196,76	0,02	4	53.063,32	0,02	4	27.859,45	0,02	3	6.763,46	0,00	14	156.509,93	0,02
PER	544	6.426.935,79	0,43	34	459.522,08	0,18	21	171.495,15	0,10	36	112.450,23	0,06	453	5.683.468,33	0,63
POL	166	1.555.719,06	0,10	12	159.578,42	0,06	16	112.602,42	0,07	32	120.274,48	0,07	106	1.163.263,74	0,13
POR	12	137.092,55	0,01	1	14.320,87	0,01				3	7.924,81	0,00	8	114.846,87	0,01
ROM	3555	39.137.024,60	2,61	202	3.190.912,61	1,25	505	4.409.794,16	2,67	342	1.315.783,29	0,73	2506	30.220.534,54	3,36
SDM	89	1.008.952,25	0,07				5	43.315,25	0,03	6	17.686,71	0,01	78	947.950,29	0,11
SEN	74	689.274,83	0,05	2	19.527,17	0,01	4	26.022,38	0,02	6	15.531,27	0,01	62	628.194,01	0,07
SER	99	1.088.104,38	0,07	5	93.114,40	0,04	10	78.361,02	0,05	8	25.755,15	0,01	76	890.873,81	0,10
SLO	6	68.204,17	0,00							1	5.038,67	0,00	5	63.165,50	0,01
SPA	21	202.589,55	0,01	4	49.165,19	0,02	3	28.828,35	0,02	5	13.417,32	0,01	9	111.178,69	0,01
SRI	203	2.333.412,92	0,16	2	41.743,51	0,02	7	56.002,25	0,03	5	12.741,87	0,01	189	2.222.925,29	0,25
SVE	1	9.951,96	0,00										1	9.951,96	0,00
SVK	7	68.736,89	0,00	1	23.571,41	0,01				2	4.469,60	0,00	4	40.695,88	0,00
TUN	49	470.873,09	0,03	8	107.580,41	0,04	9	66.117,79	0,04	6	15.652,12	0,01	26	281.522,77	0,03
UCR	936	10.040.934,61	0,67	25	363.755,32	0,14	45	388.436,42	0,24	44	177.648,90	0,10	822	9.111.093,97	1,01
UNG	6	55.625,16	0,00				2	15.549,78	0,01				4	40.075,38	0,00
Total	151018	1.499.996.142,46	100,00	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Flexible/Liberata Loan Options

	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
Option to postpone	33	328.662,17	0,02										33	328.662,17	0,04
Both options	269	4.274.651,15	0,28										269	4.274.651,15	0,47
Liberata loans															
No flexible option	150716	1.495.392.829,14	99,69	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68576	895.389.410,76	99,49
Option to redefine															
Total	151018	1.499.996.142,46	100,00	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Flexible Loan Options Used

	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
No flexible option	151018	1.499.996.142,46	100,00	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00
Option to postpone	0	0,00													
Option to redefine	0	0,00													
Total	151018	1.499.996.142,46	100,00	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

Specific product

	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
EasyJump	33	328.662,17	0,02										33	328.662,17	0,04
EasyTotal flex	269	4.274.651,15	0,28										269	4.274.651,15	0,47
Leggero	47	737.348,61	0,05										47	737.348,61	0,08
Standard	146261	1.426.832.189,54	95,12	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	64121	826.828.771,16	91,87
Unica	4408	67.823.290,99	4,52										4408	67.823.290,99	7,54
Total	151018	1.499.996.142,46	100,00	17427	*****	100,00	20519	165.002.447,79	100,00	44194	179.993.945,20	100,00	68878	899.992.724,08	100,00

PP Canali indiretti	Num	Outstanding Princ	%Tot PP
Assicurazioni	608	7.074.649,38	0,79
Banche	37397	497.283.936,44	55,25
Poste	4962	48.822.830,22	5,20
Totale	42967	551.181.416,04	61,24

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 164 direct branches nationwide, as well as an indirect channel that includes more than 40,000 dealers and over 100 partnership in the bank, insurance and GDO sector, serving as outsourcer over 6.700 bank branches.

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

- Creditech S.p.A., active in the non-recourse purchase of non-performing credit portfolios;
- 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 nine months of 2016 accounting for a market share of 10.5%.

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 SelmaBiepinme 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. (wage assignment), and (ii) its 50% of Ducati Financial Services (a joint venture with Ducati Motor Holding).

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.

Sales Network

Compass markets its products and services through different distribution channels:

- Direct channel – Company branch network

A network of 164 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 branches: 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:
 - over 40,000 dealers;
 - more than 100 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 56 banking partnerships entail service through roughly 6,700 banking facilities, while the BancoPosta has another 13,000 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 2016, Compass entered into a total of 1,221,039 contracts for a corresponding financed amount of approximately €5.75 billion (versus approximately €5.6 billion as of 30 June 2015, for a 2.9% increase).

During the first 3 months of fiscal 2016/2017, Compass finalized 470,609 contracts for total financing of approximately €1.5 billion (+5.4% year on year). While customer loans have continuously grown, Compass has managed to defend its profitability in recent years, despite the general decline in interest rates. This allowed for a constant increase in the interest margin and total banking income, including in the first quarter of fiscal 2016/17. The decrease in pre-tax profit in fiscal 2013/14 is attributable to a series of one-off effects of adjustments to credits (provisions against performing loans with and without pre-events). Net of such effects, the Compass Banca S.p.A.'s profitability, in the last five years, has steadily risen.

Summary of earnings and financial data

In €000's	12/13	13/14	14/15	15/16	sept 16
Customer loans and receivables	8.546.081	8.716.784	9.312.821	9.829.522	9.855.856
Other loans and receivables	196.050	99.299	88.724	60.149	110.992
Tangible and intangible fixed assets	390.046	381.671	373.609	371.641	370.747
Equity investments	93.681	93.681	93.681	103.681	103.681
Other assets	509.575	569.139	572.749	601.456	561.665
Total loans and receivables	9.735.433	9.860.574	10.441.584	10.966.448	11.002.941
Interest margin	520.052	576.803	629.348	693.838	187.285
Total banking income	503.275	574.508	598.734	694.882	194.570
Pre-tax profit	87.459	3.981	72.868	196.403	69.477
Net profit	50.709	18.006	53.675	143.222	47.381

As of 30 September 2016, Compass debt amounted to € 9,253 million, and was 54% satisfied by the holding company, Mediobanca S.p.A. (excluding securitizations).

In addition to the relationship with the holding company, Compass does business with around 20 banking groups, including Italy's leading banks, which represent the 17% of the total funding.

With reference to term and form, the debt is roughly 75% medium/long-term (12/18 month maturities or longer) and 25% short-term, with advances made against the portfolio and overdrafts in current accounts.

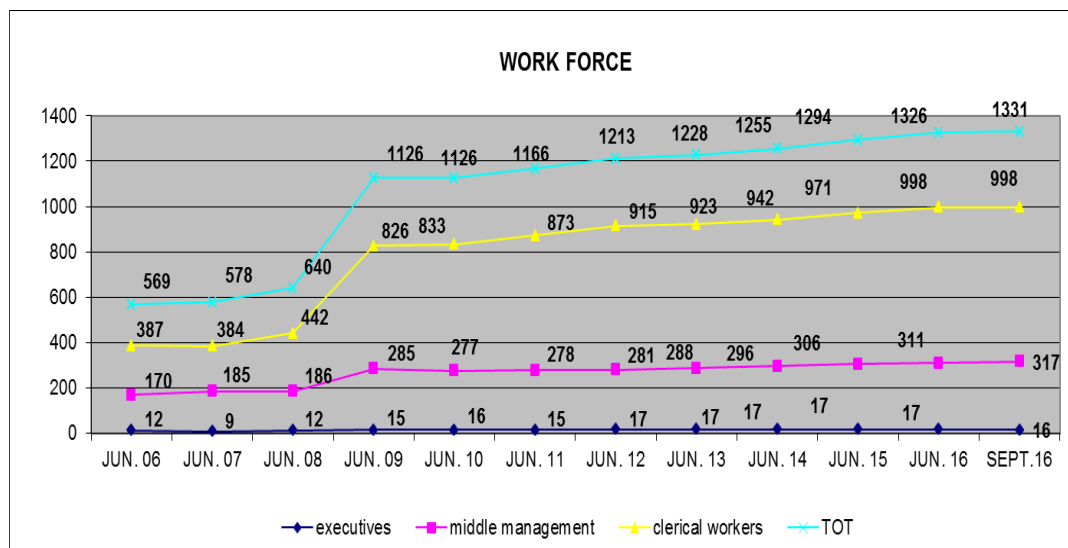
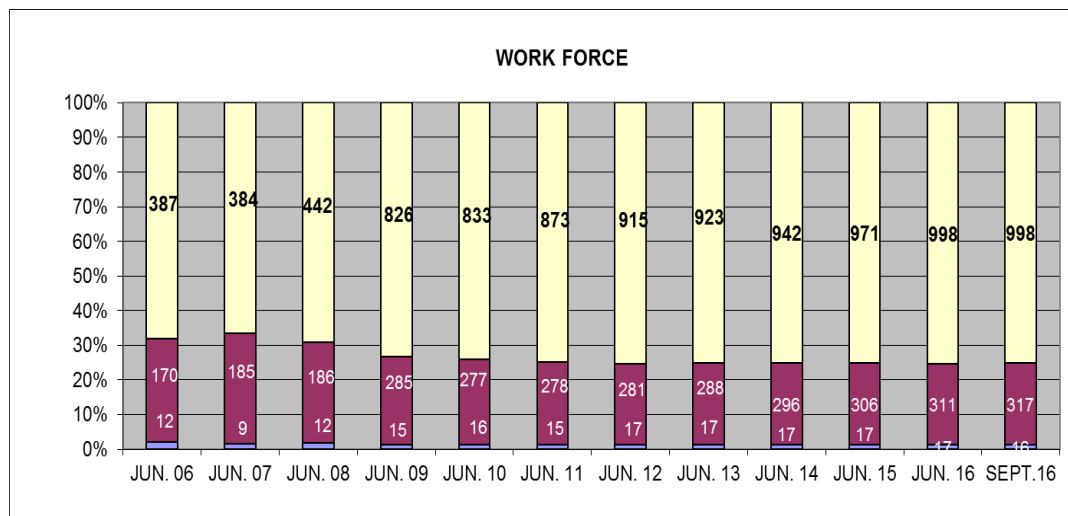
Share capital and group structure

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

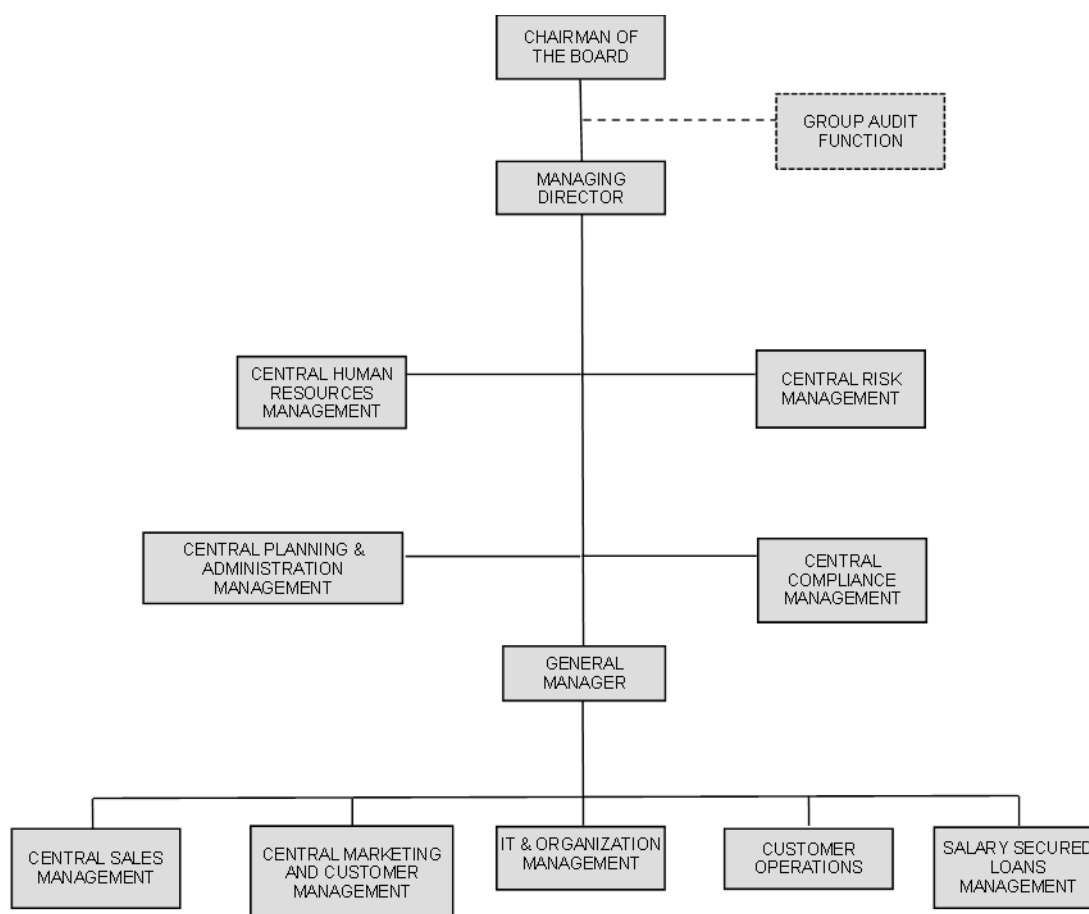
Compass is a wholly-owned subsidiary of Mediobanca - Banca di Credito Finanziario S.p.A.

Compass's Structure

As of 30 September 2016, the work force was made up of 1.331 employees, including 16 executives, 317 middle managers and 998 clerical workers.



Following is the organizational chart, updated as of 2nd November 2016.



Directors, auditors, and management

Board of Directors

The following are members of the Board of Directors of Compass: Valentino Ghelli (Chairman), Gian Luca Sichel (Managing Director), Massimo Bertolini, Romina Guglielmetti, Fabio Salvati, Sveva Severi, Vincenzo Tortis.

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 accounts are audited by Ernst & Young S.p.A.

Management

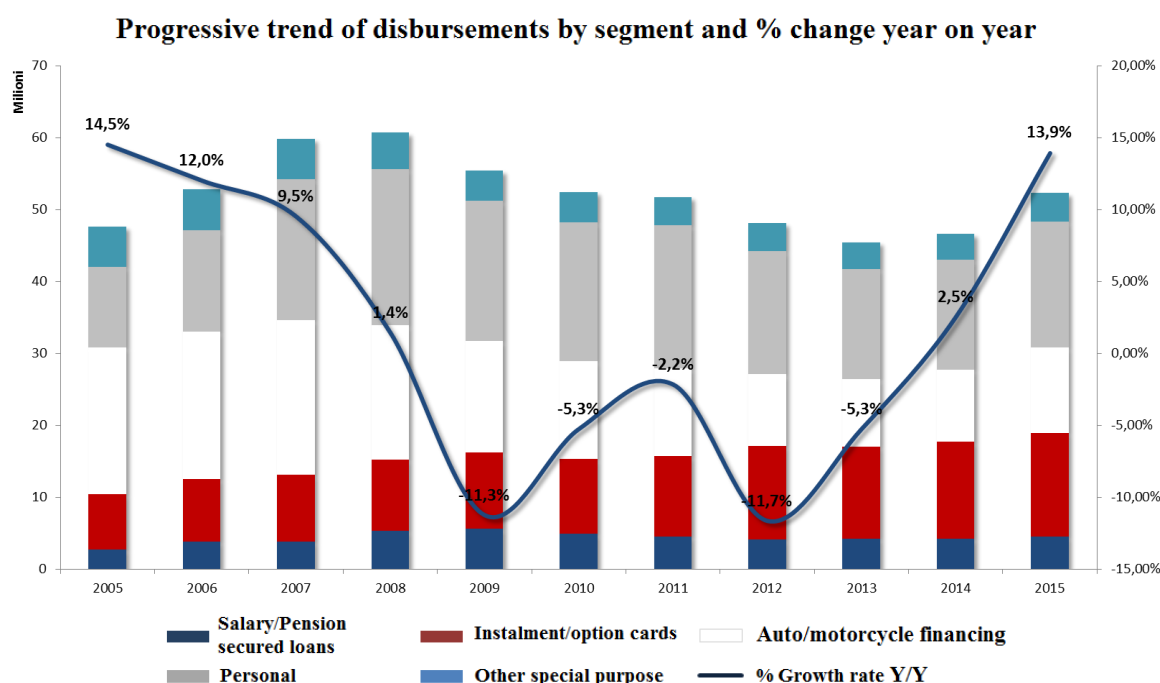
- Valentino Ghelli (born in 1952) - Chairman ("*Presidente*") since October 2013: he was Managing Director of Linea S.p.A. since 1994 after having been General Manager of the company and Vice-Chairman of Compass since 2008.

- 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.

The Originator's Position in the Consumer Credit Market in Italy

After a slight economic recovery in 2014, in 2015 the consumer credit market starts to strongly grow (+13,9% compared to the previous year).

In 2015 the amounts of money released by Assofin associates have been € 52,3 billions, similar to pre-crisis levels.



Source: Assofin

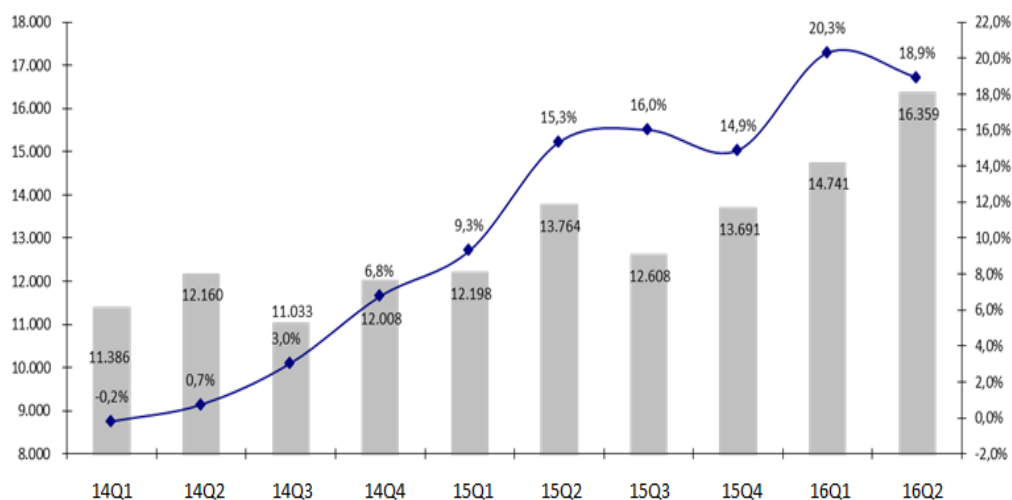
In the first six months of 2016, the growth of disbursements continues strengthening, with a 19,6% increase relating to the same period of 2015, with a total disbursement of €31 billions.

The outcome derives from the growth of all the disbursement sectors:, stronger for auto and moto loans, which reach +24,7% relating to the first half of 2015, for credit cards (+22,4%) and for personal loans (+17,7%). Less pronounced is the growth of other finalised loans (+12%) and salary secured loans (+11,1%) sectors.

A portion of this growth is linked to refinancing, as shown by the slight rise of the assets.

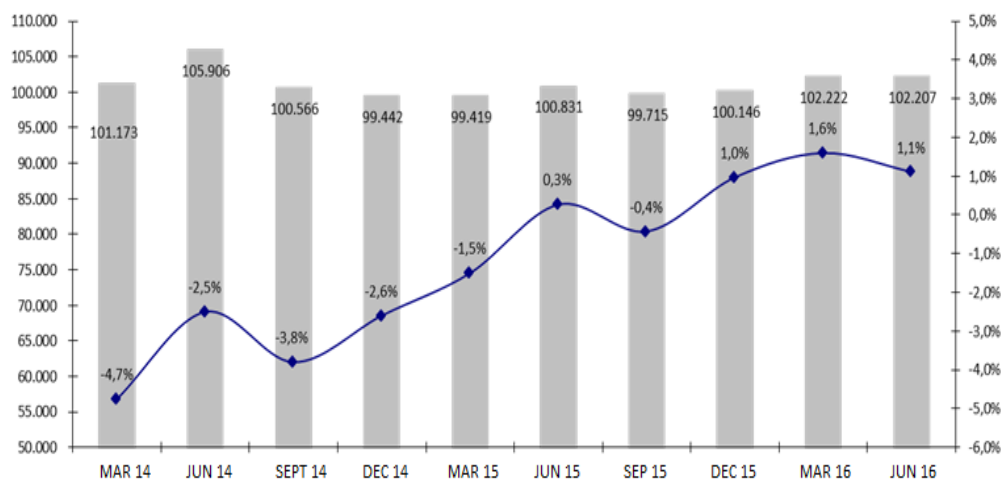
Graph: Trend of Quarterly disbursements and % change year on year

Source: Assofin



Graph: Trend of Assets and % variations vs previous year

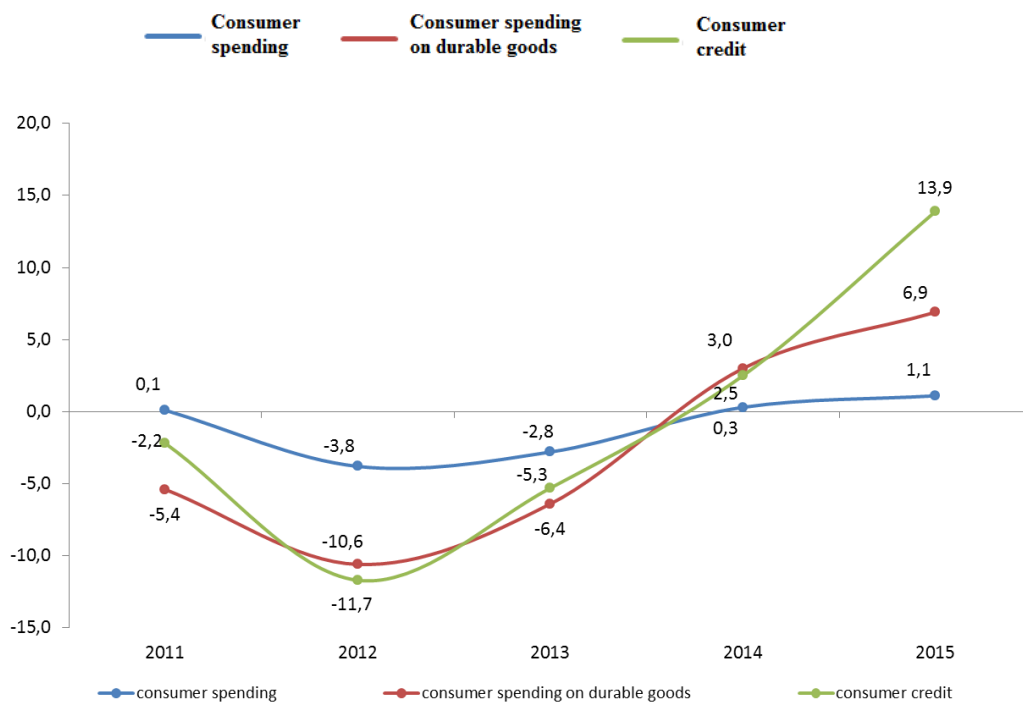
Source: Assofin



During the first six months of 2016 the consumer credit growth (+19,6%) is higher than the increase in durable consumer goods by families (+6,9%), which are the most frequently financed. In the current economic trend, showing a gradual recovery in Italian economic activity, credit resumes to sustain families' purchases, which have been longly postponed during the years of economic crisis.

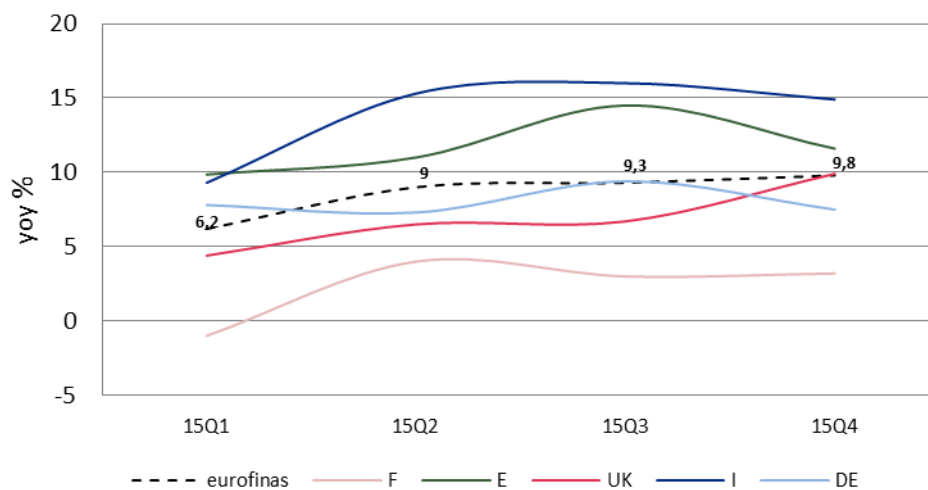
Graph: Trend of consumer spending and consumer credit

% change year on year - Source: Assofin and Istat



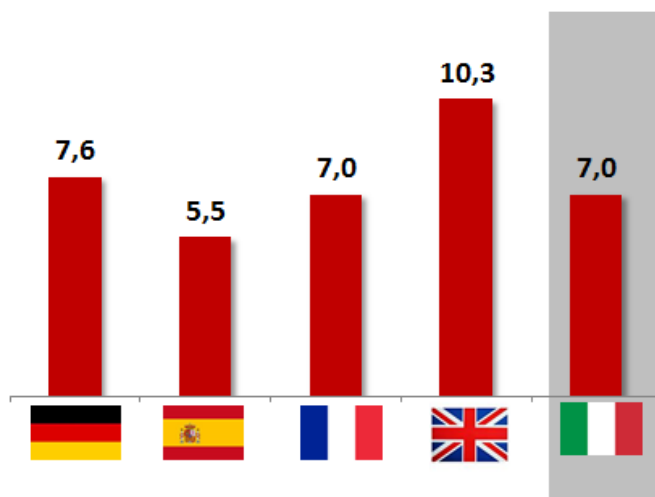
The acceleration of the consumer credit market pushed Italy and Spain's growth over the average of European markets.

Graph: quarterly trend of disbursements in the main European countries
2015 -data on %- Source: Eurofinas



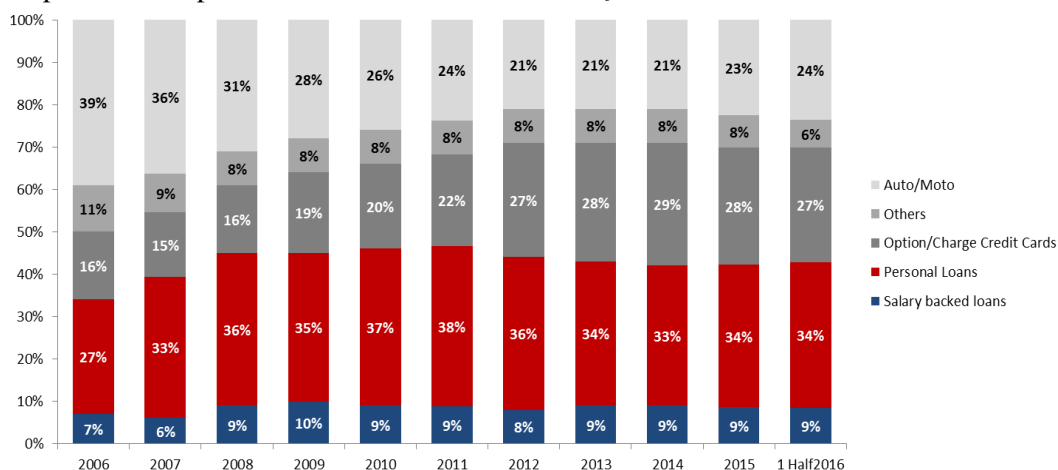
Italian consumer credit market has partially recovered its historical gap towards the main European markets, retaining anyway a strong difference related to other international markets.

Graph: Consumer credit stock over GDP
2015 -data on %- Source: Eurofinas



The breakdown of the market by segment shows important growth of directly disbursed products (personal loans, credit cards and salary-/pension-secured loans), thereby confirming the trend in recent years toward a gradual reduction of intermediation through partner points of sale.

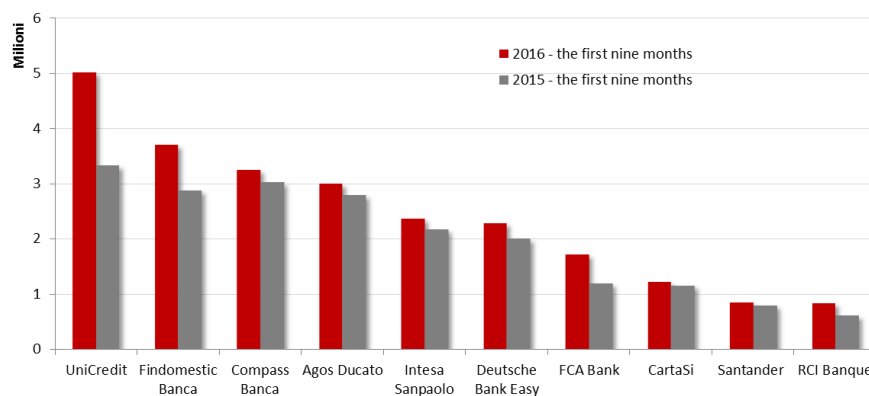
Graph: Trend of product mix - Data in % - Source: Assofin



The graphs below show the trend of volumes disbursed by the industry leaders and the respective market share for the first half of 2016.

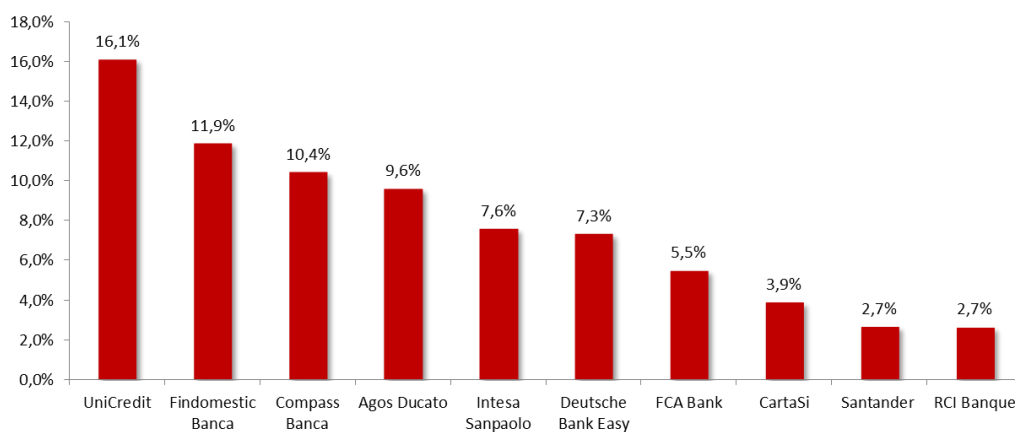
In the first six months of 2016, Compass, together with Futuro s.p.a., confirms the third position with a market share of 10,4%. The market leader position belongs to Unicredit (16,1%), thanks to good performances reached in the credit card sector, as shown by Assofin data. Follows Findomestic (11,9%).

Graph: Trend of Disbursements for Top 10 Market Participants
Data in €bn's Source: Assofin



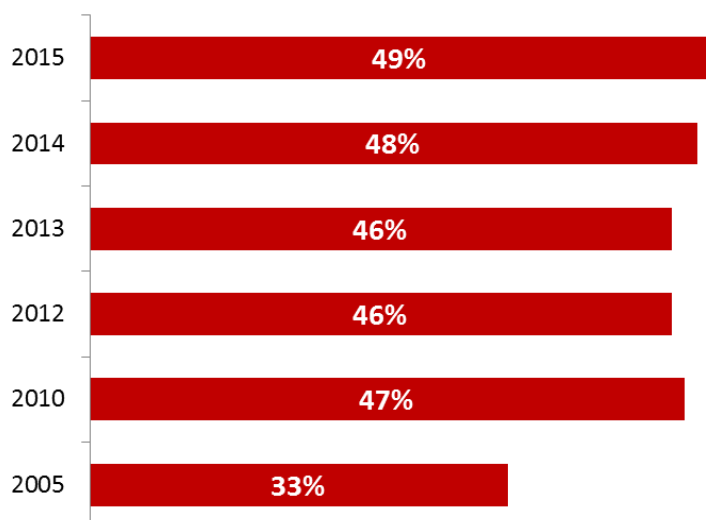
The market share by market participant is shown in the following graph.

Graph: Market Share for the first six months of 2016
2015 -data on %- Source: Assofin



The market for consumer credit has numerous intermediaries, but the levels of concentration have been rather constant for some years. As shown by the following graph, the top five market participants have steadily commanded more than 50% of market share (in terms of balances) for some years.

Graph: Trend of market concentration (analysis using balances)
Data on %- Source: Assofin



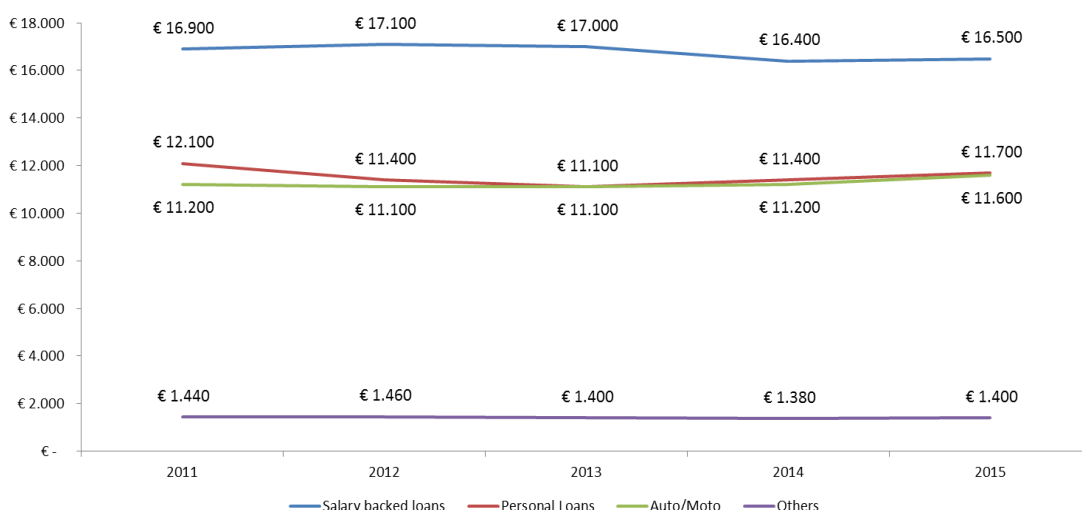
The number of transactions to support the purchases of goods and services by Italian households rose by 25,4% in the first six months 2016 relating to the same period of the previous year, topping 100 million loans.

The increase appears heavily influenced by transactions effected with instalment/option credit cards, which account for 97% of total transactions and grew by 25,9%. Also increasing is the number of transactions in the auto/moto sector (+21,8%) and for personal loans (+12,5%), followed by –salary/pension secured loans (+9,6%) and other special-purpose loans (+8,2%).

With reference to the characteristics of the financing, (credit cards excluded), in the first six months of 2016 the average values disbursed reaches 6.800 €, with an increase of about € 200 relating to 2015, but still lower than the pre-crisis level.

Graph: Trend of average value financed

Data in € - Source: Assofin



Business of the Originator

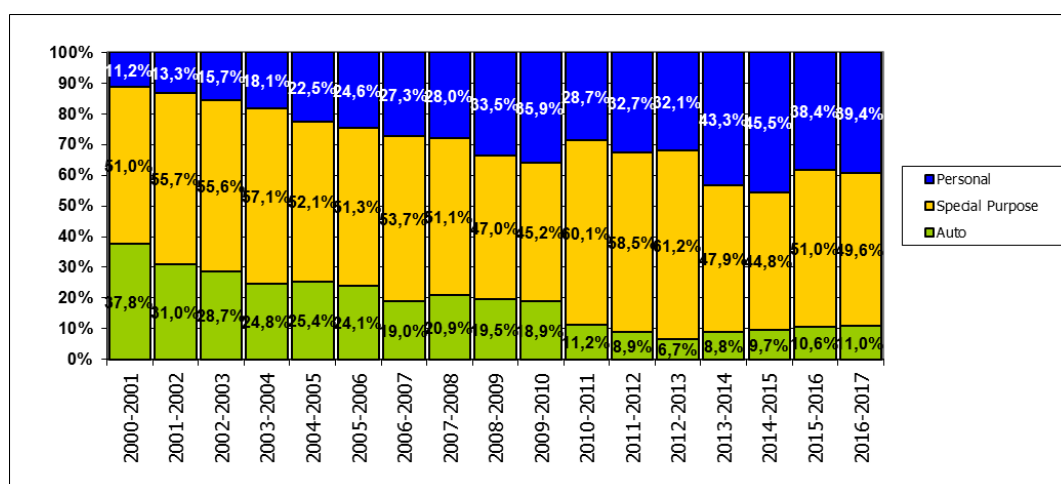
Following are some of Compass services:

- 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 loans 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.).

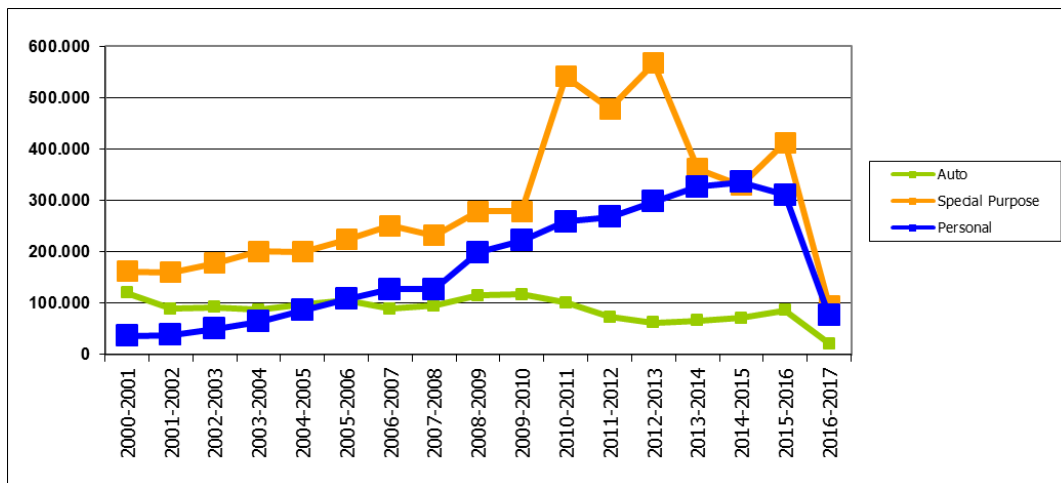
Number of Loans Disbursed through 30 September 2016

	Total	Auto	Special Purpose	Personal
2000-2001	317.248	119.835	161.729	35.684
2001-2002	286.734	88.928	159.665	38.141
2002-2003	320.660	92.122	178.256	50.282
2003-2004	351.975	87.231	201.016	63.728
2004-2005	383.214	97.360	199.589	86.265
2005-2006	436.115	105.210	223.516	107.389
2006-2007	466.930	88.924	250.721	127.285
2007-2008	453.456	94.825	231.848	126.783
2008-2009	591.856	115.234	278.204	198.418
2009-2010	616.658	116.564	278.722	221.372
2010-2011	900.110	100.554	541.297	258.259
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	191.429	20.964	94.956	75.509

Mix of Production by Number of Loans



Trend of Production by Number of Loans at 30 September 2016 (in € mn)

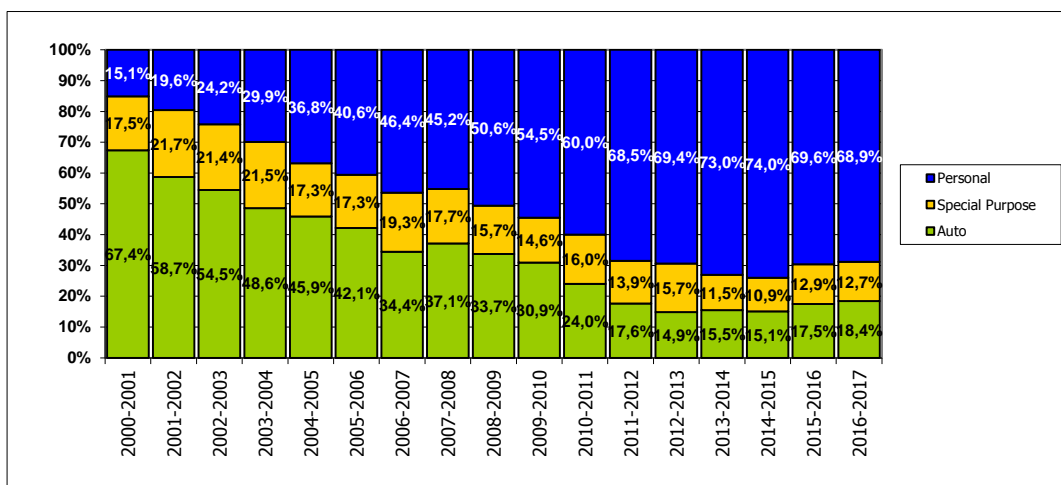


Portfolio mix by amounts disbursed (financial years run from 1st July to 30 June)

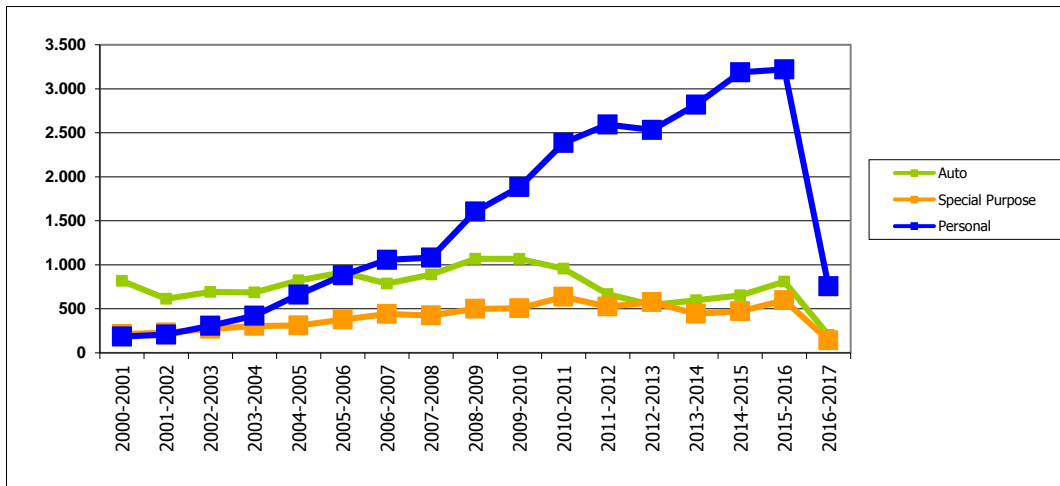
Amounts Disbursed through 30 September 2016 (in € mn)

	Total	Auto	Special Purpose	Personal
2000-2001	1.212,2	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	1.790,8	821,9	309,7	659,3
2005-2006	2.169,4	913,9	375,5	880,0
2006-2007	2.280,7	784,4	439,2	1.057,1
2007-2008	2.392,4	888,3	423,6	1.080,5
2008-2009	3.170,9	1.068,4	497,6	1.605,0
2009-2010	3.455,6	1.067,3	504,3	1.883,9
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	1.094,8	201,7	139,2	754,0

Mix of Production by Amounts



Trend of Production by Amounts (in € mn)



THE CREDIT AND COLLECTION POLICIES - LOAN DISBURSEMENT POLICIES

Peripheral organization structure

The organization of the individual branches includes a branch manager and a number of employees proportional to the business volume generated. The personnel (manager and employees) are dedicated to the activity of granting credit, business development and assistance to partners. The management of credit problems is concentrated within the head office, with special organizational units ("recovery centres") which, for collection management, operate in the respective Regions (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, the General Records Search Centre, the Payments Tracking Office and the Administration Recovery 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 distributes revolving 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 40,000 at 30 September 2016) in the auto business and other sectors which are supported by the branches and generate most of Compass contracts. With all 56 active banking partnerships, in particular with Monte dei Paschi di Siena and Poste Italiane, Compass is able to offer its products through around 6,700 branches of its banking partners. In addition, Compass has 10 insurance partnerships (with a network of roughly 1,000 agencies) and 37 partnerships with companies acting as agents in financial activity and lending.
- the direct channel: through the personnel of Compass 164 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.

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) identified the customer, (ii) provided the customer with a personal loan offer, supplying clarification about the same and the disclosure documentation referring to the pre-contractual phase and (iii) obtained the customer's consent to the processing of personal data (in accordance with prevailing regulations on the subject of money-laundering prevention, privacy, transparency and the ethics code for CIS), 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 fiscal code) 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 analyzing 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 there are particular events or facts that 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 in relation to the rating / amount / customer exposure / product requested).

Phase 3: In the event of approval, the customer is supplied with a letter of acceptance with which the contract is perfected (written form ad substantiam) and the financing is disbursed. The client also has the choice to perfect the contract through Advanced Graphometric Electronic Signing, which is legally valid and effective, with the aim to dematerialize all the paper documents linked to the undersigned contract.

Indirect channel

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). With regard to the special-purpose loans, the technical forms used by the clientele are those for auto loans and for special-purpose loans of goods and services other than autos. 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, (ii) supplied the customer with a bid for the financing product, supplying a special telephone number for clarification about the same and the disclosure documentation referring to the pre-contractual phase, and (iii) identified the customer (in accordance with prevailing regulations on the subject of money-laundering prevention, privacy, transparency and the ethics code for CIS), the person taking the application gathers the documentation required, and proceeds to fill out the financing application, having the applicant sign it (signing of the financing contract) and countersigning it. At the same time, the dealer, partner or agent assumes responsibility (including in accordance with money-laundering prevention regulations) regarding the authenticity of the signatures (of the applicant and any co-obligor) and the personal data reported in the application (dealer's/partner's/agent's verification of original valid ID documents produced by the applicant/co-obligor). Thereafter, the documentation gathered and the completed and signed application are normally set via fax by the dealer/partner/agent to the branch responsible for the area; the documentation, including the original contract, is retrieved by the branch from the dealer/partner/agent at a later date.

Phase 2: The branch gets the documentation and proceeds with checking the form and substance of the same. Should the documentation be in order, the data related to the customer/co-obligor are input into the information system for the scoring process.

Phase 3: Using a scoring process, the system identifies the probability of insolvency by analyzing 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 there are particular events or facts that suggest the customer is not sufficiently creditworthy (negative scoring violation). Instead, in the event of a negative outcome, some types of financing (furnishings and vehicles) may still be approved on an exceptional basis when taking into account additional analyses and subject to the authorization of the Area Coordinator responsible or the Acquisition, Assessment and Coordination Office or of the Central Director - Network (positive scoring violation). 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 in relation to the rating / amount / customer exposure / product requested) and is communicated to the dealer/partner/agent generally by the end of the same day. At the same time, a formal acceptance letter is sent with which the financing contract is perfected.

Phase 4: A Compass branch employee goes to the dealer's/partner's/agent's offices and retrieves the documentation related to the financing application, including the original contract. 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 and that the documentation is consistent with that provided in advance by fax, will proceed with disbursing the financing to the dealer or to the customer (in the event of personal loans channelled by a partner or an agent).

Indirect channel (Compass on-line)

The Compass on-line procedure makes authorized Internet access available to dealers or partners or agents for the purpose of scoring the data input by the same (PassCom application). The dealer/partner/agent is thus able to communicate the outcome of the scoring (application approved or rejected) to the applicant almost on a real-time basis. The disbursement of the financing by Compass is however subordinated to the Company's prior verification of the completeness, consistency and authenticity of the documentation gathered by the dealer/partner/agent as well as the data input to the system by the same. The phases of the disbursement procedure through the Compass on-line system are summarized below:

Phase 1: The customer applies for Compass financing for the purchase of a specific good/service through the dealer, or applies for a personal loan through a banking or insurance partner or an agent. After having (i) obtained the customer's consent to the processing of personal data, (ii) supplied the customer with a bid for the financing product supplying a special telephone number for clarification about the same and the disclosure documentation referring to the pre-contractual phase, and (iii) identified the customer (in accordance with prevailing regulations on the subject of money-laundering prevention, privacy, transparency and the ethics code for CIS), the person taking the application directly inputs the applicant's data to the PassCom information system (Peripheral Access Form), 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 signing it (signing of the financing contract) and countersigning it. The client also has the choice to perfect the contract through an Advanced Graphometric Electronic Signing, which is legally valid and effective, with the aim to dematerialize all the paper documents linked to the undersigned contract. Every dealer/partner/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 analyzing 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. If the outcome is positive, the request gets approved; if the outcome is negative, it gets rejected. 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 Compass business 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 in relation to the rating / amount / customer exposure / product requested).

When the application is approved, a formal acceptance of the financing is supplied at the same time (via the sending of a specific letter or, for certain sectors of goods or amounts lower than a certain threshold, through the printing of a contractual form bearing the signature of "acceptance" of the Central Director - Network). The perfection of the contract is obtained with the letter.

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 perfected the contract through an Advanced Graphometric Electronic Signing, the contractual documentation will be available on a dedicated system. 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);

internal information regarding the customer's repayment performance (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).

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 September 2016, 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.

Regardless of the quality of the clientele, the counterparty may be placed on "stop work" status or permanently suspended if it does not comply with the provisions of the agreements or if additional information is obtained that would suggest interrupting the relationship.

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.

MANAGEMENT/MONITORING OF DISTRIBUTION CHANNEL (SEE LOAN DISBURSEMENT POLICIES)

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:

- it uses risk forecast indicators (behavioural scoring) on each individual account;
- it enables credit recovery strategies to be rapidly implemented, based on a cohesive set of indicators;
- 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 between 2 and 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 automatic 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.

In case the recovery action had a negative outcome, loans with SDD or credit card repayment method, are moved to the postal payment method.

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).

For loans using postal or credit card payments, which reach 35 days in arrears, mailing solicitation activity begins. The solicitation entails requesting the past due customer to remedy the past due position, or to supply the details of the payment made. The mailing also contains a pre-warning that the client would be posted in databanks.

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 eventually 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.

Loans with instalments over 50.00€, once 120 days have elapsed from the first unpaid instalment, are automatically 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 between "Hard" and "Easy", at all times 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, a mail is sent by the system, indicating a warning for the acceleration clause.

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 €8,000, 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 €8,000, 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 will be transferred to the non-performing portfolio, which is to be factored at least every six months (stock transfers).

Changes in Strategies

Compass regularly tries to improve his collection strategies. For this reason timing of actions, mix of phone vs door-to-door collection and other parameters may change. The logical pillars of the strategy do not change:

- Anticipation of action (early collection is particularly effective);
- Fine tuning using segmentation by product, balance, behaviour scoring;
- Turn over among external agencies in order to find the best player for each region;
- Alternance of external agencies between two consecutive cycles of collection.

THE ISSUER ACCOUNTS

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

- 1.1 a Euro denominated bank account, IBAN No. IT50Y1063101600000070201468 (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 has the Minimum Rating, 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;
- 1.2 a Euro denominated bank account, IBAN No. IT73P0310401600000000828792 (the “**Payments Account**”), which will be held in Italy with the Paying Agent in the name of the Issuer for so long as the Paying Agent qualifies as an Eligible Institution, for the deposit of the amounts standing to the credit of the Collection Account, the Liquidity Reserve Account and the Eligible Investments Account up to the amounts which are necessary for the Paying Agent in order to make payments on behalf of the Issuer on each relevant Payment Date in accordance with the Cash Allocation, Management and Agency Agreement; and out of which payments will be made on behalf of the Issuer on each relevant Payment Date;
- 1.3 a Euro denominated bank account, IBAN No. IT27Z1063101600000070201469 (the “**Flexible & LibeRata Loans Cash 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 has the Minimum Rating, to be replenished only to the extent that, on any of the three Calculation Dates immediately preceding each Quarterly Payment Date, the sum of the principal amount outstanding of the Flexible Loans and the principal amount outstanding of the Loans so called “*LibeRata*”, in relation to which the relevant Debtors have exercised, during the relevant Collection Period, the contractual option to postpone the payment of the relevant Instalments, is higher than 1% (the “**Trigger**”) of the principal amount outstanding of all the Consumer Loans as at the Valuation Date immediately preceding each Calculation Date (in accordance with the relevant Monthly Report). In such a case the Flexible & *LibeRata* Loans Cash Reserve Account shall be credited with an amount equal to the sum of the relevant Instalment Interest Components of the Flexible Loans and the Loans so called *LibeRata* not collected by the Issuer during those of the three Collection Periods immediately preceding each Quarterly Payment Date in which the Trigger has been exceeded (the “**Flexible & LibeRata Loans Cash Reserve Amount**”);
- 1.4 a Euro denominated bank account IBAN No. IT73X1063101600000070201467 (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 has the Minimum Rating, into which (i) on the First Quarterly Payment Date, an amount equal to Euro 40,000 (the “**Retention Amount**”) shall be paid, in accordance with the applicable Priority of Payments; (ii) all the amounts due to the Issuer by any party to the Transaction Documents to which the Issuer is a party (if it is not otherwise provided) will be credited; and (iii) on each Quarterly Payment Date an amount as to replenish the Expense Account up to the Retention Amount shall be paid, in accordance with the applicable Priority of Payments, and out of which any taxes due and payable by the Issuer and any fees, costs and expenses required to be paid to any third party other than the Noteholders and the other Issuer Secured Creditors in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations will be paid, in the period comprised between a Quarterly Payment Date and the immediately subsequent Quarterly Payment Date;
- 1.5 a Euro denominated bank account IBAN No. IT69S1063101600000070201470 (the “**Eligible Investments Account**”), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank has the Minimum Rating, for the deposit of the Eligible Investments

(in so far as such investments can be deposited in such account), deriving from the investment of funds standing, from time to time, to the credit of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account;

- 1.6 a Euro denominated bank account IBAN No. IT46T1063101600000070201471 (the “**Liquidity Reserve Account**”), which will be held in Italy with the Account Bank in the name of the Issuer for so long as it has the Minimum Rating, for the deposit, on each Quarterly Payment Date, starting from the Issue Date, of amounts available under item (v) of the Quarterly Priority of Payments to be applied by the Issuer during the Revolving Period or under item (iv) of the Quarterly Priority of Payments to be applied by the Issuer during the Amortisation Period;
- 1.7 a securities account No. IT51X1063101600000070201475 (the “**Securities Account**”), which will be held in Italy with the Account Bank in the name of the Issuer for so long as the Account Bank has the Minimum Rating, for the deposit of the Eligible Investments (only consisting in securities and debt instruments) deriving from the investment of funds standing, from time to time, to the credit of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account; and
- 1.8 a Euro denominated bank account IBAN No. IT60R1063101600000070201172 (the “**Corporate Capital Account**” and, together with the Collection Account, the Payments Account, the Flexible & *LibeRata* Loans Cash Reserve Account, the Liquidity Reserve Account, the Expense Account, the Eligible Investments Account and the Securities 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.

THE ACCOUNT BANK AND CASH MANAGER

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca 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 2016 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 F2 (short-term debt) and BBB+ (long-term debt) with negative outlook by Fitch and A-3 (short-term debt) and BBB- (long-term debt) with stable outlook by S&P – see www.mediobanca.it/it/investor-relations/rating.html.

THE PAYING AGENT AND CALCULATION AGENT

Incorporation, Registered Office and Objectives

Deutsche Bank Aktiengesellschaft (“**Deutsche Bank AG**” or the “**Bank**”) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank AG which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank AG is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, property -finance companies, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the “**Deutsche Bank Group**”).

The objects of Deutsche Bank AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

Deutsche Bank S.p.A. is a bank incorporated under the laws of the Republic of Italy, whose registered office is located at Piazza del Calendario 3, 20126 Milan, Italy, Fiscal Code, VAT number and Register of Enterprises of Milan registration number 01340740156 and its share capital is of Euro 412.153.993,80 , is registered in the register held by the Bank of Italy pursuant to article 13 of the Banking Act under number 3104, subject to the direction and coordination of Deutsche Bank AG – Numero iscrizione al Registro delle Imprese di Milano,

Management

In accordance with German law, Deutsche Bank AG has both a **Supervisory Board** (*Aufsichtsrat*) and a **Management Board** (*Vorstand*). These Boards are separate; no individual may be a member of both. The Supervisory Board appoints the members of the Management Board and supervises the activities of this Board. The Management Board represents Deutsche Bank AG and is responsible for its management of its affairs.

Financial Year

The financial year of Deutsche Bank AG is the calendar year.

Ratings

Deutsche Bank AG’s long-term senior debt has been assigned a rating of BBB+ (outlook stable) by S&P, A (outlook stable) by Fitch Ratings Limited, A (low) (outlook stable) by DBRS and its long-term deposits have been assigned a rating of A3 (outlook stable) by Moody’s.

THE 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 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033 (the “**Series A Notes**” or the “**Senior Notes**”) and the Euro 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033 (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 15 February 2017 (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 A 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 Signing 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 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 subscription agreement governed by Italian law entered into on or about the Issue Date among the Issuer, Compass (in its capacity as “**Senior Notes Initial Subscriber**” and “**Junior Notes Initial Subscriber**”) and KPMG Fides Servizi di Amministrazione S.p.A. (the “**Subscription Agreement**”), the Compass, in its capacity as Senior Notes Initial Subscriber and Junior Notes Initial Subscriber has agreed to subscribe and pay for the Series A Notes and the Junior Notes, respectively, and has appointed KPMG Fides Servizi di Amministrazione S.p.A. as Representative of the Noteholders to perform the activities described in the Subscription Agreement, in these Conditions, in the Intercreditor Agreement and in the other Transaction Documents, and the Representative of the Noteholders has accepted such appointment.

By a servicing agreement governed by Italian law entered into on the Signing Date, as amended and supplemented from time to 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, Deutsche Bank S.p.A., as paying agent (the “**Paying Agent**”), and as calculation agent (the “**Calculation Agent**”) and Mediobanca – Banca di Credito Finanziario S.p.A., as account bank (the “**Account Bank**”) and cash manager (the “**Cash Manager**”) (the “**Cash Allocation, Management and Agency Agreement**”) (i) the Account Bank 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) 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, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account, and (iii) 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 Deed of Pledge (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 Deed of Pledge.

By a deed of pledge 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. and Deutsche Bank S.p.A. (the “**Deed of Pledge**”) the Issuer, in order to ensure the segregation of the rights of the Issuer, has granted in favour of the Noteholders and the other Issuer Secured Creditors a first priority pledge over: (i) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled pursuant to the Transaction Documents to which the Issuer is a party (except for the Receivables and the amounts deriving from the collection and recovery of the Receivables); and (ii) any existing or future monetary claims and rights of any sum credited from time to time to the Accounts (other than the Corporate Capital Account).

By an amendment agreement entered into on or about the Issue Date to the corporate services agreement (as amended, the “**Corporate Services Agreement**”) entered into in connection with the 2013 Quarzo Securitisation between the Issuer and Studio Dattilo 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 also 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.

These terms and conditions of the Series A 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 Deed of Pledge, the Cash Allocation,

Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreements, the Definitions Agreement, the Quotaholders' Agreement 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 during normal business hours at the registered office of the Issuer, of the Irish Listing Agent and of the Representative of the Noteholders.

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 A 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 Bank (*Banca dei Conti*) means Mediobanca and its 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 Flexible & *LibeRata* Loans Cash Reserve Account, the Liquidity Reserve Account, the Eligible Investments Account, the Securities 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 (x) of the Priority of Payments applicable during the Revolving Period have been made in full up to an amount that will not cause the Second Available Cash Amount Condition to be triggered or, as the case may be, (b) any residual amounts available after that all payments due under items (i) to (viii) of the Priority of Payments applicable during the Amortisation Period 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.

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.

Calculation Agent (*Agente per i Calcoli*) means Deutsche Bank S.p.A. 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 10th 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 February, May, August and November of each year.

Cancellation Date (*Data di Cancellazione*) means the Quarterly Payment Date falling in November 2035.

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 Bank, 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.

Collection Account (*Conto Incassi*) means the Euro denominated account, IBAN No. IT50Y106310160000070201468 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 on 28 February 2017.

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 (*Procedura 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, 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 the context of the Quarzo 2013 Securitisation between the Corporate Services Provider and the Issuer, as amended and supplemented within the context of the Securitisation.

Corporate Services Provider (*Prestatore dei Servizi Amministrativi*) means Studio Dattilo and its permitted successors and assignees.

DBRS means DBRS Ratings Limited.

DBRS Table means the following table:

FOR ELIGIBLE INVESTMENTS MATURING IN 30 DAYS OR LESS	
Highest Rating Assigned to Rated Notes	Minimum Rating

AAA (sf)	A or R-1 (low)		
AA (high) (sf)	A (low) or R-1 (low)		
AA (sf)	BBB (high) or R-1 (low)		
AA (low) (sf)	BBB (high) or R-1 (low)		
A (high) (sf)	BBB or R-2 (high)		
A (sf)	BBB (low) or R-2 (middle)		
A (low) (sf)	BBB (low) or R-2 (low)		
BBB (high) (sf)	BBB (low) or R-2 (low)		
BBB (sf)	BBB (low) or R-2 (low)		
BBB (low) (sf)	BBB (low) or R-2 (low)		
BB (high) (sf)	BB (high) or R-3		
BB (sf)	BB or R-4		
BB (low) (sf)	BB (low) or R-4		
B (high) (sf)	B (high) or R-4		
B (sf)	B or R-4		
B (low) (sf)	B (low) or R-5		
FOR ELIGIBLE INVESTMENTS MATURING IN GREATER THAN 30 DAYS			
	Senior-Most Tranche Rated AA (low) (sf) and above	Senior-Most Tranche Rated A(high) (sf) and A (low) (sf)	Senior-Most Tranche Rated BBB (high)(sf) and below
Maximum Maturity	Rating	Rating	Rating
90 days	AA (low) or R-1 (middle)	A (low) or R-1 (low)	BBB (low) or R-2 (middle)
180 days	AA or R-1 (high)	A or R-1 (low)	BBB or R-2 (high)
365 days	AAA or R-1 (high)	A (high) or R-1 (middle)	BBB or R-2 (high)

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.

Deed of Pledge means the deed of pledge governed by Italian law executed on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Account Bank and the Paying Agent, as entity holding the Payments Account.

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 Receivable 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 Signing 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.

Eligibility Criteria (*Criteri*) means, with reference to (i) the Initial Portfolio, the objective criteria set out in exhibit 3 (A) of the Master Receivables Purchase Agreement, and (ii) each Subsequent Portfolio, the objective criteria set out in exhibit 3 (B) of the Master Receivables Purchase Agreement together with any additional objective criteria specified in the relevant Transfer Proposal.

Eligible Institution (*Istituzione Eleggibile*) means any depository institution organised under the laws of any State which is a member of the European Union or of the United States whose unsecured, unsubordinated and unguaranteed debt obligations have at least the following ratings:

(A) with regard to DBRS:

- (i) a long-term Critical Obligations Rating (COR) or, if a long-term Critical Obligations Rating (COR) is not available from DBRS on such institution, an institution’s issuer rating or a long-term senior unsecured debt rating at least equal to “BBB” assigned by DBRS. For the avoidance of any doubt, the rating assigned by DBRS will consist of (a) public rating assigned by DBRS, or, in the absence of such public rating, (b) private rating assigned by DBRS, or
- (ii) in the absence of either a public rating or a private rating assigned by DBRS, an Equivalent Rating at least equal to “BBB”.

Equivalent Rating means:

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same

ratings, any of such ratings; and

- (b) if the Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the Equivalence Chart);
- (c) if the Equivalent Rating cannot be determined under paragraph (a) or paragraph (b) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the Equivalent Rating;

and

- (B) with regard to Fitch:

a Long-Term Rating at least equal to “BBB” or a short-term rating at least equal to “F2”.

Eligible Investments means:

- (A) any Euro denominated and unsubordinated certificate of deposit or Euro denominated and unsubordinated dematerialized debt financial instrument or any Euro denominated commercial paper that:
 - (i) guarantees the restitution of the invested capital; and
 - (ii) are rated at least:
 - (A) with reference to DBRS,
 - a) Maximum maturity (30 days): at least the rating levels as specified in the DBRS Table for investments maturing up to 30 days;
 - b) Maximum maturity (greater than 30 days): at least the rating levels as specified in the DBRS Table for investments maturing in greater than 30 days;

Equivalent Rating means:

- 1) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant security are all available at such date, (i) the remaining rating (upon conversion on the basis of the Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, any of such ratings;
- 2) if the Equivalent Rating cannot be determined under (1) above, but public ratings of the Eligible Investment by any two of Fitch, Moody's and S&P are available at such date, the lower rating available (upon conversion on the basis of the Equivalence Chart);
- 3) if the Equivalent Rating cannot be determined under subparagraphs (1) or (2) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available at such date, such rating will be the Equivalent Rating.

and

(B) with reference to Fitch:

- a) Maximum maturity (up to 30 days): at least the rating levels as specified in the Fitch Table for investments maturing up to 30 day;
- b) Maximum maturity (30 days to 365 days): Rating “AA-” (long term) or “F1+” (short term);

(iii) have a maturity date falling not later than the next following Eligible Investments Maturity Date;

(B) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an entity which qualifies as an Eligible Institution, with a maturity date falling not later than the next following Eligible Investments Maturity Date;

(C) Euro denominated money market funds (MMF) or other liquidity products similar to MMF which are rated at least “AAmmf” by Fitch or, in the absence of a Fitch rating, MMFs or other liquidity products similar to MMF with the highest rating from at least two other global rating agencies.

It is understood that the Eligible Investments shall not include (i) the Notes or other notes issued in the context of transactions related to the Securitisation or other securitisation transactions nor (ii) credit- linked notes, swaps or other derivatives instruments or synthetic securities.

Eligible Investments Account (*Conto Investimenti*) means the account IBAN No. IT69S1063101600000070201470 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 Investments Maturity Date means the day falling the second Business Day immediately preceding a Payment Date.

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.

Equivalence Chart means the chart below:

DBRS equivalent means the DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P: DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB (high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB (low)	Baa3	BBB-	BBB
BB (high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB (low)	Ba3	BB-	BB-
B (high)	B1	B+	B+
B	B2	B	B
B (low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC
CC	Ca	CC	CC
		C	C
D	C	D	D

Expense Account (*Conto Spese*) means the Euro denominated account IBAN No. IT73X1063101600000070201467, 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).

Final Maturity Date (*Data di Scadenza Legale*) means the Quarterly Payment Date falling in November 2033.

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

First Available Cash Amount Condition means the condition occurring at each Quarterly Payment Date during the Revolving Period if the sum of (a) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the immediately preceding Collection Period and (b) the aggregate of the balance of the Accounts as at the end of the immediately preceding Collection Period less (c) the payments under item (i) to (v) and item (viii) to (x) at such Quarterly Payment Date is not lower than the principal component of the Residual Amount of the Initial Portfolio.

Fitch means Fitch Italia S.p.A.

Fitch Table means the following table:

Minimum Direct Support and Derivative Counterparty Long-Term Rating or Short-Term IDR			
Category of highest rated Notes	Without collateral	With collateral – flip clause	With collateral –no flip clause
AAAsf	A or F1	BBB- or F3	BBB+ or F2
AAsf	A- or F1	BBB- or F3	BBB+ or F2
Asf	BBB or F2	BB+	BBB or F2
BBBsf	BBB- or F3	BB-	BBB- or F3
BBsf	Note rating	B+	BB-
Bsf	Note rating	B-	B-

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 the 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.

Flexible & LibeRata Loans Cash Reserve Account means the Euro denominated account, IBAN No. IT27Z1063101600000070201469, 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.

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.

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 later date between (i) the date on which the notice of assignment of the Receivables comprised in the Initial Portfolio is published in the Official Gazette and (ii) the date on which the same notice is filed with the competent Companies' Register.

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 Subscribers means collectively the Senior Notes Initial Subscriber and the Junior Notes Initial Subscriber.

Initial Valuation Date (*Data di Valutazione Iniziale*) means, in relation to the Initial Portfolio, 5 February 2017.

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 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 Paying Agent, the Servicer, the Cash Manager, the Calculation Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator, 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 which (a) shall be made available via the Calculation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic/> by the Calculation Agent to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Cash Manager, the Paying Agent, the Account Bank and (b) shall be sent by e-mail to the Rating Agencies, on the Investor Report Date pursuant to the Cash Allocation, Management and Agency Agreement.

Investor Report Date means the date which falls 10 Business Days after each Quarterly Payment Date.

Irish Listing Agent means McCann FitzGerald Listing Services Limited.

Irish Stock Exchange means the Official List of the Irish stock exchange on which application has been made for the Notes to be listed.

Issue Date (*Data di Emissione*) means the date of issuance of the Notes, being 15 February 2017.

Issue Price means the price equal to:

- (a) in the case of the Series A, 100% of the Series A Notes Initial Principal Amount; and
- (b) in the case of the Series B, 102.07% 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, 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 Initial Subscribers, the Noteholders, the Representative of the Noteholders, the Originator, the Account Bank, the Cash Manager, the Paying Agent, the Calculation Agent, 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.

Joint Resolution means the resolution of 22 February, 2008 jointly issued by CONSOB and the Bank of Italy as amended 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.

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.

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.

Loans so called LibeRata (*Prestiti LibeRata*) means the Consumer Loan whose Amortisation Plan provides for 11 (eleven) yearly Instalments, due every month, in relation to which Compass has granted to the relevant Debtor, at the time the relevant Consumer Loan Agreement has been entered into, the option not to pay the relevant Instalment due one month of the year (August or December, depending on the option exercised by the relevant Debtor at the time the relevant Consumer Loan Agreement has been entered into).

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 latest between (a) the Monthly Payment Date immediately succeeding the relevant Acceptance Date (provided that the Publicity has been complied with) and (b) the date on which the Publicity has been complied with.

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 No. IT46T1063101600000070201471, 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.

Long-Term Deposit Rating means the long-term rating which may be assigned From Fitch to a bank account provider.

Long-Term IDR means, with reference to an institution, the long-term issuer default rating (IDR) assigned from Fitch to such institution.

Long-Term Rating means (i) with reference to the Account Bank, a Long-Term Deposit Rating (if assigned from Fitch) or a Long-Term IDR (where no Long-Term Deposit Rating is assigned from Fitch); and (ii) in any other case, a Long-Term IDR.

Master Receivables Purchase Agreement (*Contratto di Cessione*) means the receivables purchase agreement entered into on the Signing Date between the Issuer and the Originator pursuant to which, according to articles 1 and 4 of the Securitisation Law, (i) the Originator has transferred without recourse (*pro soluto*) and as a pool (“*in blocco*”) 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*) and as a pool (“*in blocco*”) 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 is at Piazzetta E. Cuccia No. 1, 20121, Milan, Italy, 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 (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 on the 15th March 2017.

Monthly Priority of Payments means the order in which the Monthly Available Funds in respect of each Monthly 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 on the 8th March 2017.

Moody's means Moody's Investors Service Ltd.

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 A Notes and the Series B Notes and **Noteholder** means each of them.

Notes (*Titoli*) means, collectively, the Series A 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 (*Agente per i Pagamenti*) means Deutsche Bank S.p.A. and its permitted successors and assignees or any successor pursuant to the terms of the Cash Allocation, Agency and Management Agreement.

Payments Account (*Conto Pagamenti*) means the Euro denominated account IBAN No. IT73P0310401600000000828792, which will be held in Italy with the Paying Agent 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 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 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 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**");
- (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**"); and
- (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 2032 and (b) Euro 660,000,000 Series B Asset Backed Variable Rate Notes due November 2032 (such securitisation, the "**Quarzo 2016 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 "**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.

Prospectus means the prospectus prepared in connection with article 2 of the Securitisation Law and the Directive 2003/71/EC as amended, updated and supplemented from time to time.

Publicity (*Pubblicità*) means in respect of each Portfolio, the occurrence of both of (i) the publication in the Official Gazette of the assignment of such Portfolio and (ii) the filing of an application for the registration of such assignment with the competent Companies' Register.

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 other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Flexible & *LibeRata* Loans Cash Reserve Account and 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 (d) below); and
- (d) 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 February, May, August and November 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 the 15th May 2017.

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, 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 1 October 2014 (*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 Fitch 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.

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 an amount equal to 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; and

- (b) the residual amount of the Issuer Available Funds after having paid item from (i) to (v) 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 Issue Date and ending on the Revolving Period End Date.

Revolving Period End Date means the Monthly Payment Date falling in August 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.

Second Available Cash Amount Condition means the condition occurring at each Quarterly Payment Date during the Revolving Period if the sum of (a) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the immediately preceding Collection Period and (b) the aggregate of the balance of the Accounts as at the end of the immediately preceding Collection Period less (c) the payments under item (i) to (v) and item (viii) to (xi) at such Quarterly Payment Date is not lower than the principal component of the Residual Amount of the Initial Portfolio.

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.

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.

Securities Account means a deposit account (and any ancillary account related thereto) No. 1/253509/0 established in the name of the Issuer with the Account Bank into which any Eligible Investment consisting in securities or debt instrument shall be deposited under the Cash Allocation, Management and Agency Agreement.

Senior Notes (*Titoli Senior*) means the Series A Notes.

Senior Notes Initial Subscriber means Compass.

Senior Noteholders (*Portatori dei Titoli Senior*) means the persons who are, for the time being, the holders of the Series A Notes.

Series means each series of Notes issued in the context of the Securitisation.

Series A Notes means Euro 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033.

Series A Notes Initial Principal Amount means Euro 1,215,000,000.

Series B Notes means Euro 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033.

Series B Notes Initial Principal Amount means Euro 285,000,000.

Servicer means Compass and its permitted successors and assignees.

Servicing Agreement (*Contratto di Servicing*) means the servicing agreement entered into on the Signing Date between the Servicer and the Issuer, as amended and supplemented from time to time.

Settlement Report Date means the date which falls 3rd Business Days prior to each Quarterly Payment Date.

Signing Date (*Data di Stipula*) means the date on which the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement and the amendment agreement to the Corporate Services Agreement have been entered into, being 6 February 2017.

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.

S&P means Standard & Poor's Credit Market Services Europe Limited.

Studio Dattilo means Studio Dattilo Commercialisti Associati, with offices at Galleria del Corso, No. 2, 20122, Milan, Italy and VAT registration number 10246540156.

Subscription Agreement (*Contratto di Sottoscrizione*) means the subscription agreement for the subscription of the Series A Notes and the Junior Notes entered into on or about the Issue Date between the Issuer, Compass (in its capacity as Senior Notes Initial Subscriber and Junior Notes Initial Subscriber) 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.

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 € 5,899,500 and, following the earlier of (i) the Quarterly Payment Date on which the Series A 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 Deed of Pledge, the Cash Allocation, Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreement 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.

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*).

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.

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:

- (i) 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; and
- (ii) in addition, the Notes are secured over certain assets of the Issuer pursuant to the Deed of Pledge. The rights arising from the Deed of Pledge in favour of the Noteholders are incorporated in each of the Notes and are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

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 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 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 Condition 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 1 October, 2014 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*).

In addition, for so long as any amount remains outstanding in respect of the Notes of any Series, the Issuer shall:

3.1.16 ***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;

3.1.17 ***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 and does not include or comprise any asset over or in respect of which security is constituted by the Deed of Pledge or otherwise relating to the Portfolio and the Securitisation;

- (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 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, the Monthly Available Funds – calculated by the Calculation Agent on each Calculation Date prior to the relevant Monthly 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, 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 Bank, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;
- (iii) *Third*, to pay to the Originator any amount due by the Issuer pursuant to clause 4.3 (a) of the Master Receivables Purchase Agreement;
- (iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A Notes;
- (v) *Fifth*, to replenish the Liquidity Reserve Account up to the Target Liquidity Reserve Amount;
- (vi) *Sixth*, 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;
- (vii) *Seventh*, to credit the Collection Account with the difference if positive between the Revolving Available Amount and the amount paid under item (vi) above;
- (viii) *Eighth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement;
- (ix) *Ninth*, if on any of the three Calculation Dates immediately preceding each Quarterly Payment Date, the sum of the principal amount outstanding of the Flexible Loans and the principal amount outstanding of the Loans so called “*LibeRata*”, in relation to which the relevant Debtors have exercised, during the relevant Collection Period, the contractual option to postpone the payment of the relevant Instalments, is higher than 1% (the “**Trigger**”) of the principal amount outstanding of all the Consumer Loans as at the Valuation Date immediately preceding each Calculation Date (in accordance with the relevant Monthly Report), to credit the Flexible & *LibeRata* Loans Cash Reserve Account up to an amount equal to the sum of the relevant Instalment Interest Components of the Flexible Loans and the Loans so called *LibeRata* not collected by the Issuer during those of the three Collection Periods immediately preceding each Quarterly Payment Date in which the Trigger has been exceeded (the “**Flexible & LibeRata Loans Cash Reserve Amount**”);
- (x) *Tenth*, to pay the interests in respect of the Series B Notes up to an amount that will not cause the First Available Cash Amount Condition to be triggered;
- (xi) *Eleventh*, to pay to the Series B Notes the Additional Return up to an amount that will not cause the Second Available Cash Amount Condition to be triggered.

4.2 Amortisation Period

During the Amortisation 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) 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 Expenses 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 Bank, the Calculation Agent, the Corporate Services Provider and the Representative of the Noteholders;
- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts, the interests in respect of the Series A Notes;
- (iv) *Fourth*, 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;
- (v) *Fifth*, to repay, *pari passu* and *pro rata*, the principal on the Series A Notes;
- (vi) *Sixth*, to pay any and all amounts to be paid under the provisions of the Subscription Agreement;
- (vii) *Seventh*, to pay the interests in respect of the Series B Notes;
- (viii) *Eighth*, to repay the principal in respect of the Series B Notes, only to the extent the Series A Notes have been redeemed in full;
- (ix) *Ninth*, to pay to the Series B Notes the Additional Return.

5. Interest

5.1 Quarterly Payment Date and Interest Period

The Series A 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 February, May, August and November 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 May 2017 (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 rate of interest payable from time to time in respect of the Notes (the “**Rate of Interest**”) in relation to the Initial Interest Period and each Interest Period will be equal to:

- (a) for the Series A Notes: 95 *bps per annum* (the “**Series A Notes Rate of Interest**”); and
- (b) for the Series B Notes: 200 *bps per annum* (the “**Series B Notes Rate of Interest**”).

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

5.3 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).

5.4 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 15 (*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 15 (*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 Order of Priority.

5.5 Calculation by the Representative of the Noteholders

If the Paying Agent or the Issuer (as the case may be) does not at any time for any reason calculate the Interest Amount for the Senior Notes of each Series in accordance with the foregoing provisions of this Condition 5 (*Interest*), the Representative of the Noteholders shall (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) calculate the Interest Amount for the Notes of each relevant Series in the manner specified in Condition 5.3 (*Calculation of Interest Amounts*) above and any such calculation shall be deemed to have been made by the Paying Agent.

5.6 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.

5.7 Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed a notice will be published in accordance with Condition 15 (*Notices*).

5.8 Additional Return

Subject to the provisions of these Conditions and the applicable 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 November 2033 (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 November 2035, 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 15 (*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 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 30 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 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 Without prejudice to the foregoing, should the Originator become the sole holder of all the Senior Notes, it may, under the provisions of the Master Receivables Purchase Agreement, also exercise a

further option (the “**Second Portfolio Call**”) 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 15 Business Days prior written notice before the relevant Quarterly Payment Date and provided that, as at the date the exercise of such option, the following requirements are met:

- (a) the consideration therefore (the “**Second Portfolio Call 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 Quarterly Payment Date immediately following the notice of the exercise of the Second Portfolio Call, the Principal Amount Outstanding of the Senior 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 Senior Notes pursuant to the then applicable Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Quarterly Payment Date;
- (b) the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Second Portfolio Call, in compliance with article 58 of the Banking Act;
- (c) the Originator has delivered to the Issuer a solvency certificate signed by its legal representative on the date of exercise of the option thereof; and
- (d) the Originator has delivered to the Issuer a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) dated not earlier than 5 Business Days before the date of exercise of the option thereof.

The Second Portfolio Call Purchase Price shall be equal to the sum of: (i) the outstanding Instalment Principal Components of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the date of exercise of the Second Portfolio Call; and (ii) the actual value of Defaulted Receivables and Delinquent Receivables as at such Payment Date, as determined by a third party arbitrator jointly appointed by the Originator and the Issuer or, in case the parties do not agree on the person to be appointed, by the chairman of the Italian Banking Association (ABI).

The repurchase of Receivable shall be effective and the payment of the Second Portfolio Call Purchase Price shall be performed on the date of exercise of the Second Portfolio Call.

The Issuer shall apply the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming the Notes in accordance with Condition 4 (*Priority of Payments*) and the provisions of the Intercreditor Agreement.

The provisions specified in clause 17 of the Master Purchase Receivables Agreement shall apply.

- 6.2.3** In case of redemption 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 assets (*patrimonio separado*) 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 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 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.

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 redemption 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

- 6.4.1.** The Notes of each Series will be subject to mandatory redemption in full or in part, in accordance with the applicable Priority of Payments, on each Quarterly Payment Date occurring the earlier of (i) November 2020, (ii) 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 Priority of Payments, and (iv) to the extent that Condition 6.3 (*Redemption for taxation*) is applicable, on 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 Priority of Payments.

6.5 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.

6.6 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*).

6.7 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.8 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 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 0.4%; 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 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 3%;

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

following the purchase by the Issuer of each Subsequent Portfolio, the Revolving Available Amount which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio,

(each, a “**Purchase Termination Event**”), then the Representative of the Noteholders:

- (1) with reference to events listed under letters (C) (*Insolvency of the Originator*), (E) (*Winding-up of the Originator*), (F) (*Bank of Italy order*), (H) (*Termination of the appointment of the Servicer*), (I) (*Trigger Notice*), (J) (*Breach of the Portfolio Default Ratio*), (K) (*Breach of the Cumulative Default Ratio*), (L) (*Collateral Portfolio Performance*), (M) (*Portfolio Delinquency Ratio*) and (N) (*Non disposal of the Revolving Available Amount*) above, in its sole and absolute discretion; or
- (2) with reference to events listed under letters (A) (*Material Breach of Obligations by the Originator*), (B) (*Breach of Representations and Warranties by the Originator*), (D) (*Restructuring Agreements*) and (G) (*Transaction Documents*) above, if so requested by the majority of the Noteholders,
 - (a) of the Series A Notes, until the Principal Amount Outstanding of the Series A Notes will be repaid in full;
 - (b) of the Series B Notes until the Principal Amount Outstanding of the Series B Notes will be repaid in full;

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 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 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*) 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 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 Deed of Pledge 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 Security Interest 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 the holders of at least 50% of the aggregate of the Principal Amount Outstanding of the then Senior Series of Notes or unless it shall have been so 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 Deed of Pledge 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 (a) 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 Deed of Pledge 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 Security Interests 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 Deed of Pledge 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;
- (v) 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. Replacements Notes – Replacements Loan – Option

14.1 Replacement Notes

The Issuer will be entitled (but not obliged) at its option from time to time on any date (other than on a date falling within the Repo Period (as defined below)), without the consent of the Noteholders, but subject to the satisfaction of the conditions set out below, to issue one or more new series of notes to replace the entire existing Series of Notes (the “**Replacement Notes**”) each Series of which shall be required to have:

- (a) the same amortization profile, to the extent applicable, (subject to, for the avoidance of doubt, the effects of a reduction of the interest rate applicable on the Notes as set out in paragraph (c) below and provisions that as a matter of standard practice are applied to newly issued notes, such as, without limitation, provisions that defer the beginning of the amortisation of the notes);
- (b) security consistent with the security benefiting the Series of Notes being replaced, provided that such security shall be created at the date of the issuance of the Replacement Notes and therefore at a date following the creation of the original security, without prejudice to the provisions of the Intercreditor Agreement and of Conditions 4 (*Priority of Payments*) as to the application of all Issuer Available Funds (including amounts rendered available further to the enforcement of any security) in accordance with the applicable Priority of Payments;
- (c) a rate of interest equal to, or less than, the rate of interest applicable to the Series of Notes being replaced; and
- (d) on issue the principal amount of the Replacement Notes shall be in aggregate at least equal to the Principal Amount Outstanding of the Series of Notes being replaced at that time plus any other amount due and payable to the holder of the Notes being replaced as to interest, premium, fees or otherwise.

The proceeds of the issue of the Replacement Notes (which by operation of this Condition 14.1 will not constitute Issuer Available Funds) will have to be applied in full for repayment of the Series of Notes being replaced and the replaced Series of Notes is redeemed in full at their Principal Amount

Outstanding plus interest accrued and unpaid. For the avoidance of doubt, the Replacement Notes may be issued to replace all then existing Series of Notes but may not be issued for the partial replacement of a Series of Notes.

In relation to the above, the following conditions will need to be met and the Representative of the Noteholders shall be satisfied that:

1. the Replacement Notes replacing the Senior Notes have been assigned by the Rating Agencies the same ratings as those then applicable to the corresponding senior notes then outstanding, if any;
2. the conditions necessary to obtain the necessary ratings for the Replacement Notes have been met by the relevant parties (if applicable);
3. each of the Issuer and the Representative of the Noteholders receives a legal opinion (in form and substance satisfactory to the Representative of the Noteholders and to be disclosed to the Rating Agencies) from a firm of lawyers expert of the matter in the Issuer's jurisdiction opining as to the capacity of the Issuer to issue the Replacement Notes and the validity of such Replacement Notes and as to the absence of adverse Tax consequences of such issue for the Issuer and for the Noteholders;
4. no Trigger Event has occurred and is continuing or would occur as a result of such issue of Replacement Notes; and
5. appropriate evidence, acceptable to the Representative of the Noteholders, having been provided that the Issuer will have the necessary financing in place so to have the availability of funds, not subject to the interest of any other person, necessary to redeem in full the Notes corresponding to the Replacement Notes and pay the relevant interest accrued thereon, together with any amount required to be paid under the applicable Priority of Payments in priority thereto or *pari passu* therewith, in each case, immediately prior to the issue thereof.

The Issuer shall give not more than 30 days and not less than 3 Business Days notice of the above redemption and replacement to Monte Titoli. Any notice of redemption and replacement made pursuant to this Condition 14.1 shall be irrevocable (although it may be conditional upon satisfaction of the conditions indicated therein) and, upon the expiration of such notice (provided that the relevant conditions have been satisfied by the dates set out therein), the Issuer shall be bound to replace (in whole but not in part) the relevant Notes in accordance with this Condition 14.1.

Prior to the issue of any Replacement Notes, the Issuer shall inform in writing the Representative of the Noteholders and the Rating Agencies of any proposed issue. For the avoidance of doubt the Rating Agencies have no obligation (or have not committed) to provide such ratings to the Replacements Notes.

14.2 **Replacement Loan**

The Issuer shall alternatively be entitled (but not obliged to) at its option on any date (other than on a date falling within the Repo Period (as defined below)) to obtain a loan (the "**Replacement Loan**") in the place of any Series of Notes having the same characteristics and purpose of the Notes being replaced subject to the Issuer (i) giving a prior written notice to the Rating Agencies; (ii) receiving a legal opinion (in form and substance satisfactory to the Representative of the Noteholders and to be disclosed to the Rating Agencies) from a firm of lawyers expert of the matter in the Issuer's jurisdiction opining as to the capacity of the Issuer and the validity of such loan and as to the absence of adverse Tax consequences of such issue for the Issuer and for the Noteholders; and (iii) obtaining (a) a certificate signed by a duly authorised signatory of the relevant lender, (b) a certificate issued

by the competent companies' register and (c) a certificate issued by the competent Court confirming (with reference to (b) and (c) to the extent applicable) that the lender is neither insolvent nor in a temporary liquidity distress (*in stato di crisi*) for the purposes of the Italian insolvency law and that no resolution has been passed, petition submitted or order issued for the winding-up of the lender or commencement of insolvency proceedings against it. The proceeds of the Replacement Loan (which by operation of this Condition 14.2 will not constitute Issuer Available Funds) will have to be applied in full for repayment of the Series of Notes being replaced and the replaced Series of Notes is redeemed in full at its Principal Amount Outstanding plus interest accrued and unpaid.

For the avoidance of doubt, the lender of a loan granted to the Issuer in accordance with the above provisions will have all the rights that the corresponding Noteholders would have under the Notes being replaced and will be bound by the same obligations binding thereon (including, without limitation, in relation to the right to attend and vote at any meeting convened in relation to the Notes and to request that a meeting shall be convened), provided that any reference herein to formalities specific to the Notes or the Noteholders, shall be interpreted, to the extent applicable, as reference to the corresponding formality concerning a lender or a loan to the extent that such formalities may need to be satisfied.

Upon request of the Issuer, the lender of a loan granted to the Issuer in accordance with the above provisions will be entitled, as a consequence of the disbursement of the loan, to subrogate in the rights of the holders of the Notes being redeemed through the loan pursuant to the terms of article 1202 of the Italian Civil Code and any other applicable legislation.

- 14.3 Save where the context otherwise requires, (i) in the event the Replacement Notes are (or have been) issued pursuant to Condition 14.1, all the definitions which make reference to the Notes shall be construed and interpreted to include such Replacement Notes, all the provisions of the Transaction Documents shall be construed and interpreted to include the Replacement Notes and any reference to Noteholders shall be construed and interpreted to include any Replacement Noteholders, (ii) in the event Replacement Loans are advanced to the Issuer pursuant to Condition 14.2 all the definitions which make reference to the Notes shall be construed and interpreted to include such Replacement Loans, all the provisions of the Transaction Documents shall be construed and interpreted to include the Replacement Loans and any reference to Noteholders shall be construed and interpreted to include any lender under the Replacement Loans and (iii) to the extent necessary or deemed appropriate by the Representative of the Noteholders, the Transaction Documents including for the avoidance of doubt these Conditions, notwithstanding any provision thereof shall be amended without the consent of the Noteholders to take into account the issue of the Replacement Notes or the granting of the Replacement Loan in each case in accordance with the provisions of this Condition 14.

14.4 **Option**

Each of the Noteholders, by way of purchasing the Notes, grants the Issuer a call option to purchase the Notes, to be exercised as an alternative, in whole but not in part, to the issue of Replacement Notes or the granting of a Replacement Loan pursuant to Conditions 14.1 and 14.2 respectively, provided that the Issuer can appoint a nominee to exercise such option, subject to the receipt by the Representative of the Noteholders immediately prior to the giving of the notice referred to below of:

- (a) a legal opinion (satisfactory to the Representative of the Noteholders and to be disclosed to the Rating Agencies) from a firm of lawyers expert of the matter in the Issuer's jurisdiction opining as to the absence of adverse Tax consequences of the exercise of the above call option for the Issuer;

- (b) a certificate signed by a duly authorised signatory of the Issuer confirming that the Issuer is neither insolvent nor in a temporary liquidity distress (*in stato di crisi*) for the purposes of the Italian insolvency law and that no resolution has been passed, petition submitted or order issued for the winding-up of the Issuer or commencement of insolvency proceedings against the Issuer;
- (c) appropriate evidence acceptable thereto that the Issuer, or its nominee, will have the necessary funds, not subject to the interest of any other person, to discharge all the Issuer's outstanding liabilities in respect of any and all amounts required according to Conditions 4 (*Priority of Payments*) to be paid; and
- (d) to the extent the Issuer does not exercise the call option for itself, the details of its nominee to exercise the call option, which shall be a bank or a financial institution or a special purpose vehicle incorporated pursuant to the Securitisation Law and acceptable to the Representative of the Noteholders (acting in its sole discretion),

and provided that:

- (x) no Trigger Event has occurred and is continuing on such Payment Date, or would arise as a result of the exercise of such call option; and
- (y) the Rating Agencies have been previously notified and any amendments and/or modifications in relation to the Transaction Documents has been previously communicated to the Rating Agencies,

the Issuer may on any date (other than on a date falling within the Repo Period), at its option having given not more than 30 days nor less than 3 Business Days' notice to the Representative of the Noteholders, the Servicer and the Noteholders in writing in accordance with Condition 15 (*Notices*), exercise the above call option with regard to all the Notes at their respective Principal Amount Outstanding plus interest accrued and unpaid thereon. The transfer of the Notes to the Issuer or its nominee will be effective as at the transfer date set out in the above notice, in accordance with the provisions set out herein provided that the purchase price of the Notes (that shall be sufficient to repay in full all the Notes in accordance with the Priority of Payments and to extinguish all the payment obligations ranking in priority thereto) has been paid and all relevant formalities for the perfection of the transfer has been finalised, also by the clearing houses which are empowered by the Noteholders to carry out all activities necessary or appropriate to so perfect the transfer by way of their purchasing of any of the Notes.

For the avoidance of doubt, the funds necessary for the exercise of the call option by the Issuer pursuant to this Condition 14.4 may be: (i) the proceeds of the sale of all but not some only of the Receivables, (ii) those rendered available to the Issuer pursuant to a limited recourse loan which may be granted by any entity whatsoever unrelated to the Issuer, the Originator and any company related thereto, provided that no payments due by the Issuer thereunder will be made until such time as the Notes, any other claim ranking in priority thereto pursuant Conditions 4 (*Priority of Payments*) and all costs, expenses and Taxes due to be paid by the Issuer are paid in full, or (iii) those rendered available to the Issuer through such alternative structure as may be supported by a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers expert of the matter in the Issuer's jurisdiction opining as to the capacity of the Issuer and the compliance of structure with applicable laws and as to the absence of adverse Tax consequences of such structure for the Issuer and for the Noteholders, in each case to the extent permitted under applicable laws. In any case, in the event that the Issuer exercises the call option for itself, it will be not entitled to exercise in any Meetings of the Noteholders the votes pertaining to the Notes so purchased. Upon payment of the relevant purchase price by the Issuer and/or its nominee, as the case

may be, the intermediaries indirectly holding the Notes for the account of the previous holders of the Notes in respect of which the call option has been exercised, are expressly authorised to effect any book entries necessary in order for the Issuer and/or its nominee, as the case may be, to ensure their full title to the Notes and the effectiveness of the relevant purchase. Any sale of the Receivables in order to fund such call option will be made in accordance with the provisions of the Intercreditor Agreement.

For the purposes of this Condition 14, “**Repo Period**” means the period in which one or all the Notes of one or all the Series of Notes have been transferred to the European Central Bank and/or to a national Central Bank pursuant to a sale and repurchase agreement entered into between the relevant Noteholder and the European Central Bank and/or a national Central Bank in accordance with the Eurosystem monetary policy instruments and procedures (Implementation of monetary policy in the Euro area).

15. 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 Irish Stock Exchange and the listing rules so require, any notice will also be published on the website of the Irish Stock Exchange 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.

16. 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 A 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 Deed of Pledge 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 Deed of Pledge. 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.

17. 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.

18. 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.

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 Deutsche Bank S.p.A. acting as paying agent pursuant to the Cash Allocation, Management and Agency 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, one-tenth 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, 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 Series A Notes and Series B Notes,

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (a) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, 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), 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 Series A Notes and Series B Notes.

Rules means these Rules of the Organisation of the Noteholders.

Series A Noteholders means the holders of the Series A Notes.

Series B Noteholders means the holders of the Series B Notes.

Senior Notes means the Series A Notes.

Senior Noteholders means the Series A Noteholders.

Series A Notes means the Euro 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033.

Series B Notes means the Euro 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033.

Specified Offices means the office of the Agent located at Piazza del Calendario 3, 20126 Milan, Italy.

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 obtain 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.

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, time and place 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

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.

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, 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 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, *provided however that* if the Representative of the Noteholders is of the opinion that the Series A Noteholders will not be actually or potentially affected by such Basic Terms Modification concerning the Series B Notes, such sanction of the Series A Noteholders will not be required;
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 Series A Noteholders and of the Series B Noteholders (to the extent that the Series A Notes and the Series B Notes are then outstanding) 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 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 agree amendments or modifications to these Rules or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders it is expedient to make or in order to correct a manifest error or an error of a formal, minor or technical nature. 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 Noteholders as soon as practicable thereafter;
- ii may agree amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of “**Basic Terms Modification**”) or to the Transaction Documents, which, in the opinion the Representative of the Noteholders it may be proper to make, or 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 modification or 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

Deed of Pledge

The Representative of the Noteholders shall be entitled to exercise all rights granted by the Issuer in favour of the Noteholders and the other Issuer Secured Creditors under the Deed of Pledge, following the service of a Trigger Notice upon the Issuer following the occurrence of a Trigger Event. The Deed of Pledge is referred to herein as the “**Security Document**” and the beneficiaries of the Deed of Pledge are referred to herein as the “**Secured Parties**”.

The Representative of the Noteholders, acting on behalf of the Secured Parties, subject to it being indemnified to its satisfaction, may, following the delivery of a Trigger Notice:

- (a) appoint and entrust the Issuer to collect, in the Secured Parties’ interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer or any other account opened in the name of the Issuer in accordance with the Transaction Documents;
- (b) acknowledge that the account(s) to which payments have been made in respect of the pledged claims shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code and agrees that such account(s) shall be operated in compliance with the provisions of the Cash Allocation, Management and Agency Agreement and the Intercreditor Agreement;
- (c) agree that all available funds standing to the credit of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account may be used for investments in Eligible Investments;
- (d) agree that cash deriving from time to time from the pledged claims shall be applied in and towards satisfaction of amounts due to the Secured Parties and any other parties according to the applicable Priority of Payments.

The Secured Parties irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Document except in accordance with the foregoing 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 € 1,500,000,000 will be applied by the Issuer to, *inter alia*, pay to Compass Banca S.p.A. the Purchase Price of the Initial Portfolio pursuant to the terms of the Master Receivables Purchase Agreement and to fund the Liquidity Reserve. The estimate of total expenses related to the admission to trading are € 4,540.

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 1 October 2014 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*), and its tax identification number (*codice fiscale*) and VAT number is 03312560968. 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 and the Quarzo 2016 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.

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 € 10,000 and the 90% 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
Mr. Simone Tini	c/o Studio Dattilo Commercialisti Associati, 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 (€)
<i>Issued equity capital</i>	
€ 10,000 fully paid up	10,000
<i>Borrowings</i>	
€ 1,694,000,000 Series A Asset Backed Fixed Rate Notes due February 2032	1,694,000,000
€ 506,000,000 Series B Asset Backed Variable Rate Notes due February 2032	506,000,000
€ 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 2015 and 30 June 2016 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 PricewaterhouseCoopers S.p.A., as set forth in their reports thereon included under Annexes 3 (in relation to the Issuer financial statements as at and for the year ended at 30 June 2015) and 2 (in relation to the Issuer financial statements as at and for the year ended 30 June 2016), below.

PricewaterhouseCoopers S.p.A. is registered under No. 43 in the Special Register (*Albo Speciale*) maintained by CONSOB and set out in article 161 of the Financial Law and under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of the Legislative Decree No. 88 of 27 January 1992, and is also a member of the ASSIREVI – Associazione Nazionale Revisori Contabili. The business address of PricewaterhouseCoopers S.p.A. is Via Monte Rosa, 91 Milan, Italy.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

The Originator has undertaken in the Intercreditor Agreement that, from the Issue Date, it will:

- (i) retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the Securitization in accordance with each of article 405 of Regulation (EU) No. 575/2013 (the “**CRR**”), article 51 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 (the “**AIFM Regulation**”) and article 254 of the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 (“**Regulation 2015/35**”);
- (ii) comply with the disclosure obligations imposed on the originator, sponsor or original lender under the CRR, the AIFM Regulation and the Regulation 2015/35, including without limitation the manner in which retained interest is held, the level of such retained interest, and any matters that could undermine the maintenance of the minimum required net economic interest as referred to above, including such information in the first Investor Report prepared by the Calculation Agent;
- (iii) provide confirmation on a quarterly basis to the Calculation Agent that it continues to retain a material net economic interest of not less than 5 per cent. in the Securitization, for inclusion of such information in the Investor Report prepared by the Calculation Agent and published on the Calculation Agent’s website (<https://tss.sfs.db.com/investpublic/>);
- (iv) notify to the Calculation Agent any change to the level or manner in which such retained interest is held, for inclusion of such information in the Investor Report prepared by the Calculation Agent; and
- (v) with reference to any further information required by the CRR, the AIFM Regulation and the Regulation 2015/35, to the extent not covered under paragraphs (i) to (iv) above, provide such information by way of a notice published on the website referred to under point (iii) above,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the CRR and the AIFM Regulation remain in effect, and provided further that the Originator will not be in breach of any such undertakings, if it fails to comply due to events, actions or circumstances beyond its control.

As at the Issue Date, such interest will be comprised of an interest in the Junior Notes which is not less than 5% of the nominal value of the securitized exposures. The Originator undertakes that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge and it is not to be sold, within the limits of article 405 of the CRR, article 51 of the AIFM Regulation and article 254 of the Regulation 2015/35.

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 recently amended through the Law Decree *Competitività* which, *inter alia*, (i) introduces 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) clarifies 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 Assignment

The assignment of the receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Banking Act (if the parties do not opt for the alternative regime of Law 52/91, as permitted by *Destinazione Italia* Decree with exclusive reference to the assignment of trade receivables (*crediti di impresa*). The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator and third party creditors by way of publication of a notice of such assignment in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and, against the assigned debtors, upon the aforementioned Official Gazette publication as well as registration of such assignment in the Companies’ Register (*registro delle imprese*) competent for the place where the Issuer has its registered office, so avoiding the need for notification to be served on each assigned debtor.

As a result, as at the date of publication of the notice in the Official Gazette and registration with the competent Companies’ Register, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant receivables;
- (b) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Legge Fallimentare*) (the “**Bankruptcy Law**”); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the receivables, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment with the competent Register of Companies, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

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 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 Signing 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.

However, it is to be noted that forced sale proceedings have been widely reviewed by law decree No. 35 of 14 March 2005, converted into law by law No. 80 of 14 May 2005. The forced sale proceedings have been consequently simplified in various aspects, the most notable of which are: (i) a slight reduction of third parties' right of participation to the foreclosure procedure; (ii) more efficient and widespread advertising of sales and auctions to the public; (iii) in addition to public notaries, the sale of real estate properties can be delegated to qualified lawyers and professional accountants (*commercialisti*); (iv) a simplification of the procedures of sale/auction; (v) more restrictions to the borrower being appointed as a custodian (vi) the possibility for the judge supervising the execution to dispose the disputes arising during the distribution phase by way of summary proceedings.

Such reform was aimed at speeding up and simplifying such proceedings and it might lead to a reduction of the length of their time frame.

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 6 February, 2017 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*) and as a pool (*in blocco*), in accordance with the Securitisation Law, all its rights, title and interest arising out of the Initial Portfolio, with legal effect as at the later date between (i) the date on which the relevant notice of assignment of the Receivables is published in the Official Gazette and (ii) the date on which the same notice is filed with the competent Companies’ Register (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 pursuant to article 58, paragraphs 2, 3 and 4 of the Banking Act. Accordingly, each such assignment will be perfected against the Originator and any third party creditors upon publication in the Official Gazette of a notice of such assignment and, against the assigned debtors, upon the aforementioned Official Gazette publication as well as registration of such notice of assignment with the competent Register of Companies (*registro delle imprese*).

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 9 February 2017 No. 17 and the filing of such assignment was acknowledged by the Companies’ Register of Milan on 7 February, 2017.

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 1,499,996,142.46. 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 (a) on the Monthly Payment Date and/or the Quarterly Payment Date (as the case may be) on which its purchase shall take place or (b) if later, on the day on which a notice of the assignment of such Subsequent Portfolio has been published in the Official Gazette and an application for the registration of such assignment has been filed with the competent Register of Companies.

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 14% 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 12% 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 8% 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 70% of aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;
- (e) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables whose Debtors are resident in the south of Italy (*i.e.* Molise, Campania, Puglia, Basilicata, Calabria, Sicilia and Sardegna) is not higher than 55% of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;
- (f) the average annual nominal rate (*TAN*) of the Gross Portfolio is at least equal to 8.5%;
- (g) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables arising under Consumer Loan Agreement entered into with Debtors being autonomus workers (*lavoratori autonomi*) is not higher 28% of the of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;
- (h) the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables arising under Consumer Loan Agreement entered into with Debtors whose income has not been assessed (*reddito certificato*) is not higher 7% of the of the aggregate amount of the Instalment Principal Components of the Outstanding Amount of the Receivables;

- (i) no Trigger Event has occurred;
- (j) no Purchase Termination Event has occurred;
- (k) the aggregate amount of the outstanding Instalment Principal Components of the Receivables arising out of the Flexible Loans together with the aggregate amount of the outstanding Instalment Principal Components of the Receivables arising out of the Loans so called *LibeRata* is not higher than 5% of the aggregate amount of the outstanding Instalment Principal Components of all the Receivables;
- (l) the aggregate amount of the outstanding Instalment Principal Components of the Receivables arising 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;
- (m) the weighted average remaining term of all the Receivables purchased by the Issuer, calculated on the relevant Outstanding Principal, is not longer than 63 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 0.4%; 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 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 3%;

(N) Non disposal of the Revolving Available Amount

following the purchase by the Issuer of each Subsequent Portfolio, the Revolving Available Amount which has not been utilised is higher than 10% the Outstanding Principal of the Initial Portfolio;

(each, a “**Purchase Termination Event**”), then the Representative of the Noteholders:

- (1) with reference to events listed under letters (C) (*Insolvency of the Originator*), (E) (*Winding-up of the Originator*), (F) (*Bank of Italy order*), (H) (*Termination of the appointment of the Servicer*), (I) (*Trigger Notice*), (J) (*Breach of the Portfolio Default Ratio*), (K) (*Breach of the Cumulative Default Ratio*), (L) (*Collateral Portfolio Performance*), (M) (*Portfolio Delinquency Ratio*) and (N) (*Non disposal of the Revolving Available Amount*) above, in its sole and absolute discretion; or
- (2) with reference to events listed under letters (A) (*Material Breach of Obligations by the Originator*), (B) (*Breach of Representations and Warranties by the Originator*), (D) (*Restructuring Agreements*) and (G) (*Transaction Documents*) above, if so requested by the majority of the Noteholders,
 - (a) of the Series A Notes, until the Principal Amount Outstanding of the Series A Notes will be repaid in full;
 - (b) of the Series B Notes until the Principal Amount Outstanding of the Series B Notes will be repaid in full;

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 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 30 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*).

Second Clean-up Option

Without prejudice to the foregoing, should the Originator become the sole holder of all the Senior Notes (and be at the same time the sole holder of the Junior Notes), it may, under the provisions of the Master

Receivables Purchase Agreement, also exercise a further option (the “**Second Portfolio Call**”) 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 15 Business Days prior written notice before the relevant Quarterly Payment Date and provided that, as at the date of the exercise of such option, the following requirements are met:

- (a) the consideration therefore (the “**Second Portfolio Call 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 Quarterly Payment Date immediately following the notice of the exercise of the Second Portfolio Call, the Principal Amount Outstanding of the Senior 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 Senior Notes pursuant to the then applicable Priority of Payments less (y) the Issuer Available Funds of the Issuer as at such Quarterly Payment Date;
- (b) the Originator has obtained all necessary authorisations required by applicable laws and regulations for the exercise of the Second Portfolio Call, in compliance with article 58 of the Banking Act;
- (c) the Originator has delivered to the Issuer a solvency certificate signed by its legal representative on the date of exercise of the Second Portfolio Call; and
- (d) the Originator has delivered to the Issuer a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) dated not earlier than 5 Business Days before the date of exercise of the Second Portfolio Call.

The Second Portfolio Call Purchase Price shall be equal to the sum of: (i) the outstanding Instalment Principal Components of the Receivables (other than Defaulted Receivables and Delinquent Receivables) as at the date of exercise of the Second Portfolio Call; and (ii) the actual value of Defaulted Receivables and Delinquent Receivables as at such Payment Date, as determined by a third party arbitrator jointly appointed by the Originator and the Issuer or, in case the parties do not agree on the person to be appointed, by the chairman of the Italian Banking Association (ABI).

The repurchase of the Receivables and the payment of the Second Portfolio Call Purchase Price shall take place on the date of exercise of the Second Portfolio Call.

The Issuer shall apply the proceeds of the sale of the Portfolio and all other Issuer Available Funds in or towards redeeming the Notes in accordance with Condition 4 (*Priority of Payments*) and the provisions of the Intercreditor Agreement.

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 Security Interest

- (a) The Consumer Loans have been granted in accordance with the Loan Disbursement Policy.
- (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 each agreement, deed or document relating to such Consumer Loan Agreement and/or Security Interest.
- (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.
- (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, as well as in accordance with the lending policies and procedures adopted, from time to time, by Compass.
- (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 and to each other relevant agreement, deed or document in respect of each Security Interest, was duly and unconditionally obtained, made or taken by the time of the execution or perfection of each Consumer Loan Agreement or Security Interest, as the case may be, 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. 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 repudiate any of the obligations under or in respect such Consumer Loan Agreement or other agreement, deed or document relating thereto.

- (j) Each Security Interest is existing and has been duly granted, created, perfected and maintained and remains valid and enforceable in accordance with the terms upon which it was granted, meets all requirements under all applicable laws and regulations and is not in breach of law.
- (k) Compass has not (whether in whole or in part) cancelled, released, reduced or waived or consented to reduce, waive or cancel any guarantee, surety, pledge, collateral and/or other security interest constituting a Security Interest, except to the extent permitted under the Servicing Agreement and as a result of the full or partial repayment of the Consumer Loan. No Consumer Loan contains any provisions entitling the relevant Debtor(s) to any cancellation, release or reduction of the relevant Security Interest other than where and to the extent this is required under any applicable law and/or regulation.
- (l) 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 Issuer belonging to Compass's group) and is freely transferable to the Issuer.
- (m) 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 in favour of any third party.
- (n) 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 C to the relevant Transfer Proposal. The list of Consumer Loans that will be attached as schedule C 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.
- (o) Compass has not, prior to the Signing 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.
- (p) 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 Security Interests, 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.
- (q) The Receivables are not secured by any security that is not transferred to the Issuer pursuant to the Master Receivables Purchase Agreement.

- (r) 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 Security Interests.
- (s) 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.
- (t) No Consumer Loan falls within the definition of a restructured debt (*credito ristrutturato*) or is in the process of being restructured (*credito in corso di ristrutturazione*) under, and within the meaning of, Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza*).
- (u) 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.
- (v) The disbursement, servicing, administration and collection procedures adopted by Compass with respect to each of Consumer Loan, Security Interest 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).
- (w) 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.
- (x) The collection of the Receivables is effected in compliance with the Collection Policies.
- (y) All taxes, duties and fees of any kind, required to be paid by Compass under each Consumer Loan Agreement from the relevant execution date, as well as with respect to the creation and preservation of any Security Interest and 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.
- (z) 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.
- (aa) 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).

- (bb) The payment of the instalments due under each Consumer Loan is effected either by post transfer or by directly debiting the Debtor's account by SDD or by directly debiting the Debtor's credit card.
- (cc) 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.
- (dd) 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 Security Interest 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.
- (ee) 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.
- (ff) With reference to the Consumer Loans in relation to which the Debtor has transferred to Compass any Security Interest or 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.
- (gg) The Receivables comprised in the Initial Portfolio meet and those comprised in each Subsequent Portfolio will meet the Criteria as at the relevant Valuation Date.
- (hh) The Consumer Loans do not violate any provision under articles 1283 (*Anatocismo*), 1345 (*Motivo illecito*) and 1346 (*Requisiti*) of the Italian Civil Code.
- (ii) To the best of Compass's knowledge, no Debtor is subject to any Insolvency Proceeding.
- (jj) All Consumer Loan Agreements have been and/or will be entered into by Compass and the relevant Debtor.

(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 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.
- (f) 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.

Indemnity 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.

Further provisions

- (a) If, at any time after the relevant Legal Effective Date, a Receivable, meeting the Eligibility Criteria, has not been included in the relevant Portfolio, such a Receivable (the “**Additional Receivable**”) shall be deemed to have been assigned and transferred to the Issuer by the Originator as from the relevant Legal Effective Date. In respect of such Additional Receivable, the Issuer shall pay to the Originator, in accordance with the applicable Priority of Payments, an amount equal to the Residual Amount of such Additional Receivable, *less* an amount equal to the sum of:
 - (i) all the amounts received by the Originator as principal in relation to the Additional Receivable from the relevant Valuation Date until the date on which the amounts due by the Issuer hereunder to the Originator will be effectively paid; and

- (ii) the costs and expenses incurred by the Issuer in relation to the purchase of such Additional Receivable.
- (b) If any receivable not meeting the Eligibility Criteria has been erroneously included in a Portfolio and transferred to the Issuer, such a receivable (the “**Excluded Receivable**”) will be deemed not to have been assigned and transferred to the Issuer pursuant to the Master Receivables Purchase Agreement:
 - (a) if the notice of such event is served before the relevant Legal Effective Date:
 - (i) the Portfolio Purchase Price will be reduced for an amount equal to the Individual Purchase Price of such Excluded Receivable; and
 - (ii) within and not later than the immediately succeeding Monthly Payment Date, the Issuer shall pay back an amount equal to the Collections relating to such Excluded Receivable and it shall have the right to receive from the Originator an amount equal to all the costs and expenses incurred in relation to such Excluded Receivable;
 - (b) if the notice of such event is served after the relevant Legal Effective Date, the Originator shall pay to the Issuer an amount equal to the sum of:
 - (i) the (x) Individual Purchase Price of such Excluded Receivable calculated as at the relevant Valuation Date *plus* the margin set out under article 5.2(B)(2)(i) of the Master Receivable Purchase Agreement, *less* (y) any and all amounts received or recovered by the Issuer in relation to such Excluded Receivable; and
 - (ii) increased by an amount equal to all the costs and expenses incurred and documented by the Issuer in relation to such Excluded 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 6 February 2017, 2017 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.

The Servicer has undertaken in relation to each of the Consumer 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 supplemented);
- (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.

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.

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 Bank, the Cash Manager, the Calculation Agent and the Representative of the Noteholders: (i) the Account Bank has 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 provide the Issuer with certain services in relation to the execution of the investment of funds standing to the balance of the Collection Account, the Flexible & *LibeRata* Loans Cash Reserve Account and the Liquidity Reserve Account, upon the terms and subject to the conditions set out in the Cash Allocation, Management and Agency Agreement; and (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.

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, the Flexible & *LibeRata* Loans Cash Reserve 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 (the “**Investor Report**”) and shall deliver such Investor Report to the Rating Agencies on the Investor Report Date.

Each Payments Report will be delivered by e-mail by the Calculation Agent to the Servicer and the Cash Manager and will be made available to the Noteholders, the Issuer, the Representative of the Noteholders, the Cash Manager, the Servicer, the Paying Agent, the Account Bank, the Rating Agencies and certain other persons on a quarterly basis via the Calculation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic/>. Each Investor Report (i) will be made available to the Noteholders, the Issuer, the Representative of the Noteholders, the Cash Manager, the Servicer, the Paying Agent, the Account Bank and certain other persons on a quarterly basis via the Calculation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic/> and (ii) will be sent by e-mail to the Rating Agencies. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are Noteholders, or the other persons referred to in clause 10.2 of the Cash Allocation, Management and Agency Agreement.

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 on or prior to each Settlement Report Date.

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, notify such interest rate and amount to the Initial Subscribers, the Issuer, the Servicer, the Representative of the Noteholders, the other Agents, the Corporate Services Provider and maintain records of the quotations obtained, and all rates determined, by it and make such records available for inspection at all reasonable times upon reasonable notice by the Issuer and the other Agents.

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.

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 Bank, the Paying Agent, the Calculation Agent, the Cash Manager, the Initial Subscribers, 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 Deed of Pledge. The Noteholders and the other Issuer Secured Creditors have agreed that the cash deriving from time to time from the subject matter of the Deed of Pledge, 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 Portfolio.

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 therein 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.

Pursuant to Clause 25.4 of the Intercreditor Agreement, each of the Issuer and the Originator (each, an "**Applicable Entity**" and, together, the "**Applicable Entities**") have appointed the Servicer to act as the designated reporting entity for the purposes of complying with any applicable requirements under Article 8b of Regulation (EC) No. 1060/2009 (as amended) and the corresponding implementing measures from time to time (including the disclosure and reporting requirements under articles 3 to 7 of Regulation (EU) No. 2015/3) (together, the "**Article 8b Requirements**") in respect of the Notes. The Servicer has accepted its appointment as the designated reporting entity and has agreed on behalf of each Applicable Entity to perform (or to procure the performance of) all activities as are required in order for that Applicable Entity to comply with the Article 8b Requirements applicable to it from time to time in respect of the Notes and to carry out such activities in accordance with the Article 8b Requirements and any related technical reporting instructions made by ESMA in connection therewith. All the parties to the Intercreditor Agreement have acknowledged that the Issuer and the Originator will be entitled at any time to appoint a new designated reporting entity (replacing the Servicer) for the purposes of complying with the Article 8b Requirements, by giving notice thereof to the Representative of the Noteholders.

The Intercreditor Agreement will be governed by and will be construed in accordance with Italian law.

DEED OF PLEDGE

Pursuant to a deed of pledge governed by Italian law executed on or about the Issue Date (the "**Deed of Pledge**") the Issuer, in order to ensure the segregation of its rights, has granted in favour of the Noteholders and the other Issuer Secured Creditors (acting through the Representative of the Noteholders) a first priority pledge over: (i) all the monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled pursuant to the Transaction Documents to which the Issuer is a party (except for the Receivables and the amounts deriving from the collection and recovery of the Receivables) and (ii) any existing or future monetary claims and rights of any sum credited from time to time on the Pledged Accounts (as defined under the Deed of Pledge).

The Deed of Pledge will be governed by and will be construed in accordance with Italian law.

CORPORATE SERVICES AGREEMENT

Pursuant to an extension and amendment agreement to the corporate services agreement, entered into on 27 May 2013 in the context of the Quarzo 2013 Securitisation, entered into on 6 February, 2017 between the Issuer and Studio Dattilo Commercialisti Associati (the “**Corporate Services Provider**”), the Corporate Services Provider has agreed to provide any administrative and corporate services to the Issuer (the extension and amendment agreement to the corporate services agreement, 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 liaising with the Representative of the Noteholders.

The Corporate Services Agreement will be governed by and will be construed in accordance with Italian law.

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 Defaulted Receivables and no Delinquent Receivables and the Consumer Loans are fully performing at any given time;
- iii the Receivables are subject to a constant annual prepayment at such rates as shown in the tables below, in equal monthly portions starting from the Issue Date;
- iv redemption on the Series A Notes commences on the Payment Date falling on November 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.

<i>Constant prepayment rate (percentage per annum)</i>	<i>Series A Notes Expected Weighted Average Life (years)</i>	<i>Expected Maturity</i>
<i>0%</i>	5.26	15 February 2024
<i>5%</i>	5.10	15 November 2023
<i>10%</i>	4.95	15 August 2023
<i>15%</i>	4.82	15 May 2023

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 is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes 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. The Substitutive Tax may not be recovered by the Noteholder as a deduction from the income tax due.

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 entities identified by the relevant Decrees of the Ministry of Finance (the “**Intermediaries**”).

An Intermediary 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.

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% (this rate is in force as from the fiscal year following the one in course on December 31, 2016); 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; 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 (as currently listed by Ministerial Decree dated 4 September 1996, the “**White List Country**”); 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 White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a “**Qualified Noteholder**”).

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 deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (b) 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 depositary. 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.

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 Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), 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 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 of the Notes, as well as in respect of capital gains realized at the revocation of its mandate.. 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.

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).
- (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.

4. Stamp Tax

Article 19 of Decree No. 201 of 6 December 2011 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 per cent.

At any rate, a minimum stamp tax of Euro 34.20 is due on a yearly basis.

5. Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, at the end of 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).

SUBSCRIPTION AND SALE

Compass Banca S.p.A., the Representative of the Noteholders and the Issuer have entered into on or about the Issue Date a subscription agreement (the “**Subscription Agreement**”), whereby, *inter alia*, (i) Compass Banca S.p.A. (in such capacity, the “**Senior Notes Initial Subscriber**”) has agreed to subscribe and pay, or procure the subscription and payment, for the Senior Notes at the issue price of 100% per cent. of the aggregate principal amount of the Senior Notes, and (ii) Compass Banca S.p.A. (in such capacity, the “**Junior Notes Initial Subscriber**”) has agreed to subscribe and pay, or procure the subscription and payment, for the Junior Notes at the issue price of 102.07% per cent. of the aggregate principal amount of the Junior Notes.

The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

General Selling Restrictions

Each of the Issuer and the Initial Subscribers has, pursuant to the Subscription Agreement, undertaken to the others that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes the Prospectus or any related offering material, in all cases at its own expense.

United States of America

The Notes have not been and will not be registered under the US 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 certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Notes subscriber has represented and agreed that it will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act.

In addition, until the expiration of 40 (fourty) days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to article 100 of 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 (**Regulation No. 11971**); or
- (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. In no cases (including the ones provided for by article 100 of the Financial Law and article 34-ter of Regulation No. 11971), the

Notes may be subscribed/bought by retail clients, in accordance with Mediobanca Group internal policies adopted in compliance with Consob Communication 0097996 of 22 December 2014.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 16190 of 29 October, 2007 (as amended from time to time) and the Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or other Italian authority.

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*).

EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer of the Notes to the public in that Relevant Member State may, with effect from and including the Relevant Implementation Date, be made:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of the Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

GENERAL INFORMATION

Authorisation

The issue of the Notes has been authorised by resolutions of the board of directors of the Issuer passed on 25 January, 2017.

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 Directive 2003/71/EC, as amended from Directive 2010/73/EU, (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Series A Notes to be admitted to the Official List and trading on the Main Securities Market. Such approval relates only to the Series A Notes which are to be admitted to trading on the Main Securities Market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

Clearing 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 and the Common Codes for the Senior Notes are as follows:

	Series A Notes	Series B Notes
Common Code:	156765805	
ISIN Code:	IT0005243917	IT0005243925

No significant change

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer since 30 June 2016, and there has been no material adverse change in the financial position or prospects of the Issuer since such date.

No material contracts or arrangements, other than those disclosed in this Prospectus, have been entered into by the Issuer since the date of its incorporation.

Legal and arbitration proceedings

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since its incorporation significant effects on the financial position or profitability of the Issuer.

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 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, the Senior Notes Initial Subscriber and the Junior Notes Initial Subscriber.

Accounts

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).

PricewaterhouseCoopers S.p.A. is registered under No. 43 in the Special Register (*Albo Speciale*) maintained by CONSOB and set out in Article 161 of the Financial Law and under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of the Legislative Decree No. 88 of 27 January 1992, and is also a member of the ASSIREVI - Associazione Nazionale Revisori Contabili. The business address of PricewaterhouseCoopers S.p.A. is Via Monte Rosa, 91 Milan, 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 Notes are listed on the Irish Stock Exchange, copies of the following documents will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day (excluding public holidays) at the registered office of the Issuer and at the Specified Office of the Representative of the Noteholders:

- (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;
- (b) the annual audited (to the extent required) financial statements of the Issuer. The financial statements and the financial reports are drafted in Italian;
- (c) the Monthly Report setting forth the performance of the Receivables and Collections made in respect of the Portfolio prepared by the Servicer; and
- (d) copies of the following documents:
 - (i) the Cash Allocation, Management and Agency Agreement;
 - (ii) the Intercreditor Agreement;
 - (iii) the Deed of Pledge;
 - (iv) the Subscription Agreement;
 - (v) the Corporate Services Agreement;
 - (vi) the Master Receivables Purchase Agreement;

- (vii) the Servicing Agreement;
- (viii) the Quotaholders' Agreement; and
- (ix) the Prospectus.

Any references to website and website addresses (and the contents thereof) do not form part of this Prospectus.

As long as the Series A Notes are listed on the Irish Stock Exchange, this Prospectus will be published on the internet website of the Irish Stock Exchange on www.ise.ie.

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 € 90,000 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 Bank (*Banca dei Conti*) means Mediobanca and its 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 Flexible & *LibeRata* Loans Cash Reserve Account, the Liquidity Reserve Account, the Eligible Investments Account, the Securities 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 (x) of the Priority of Payments applicable during the Revolving Period have been made in full up to an amount that will not cause the Second Available Cash Amount Condition to be triggered or, as the case may be, (b) any residual amounts available after that all payments due under items (i) to (viii) of the Priority of Payments applicable during the Amortisation Period 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.

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.

Calculation Agent (*Agente per i Calcoli*) means Deutsche Bank S.p.A. 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 10th 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 February, May, August and November of each year.

Cancellation Date (*Data di Cancellazione*) means the Quarterly Payment Date falling in November 2035.

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 Bank, 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.

Collection Account (*Conto Incassi*) means the Euro denominated account, IBAN No. IT50Y106310160000070201468 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 on 28 February 2017.

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, 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 the context of the Quarzo 2013 Securitisation between the Corporate Services Provider and the Issuer, as amended and supplemented within the context of the Securitisation.

Corporate Services Provider (*Prestatore dei Servizi Amministrativi*) means Studio Dattilo and its permitted successors and assignees.

DBRS means DBRS Ratings Limited.

DBRS Table means the following table:

FOR ELIGIBLE INVESTMENTS MATURING IN 30 DAYS OR LESS						
Highest Rating Assigned to Rated Notes		Minimum Rating				
AAA (sf)		A or R-1 (low)				
AA (high) (sf)		A (low) or R-1 (low)				
AA (sf)		BBB (high) or R-1 (low)				
AA (low) (sf)		BBB (high) or R-1 (low)				
A (high) (sf)		BBB or R-2 (high)				
A (sf)		BBB (low) or R-2 (middle)				
A (low) (sf)		BBB (low) or R-2 (low)				
BBB (high) (sf)		BBB (low) or R-2 (low)				
BBB (sf)		BBB (low) or R-2 (low)				
BBB (low) (sf)		BBB (low) or R-2 (low)				
BB (high) (sf)		BB (high) or R-3				
BB (sf)		BB or R-4				
BB (low) (sf)		BB (low) or R-4				
B (high) (sf)		B (high) or R-4				
B (sf)		B or R-4				
B (low) (sf)		B (low) or R-5				
FOR ELIGIBLE INVESTMENTS MATURING IN GREATER THAN 30 DAYS						
	Senior-Most	Tranche	Senior-Most	Tranche	Senior-Most	Tranche

	Rated AA (low) (sf) and above	Rated A(high) (sf) and A (low) (sf)	Rated BBB (high)(sf) and below
Maximum Maturity	Rating	Rating	Rating
90 days	AA (low) or R-1 (middle)	A (low) or R-1 (low)	BBB (low) or R-2 (middle)
180 days	AA or R-1 (high)	A or R-1 (low)	BBB or R-2 (high)
365 days	AAA or R-1 (high)	A (high) or R-1 (middle)	BBB or R-2 (high)

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.

Deed of Pledge means the deed of pledge governed by Italian law executed on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Account Bank and the Paying Agent, as entity holding the Payments Account.

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 Signing 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.

Eligibility Criteria (*Criteri*) means, with reference to (i) the Initial Portfolio, the objective criteria set out in exhibit 3 (A) of the Master Receivables Purchase Agreement, and (ii) each Subsequent Portfolio, the objective criteria set out in exhibit 3 (B) of the Master Receivables Purchase Agreement together with any additional objective criteria specified in the relevant Transfer Proposal.

Eligible Institution (*Istituzione Eleggibile*) means any depository institution organised under the laws of any State which is a member of the European Union or of the United States whose unsecured, unsubordinated

and unguaranteed debt obligations have at least the following ratings:

(A) with regard to DBRS:

- (i) a long-term Critical Obligations Rating (COR) or, if a long-term Critical Obligations Rating (COR) is not available from DBRS on such institution, an institution's issuer rating or a long-term senior unsecured debt rating at least equal to "BBB" assigned by DBRS. For the avoidance of any doubt, the rating assigned by DBRS will consist of (a) public rating assigned by DBRS, or, in the absence of such public rating, (b) private rating assigned by DBRS, or
- (ii) in the absence of either a public rating or a private rating assigned by DBRS, an Equivalent Rating at least equal to "BBB".

Equivalent Rating means:

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, any of such ratings; and
- (b) if the Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the Equivalence Chart);
- (c) if the Equivalent Rating cannot be determined under paragraph (a) or paragraph (b) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the Equivalent Rating;

and

(B) with regard to Fitch:

a Long-Term Rating at least equal to "BBB" or a short-term rating at least equal to "F2".

Eligible Investments means:

- (A) any Euro denominated and unsubordinated certificate of deposit or Euro denominated and unsubordinated dematerialized debt financial instrument or any commercial paper that:
 - (i) guarantees the restitution of the invested capital; and
 - (ii) are rated at least:
 - (A) with reference to DBRS,
 - a) Maximum maturity (30 days): at least the rating levels as specified in the DBRS Table for investments maturing up to 30 days;

- b) Maximum maturity (greater than 30 days): at least the rating levels as specified in the DBRS Table for investments maturing in greater than 30 days;

Equivalent Rating means:

- 1) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant security are all available at such date, (i) the remaining rating (upon conversion on the basis of the Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, any of such ratings;
- 2) if the Equivalent Rating cannot be determined under (1) above, but public ratings of the Eligible Investment by any two of Fitch, Moody's and S&P are available at such date, the lower rating available (upon conversion on the basis of the Equivalence Chart);
- 3) if the Equivalent Rating cannot be determined under subparagraphs (1) or (2) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available at such date, such rating will be the Equivalent Rating.

and

(B) with reference to Fitch:

- a) Maximum maturity (up to 30 days): at least the rating levels as specified in the Fitch Table for investments maturing up to 30 day;
- b) Maximum maturity (30 days to 365 days): Rating "AA-" (long term) or "F1+" (short term);

(iii) have a maturity date falling not later than the next following Eligible Investments Maturity Date;

- (B) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an entity which qualifies as an Eligible Institution, with a maturity date falling not later than the next following Eligible Investments Maturity Date;
- (C) money market funds (MMF) or other liquidity products similar to MMF which are rated at least "AAmmf" by Fitch or, in the absence of a Fitch rating, MMFs or other liquidity products similar to MMF with the highest rating from at least two other global rating agencies.

It is understood that the Eligible Investments shall not include (i) the Notes or other notes issued in the context of transactions related to the Securitisation or other securitisation transactions nor (ii) credit- linked notes, swaps or other derivatives instruments or synthetic securities.

Eligible Investments Account (*Conto Investimenti*) means the account IBAN No. IT69S1063101600000070201470 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 Investments Maturity Date means the day falling the second Business Day immediately preceding a Payment Date.

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.

Equivalence Chart means the chart below:

DBRS equivalent means the DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P: DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB (high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB (low)	Baa3	BBB-	BBB
BB (high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB (low)	Ba3	BB-	BB-
B (high)	B1	B+	B+
B	B2	B	B
B (low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC
CC	Ca	CC	CC
		C	C
D	C	D	D

Expense Account (*Conto Spese*) means the Euro denominated account IBAN No. IT73X1063101600000070201467, 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).

Final Maturity Date (*Data di Scadenza Legale*) means the Quarterly Payment Date falling in November 2033.

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

First Available Cash Amount Condition means the condition occurring at each Quarterly Payment Date during the Revolving Period if the sum of (a) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the immediately preceding Collection Period and (b) the aggregate of the balance of the Accounts as at the end of the immediately preceding Collection Period less (c) the payments under item (i) to (v) and item (viii) to (x) at such Quarterly Payment Date is not lower than the principal component of the Residual Amount of the Initial Portfolio.

Fitch means Fitch Italia S.p.A.

Fitch Table means the following table:

Minimum Direct Support and Derivative Counterparty Long-Term Rating or Short-Term IDR			
Category of highest rated Notes	Without collateral	With collateral – flip clause	With collateral –no flip clause
AAAsf	A or F1	BBB- or F3	BBB+ or F2
AAsf	A- or F1	BBB- or F3	BBB+ or F2
Asf	BBB or F2	BB+	BBB or F2
BBBsf	BBB- or F3	BB-	BBB- or F3
BBsf	Note rating	B+	BB-
Bsf	Note rating	B-	B-

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 the 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.

Flexible & LibeRata Loans Cash Reserve Account means the Euro denominated account, IBAN No. IT27Z1063101600000070201469, 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.

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.

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 later date between (i) the date on which the notice of assignment of the Receivables comprised in the Initial Portfolio is published in the Official Gazette and (ii) the date on which the same notice is filed with the competent Companies' Register.

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 Subscribers means collectively the Senior Notes Initial Subscriber and the Junior Notes Initial Subscriber.

Initial Valuation Date (*Data di Valutazione Iniziale*) means, in relation to the Initial Portfolio, 5 February 2017.

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 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 Paying Agent, the Servicer, the Cash Manager, the Calculation Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator, 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 which (a) shall be made available via the Calculation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic/> by the Calculation Agent to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Cash Manager, the Paying Agent, the Account Bank and (b) shall be sent by e-mail to the Rating Agencies, on the Investor Report Date pursuant to the Cash Allocation, Management and Agency Agreement.

Investor Report Date means the date which falls 10 Business Days after each Quarterly Payment Date.

Irish Listing Agent means McCann FitzGerald Listing Services Limited.

Irish Stock Exchange means the Official List of the Irish stock exchange on which application has been made for the Notes to be listed.

Issue Date (*Data di Emissione*) means the date of issuance of the Notes, being 15 February 2017.

Issue Price means the price equal to:

- (a) in the case of the Series A, 100% of the Series A Notes Initial Principal Amount; and
- (b) in the case of the Series B, 102.07% 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, 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 Initial Subscribers, the Noteholders, the Representative of the Noteholders, the Originator, the Account Bank, the Cash Manager, the Paying Agent, the Calculation Agent, 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.

Joint Resolution means the resolution of 22 February, 2008 jointly issued by CONSOB and the Bank of Italy as amended 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.

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.

Loan Disbursement Policies (*Procedura 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.

Loans so called LibeRata (*Prestiti LibeRata*) means the Consumer Loan whose Amortisation Plan provides for 11 (eleven) yearly Instalments, due every month, in relation to which Compass has granted to the relevant Debtor, at the time the relevant Consumer Loan Agreement has been entered into, the option not to pay the relevant Instalment due one month of the year (August or December, depending on the option exercised by the relevant Debtor at the time the relevant Consumer Loan Agreement has been entered into).

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 latest between (a) the Monthly Payment Date immediately succeeding the relevant Acceptance Date (provided that the Publicity has been complied with) and (b) the date on which the Publicity has been complied with.

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 No. IT46T1063101600000070201471, 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. **Long-Term Deposit Rating** means the long-term rating which may be assigned From Fitch to a bank account provider.

Long-Term IDR mean, with reference to an institution, the long-term issuer default rating (IDR) assigned from Fitch to such institution.

Long-Term Rating means (i) with reference to the Account Bank, a Long-Term Deposit Rating (if assigned from Fitch) or a Long-Term IDR (where no Long-Term Deposit Rating is assigned from Fitch); and (ii) in any other case, a Long-Term IDR.

Master Receivables Purchase Agreement (*Contratto di Cessione*) means the receivables purchase agreement entered into on the Signing Date between the Issuer and the Originator pursuant to which, according to articles 1 and 4 of the Securitisation Law, (i) the Originator has transferred without recourse (*pro soluto*) and as a pool (“*in blocco*”) 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*) and as a pool (“*in blocco*”) 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 is at Piazzetta E. Cuccia No. 1, 20121, Milan, Italy, 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 (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 on the 15th March 2017.

Monthly Priority of Payments means the order in which the Monthly Available Funds in respect of each Monthly 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 on the 8th March 2017.

Moody's means Moody's Investors Service Ltd.

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 A Notes and the Series B Notes and **Noteholder** means each of them.

Notes (*Titoli*) means, collectively, the Series A 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 (*Agente per i Pagamenti*) means Deutsche Bank S.p.A. and its permitted successors and assignees or any successor pursuant to the terms of the Cash Allocation, Agency and Management Agreement.

Payments Account (*Conto Pagamenti*) means the Euro denominated account IBAN No. IT73P0310401600000000828792, which will be held in Italy with the Paying Agent 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 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 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 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**");

- (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**”); and
- (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 2032 and (b) Euro 660,000,000 Series B Asset Backed Variable Rate Notes due November 2032 (such securitisation, the “**Quarzo 2016 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 “**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.

Prospectus means the prospectus prepared in connection with article 2 of the Securitisation Law and the Directive 2003/71/EC as amended, updated and supplemented from time to time.

Publicity (*Pubblicità*) means in respect of each Portfolio, the occurrence of both of (i) the publication in the Official Gazette of the assignment of such Portfolio and (ii) the filing of an application for the registration of such assignment with the competent Companies’ Register.

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 other amounts standing to the credit of the Accounts (including, without limitation, any amounts deposited into the Flexible & *LibeRata* Loans Cash Reserve Account and 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 (d) below); and
- (d) 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 February, May, August and November 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 the 15th May 2017.

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, 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 1 October 2014 (*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 Fitch 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.

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 Agreement 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 an amount equal to 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; and
- (b) the residual amount of the Issuer Available Funds after having paid item from (i) to (v) 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 Issue Date and ending on the Revolving Period End Date.

Revolving Period End Date means the Monthly Payment Date falling in August 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.

Second Available Cash Amount Condition means the condition occurring at each Quarterly Payment Date during the Revolving Period if the sum of (a) the Instalment Principal Component of the Outstanding Amount of the Collateral Portfolio as at the end of the immediately preceding Collection Period and (b) the aggregate of the balance of the Accounts as at the end of the immediately preceding Collection Period less (c) the payments under item (i) to (v) and item (viii) to (xi) at such Quarterly Payment Date is not lower than the principal component of the Residual Amount of the Initial Portfolio.

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.

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.

Securities Account means a deposit account (and any ancillary account related thereto) No. 1/253509/0 established in the name of the Issuer with the Account Bank into which any Eligible Investment consisting in securities or debt instrument shall be deposited under the Cash Allocation, Management and Agency Agreement.

Senior Notes (*Titoli Senior*) means the Series A Notes.

Senior Notes Initial Subscriber means Compass.

Senior Noteholders (*Portatori dei Titoli Senior*) means the persons who are, for the time being, the holders of the Series A Notes.

Series means each series of Notes issued in the context of the Securitisation.

Series A Notes means Euro 1,215,000,000 Series A Asset Backed Fixed Rate Notes due November 2033.

Series A Notes Initial Principal Amount means Euro 1,215,000,000.

Series B Notes means Euro 285,000,000 Series B Asset Backed Variable Rate Notes due November 2033.

Series B Notes Initial Principal Amount means Euro 285,000,000.

Servicer means Compass and its permitted successors and assignees.

Servicing Agreement (*Contratto di Servicing*) means the servicing agreement entered into on the Signing Date between the Servicer and the Issuer, as amended and supplemented from time to time.

Settlement Report Date means the date which falls 3rd Business Days prior to each Quarterly Payment Date.

Signing Date (*Data di Stipula*) means the date on which the Master Receivables Purchase Agreement, the Servicing Agreement, the Definitions Agreement and the amendment agreement to the Corporate Services Agreement have been entered into, being 6 February 2017.

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.

S&P means Standard & Poor's Credit Market Services Europe Limited.

Studio Dattilo means Studio Dattilo Commercialisti Associati, with offices at Galleria del Corso, No. 2, 20122, Milan, Italy and VAT registration number 10246540156.

Subscription Agreement (*Contratto di Sottoscrizione*) means the subscription agreement for the subscription of the Series A Notes and the Junior Notes entered into on or about the Issue Date between the Issuer, Compass (in its capacity as Senior Notes Initial Subscriber and Junior Notes Initial Subscriber) 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.

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 € 5,899,500 and, following the earlier of (i) the Quarterly Payment Date on which the Series A 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 Deed of Pledge, the Cash Allocation, Management and Agency Agreement, the Corporate Services Agreement, the Subscription Agreement 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.

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*).

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.

ANNEX 1
THE FINANCIAL STATEMENTS OF THE ISSUER AS OF 30 JUNE 2015

QUARZO s.r.l.

**Financial Statement
as of June 30, 2015**



**Gruppo Bancario
MEDIOBANCA**

QUARZO s.r.l.

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

Registered office: 2, Galleria del Corso, 20122 Milan

Fiscal code 03312560968 – VAT code 03312560968

Milan Registrar of Companies, n. 03312560968

Economic Administration Register, n. : 1665517

Authorized Capital Euro 10,000

Registered under n. 32609.0 in the Registrar of Vehicle Companies
at the Bank of Italy

Managed and Coordinated by: Mediobanca S.p.A.

DIRECTORS' REPORT:

FINANCIAL STATEMENTS JUNE 30, 2015

The Financial Statements closed on June 30, 2015 comprise the Balance Sheet, Income Statement, Illustrative Notes, Equity Variations, Total Profitability, Financial Flows, and the Directors' Report.

The Financial Statements dated June 30, 2015 broke even, and was prepared according to the standards of accountancy that were valid on the date of issue.

General information

Presently the Company is based in Milan, Galleria del Corso 2 - 20122 Milano (MI).

The authorized capital (10,000 euro) is composed as follows:

- 90% (for a value of €9,000) held by Compass S.p.A.;
- 10% (for a value of €1,000) held by S.P.V. Holding S.r.l..

Operations of the Company

The only operation of the Company is realizing one or more credit securitizing transactions, governed by Italian Law n. 130/1999 and implementation orders, through onerous purchasing of monetary credits, existing or future, as a package if multiple, and financing the purchase by issuing Securities as described in art. 1 chapter 1, point b) and amendments of Italian Law n. 130/1999.

According to the regulations of the above mentioned law, the credits related to each securitizing transaction form a separate equity.

Actually, no action on those credits is allowed to creditors other than the owners of Securities issued to finance the above mentioned credits. Within the limits of Italian Law n. 130/1999, the Company can commit additional actions aimed at the smooth running of the securitization, or anyway helpful in achieving its business objective, as well as reinvesting the funds, in other financial assets, that are derived from managing the purchased credits, and are not immediately spent to cover the rights generated from the above mentioned securities.

The Company has implemented three securitizing transactions, of which two have been closed and one has started during the year 2012/2013. The first two, started respectively on August 6, 2008 and February 19, 2009, have been closed on May 20, 2013 whereas the third one has been started on May 27, 2013.

Corporate governance and ownership structure

Pursuing its corporate purpose, the Company started, in 2013, a new securitization transaction consisting in purchasing consumer credits from Compass S.p.A. and issuing asset-backed securities listed at the Dublin Stock Exchange.

Pursuant to Article 123-bis of Gov. Decr. No. 58, February 24, 1998, the Director's report of issuers of securities allowed to trade on statutory markets must contain a specific section, called "Report on corporate governance and ownership structure", which, according to paragraph 2, b) of the same Article, should contain information about the "main features of risk management and internal control systems in relation to the financial reporting process - consolidated, if necessary."

The Company has no employees and is not obliged to hire any. It has special representatives in charge of activities related to risk management and internal control systems related to the financial reporting process. The contractual documentation for the securitization regulates the election and activities of each representative of the Company. For more information, see Parts D and F.3. of the Illustrative Notes.

The agents of the transaction are appointed among persons who perform in a professional manner the activity entrusted to them by the Company. These agents will

comply with the requirements of the applicable law, and will help the Company to promptly fulfil its obligations imposed by the transaction documents and by the law.

Main tasks and staff involved:

- (i) the Servicer, who deals, inter alia, with the management of purchased credits;
- (ii) the Corporate Servicer, in charge of the administrative and accounting management;
- (iii) the Cash Manager, the Computation Agent and the Paying Agent, in charge of cash management, calculation, and payment.

In particular, we note that the Servicer is "responsible for the collection of sold credits, and for cash and payment services " as per Article 2, Paragraph 3, subsection (C) of Law 130/1999. According to Article 2, paragraph 6, Law 130/1999, the task of the Servicer can be performed by banks or by intermediaries entered in the Special List as of Article 107, Gov. Decree No. 385, 1 September 1993. The Servicer verifies if operations comply with the law and with the Operating Circular.

Pursuant to the Disposition of the Bank of Italy, 23 August 2000, the Servicer is in charge of operational tasks, but should also guarantee the proper running of the securitization, to the benefit of quota holders and of the market in general.

We emphasize, finally, that financial reports are prepared by the Corporate Servicer, using mainly the data supplied by the entity responsible for the management of purchased credits.

As an issuer of securities admitted to trading on statutory markets of the European Union, the Company is subjected to the requirements of Directive 2004/109/EC (Transparency Directive).

Target market trends during 2015

During the financial year 2014-2015 the Italian economic situation was still under the effects of the global financial crisis started in 2008 as a result of the U.S. sub-prime mortgages. The landscape of international markets and real economy, including the euro area, is still uncertain, so the prospects for recovery remain doubtful and cautious.

Situation of the Company, trends and operation outcome

With reference to the company's assets and activities, no information can be added to what is described in the Illustrative Notes.

The financial year broke even, as operating costs were charged to a separate equity, in compliance with the contract.

In particular, performance indicators are not considered significant with respect to corporate assets. About separate equity fluctuations, please refer to Part D, Section F of the Illustrative Notes.

Significant events after the balance date

After June 30, 2015, the securitization transaction proceeded in a regular manner.

The company is starting a new securitization transaction.

On July, 13, 2015, the company signed a contract for the sale of receivables without recourse with Compass S.p.A. for the purchase of a loan portfolio amounting to € 2,199,998,688 deriving from consumer credit contracts entered into by Compass S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale.

The operation is financed by issuing two series of notes, a senior class in the amount of €1,694,000,000 and a Junior class in the amount of €506,000,000.

The senior notes are listed on the Irish Stock Exchange

Predictable evolution of the operations

The evolution of the operations is predetermined and strictly governed by the contracts signed by the Parties.

Corporate continuity

During the preparation of the Financial Statements, an assessment was made of the Company's ability to operate as an entity with a time horizon of at least twelve months after the date of the Financial Statements. This assessment took into account all the

available information and the specific activities of the Company whose only purpose, in accordance with Law n.130 of April 30, 1999, is the realization of one or more securitization transactions.

Consequently, these Financial Statements was prepared on a going concern basis, since no events or conditions may lead to doubts about the Company's ability to continue as a going concern.

OTHER INFORMATION:

Proprietary shares

The Company does not possess, by itself or through any intermediary, own shares or Shares of its parent companies.

Research and development activities

No specific research and development activities were held.

Related parties:

About securitization transactions, please refer to Section F.3 of the Illustrative Notes, featuring a complete list of the Parties involved.

Management and coordination activities

As of June 30, 2015, the company had no affiliates or subsidiaries.

The Company is an indirect subsidiary of Mediobanca S.p.A., by the intermediation of Compass S.p.A. with registered office in Milan, n. 10 Foro Buonaparte, Fiscal code: 00864530159, which possesses a 90% quota of the authorized capital.

The company is managed and coordinated by Mediobanca S.p.A., registered office in Milan, n. 1, Piazzetta Enrico Cuccia, under art. 2497 and the succeeding, of the Italian Civil Code.

Risks and related hedging policy

The following information refers to the company management; about the separate equity, please refer to Part D, Section F.3 of the Illustrative Notes.

Liquidity risk

The company considers its available liquidity sufficient to meet its financial commitments.

Exchange risk

The Company only operates on a national level, therefore is not subjected to exchange risk.

Credit risk

The Company is not subjected to credit risk.

Interest rate risk

The company is not exposed to interest rate risk as it has financial assets and liabilities are at fixed rates.

Security Policy Document

Please note that, referring to the Company's obligations under the Regulations of Gov. Decr. n. 196 from June 30, 2003 "Personal data protection", given the outsourcing of various activities, especially those assigned to the Servicer by contract (Compass SpA), the latter's Security Policy document is valid, as required by the above mentioned Decree.

Tax Treatment of the Separate Equity

Pursuant to Circular 8/E, dated February 6, 2003, the revenue from separate equity management during the securitization is not available to the Company, therefore it is not

taxable. This treatment confirms the Disposition of the Bank of Italy dated March 29, 2000, stating that the income statement of the Company is not influenced by income and charges relating to securitization management.

Only at the end of the securitization, and after paying all the creditors of the Separate equity, taxes are applied to any funds available to the Company.

Please note furthermore that the Separate Equity assets contain credits for withholding tax applied on interest income earned on current accounts. Pursuant to Resolution No. 222/E from December 5, 2003, this payment may be deducted during the financial year in which the securitization ends.

Milan, July 23, 2015

The Chairman of the Board of Directors

Cesare Castagna

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Milan Registrar of Companies, n. 03312560968

Economic Administration Register, n. : 1665517

Authorized Capital Euro 10,000

Registered under n. 32609.0 in the Registrar of Vehicle Companies
at the Bank of Italy**FINANCIAL STATEMENT AS OF JUNE 30, 2015**

<u>BALANCE SHEET</u>		in Euro 30.06.2015	in Euro 30.06.2014
<u>ASSETS</u>			
60	Receivables	€ 68.066	€ 11.069
120	Fiscal assets	€ 593	€ 1.008
	of which		
	a) current	€ 593	€ 1.008
	b) anticipated	€ -	€ -
140	Other assets	€ 279.466	€ 204.319
	<u>Total assets</u>	€ <u>348.125</u>	€ <u>216.396</u>
<u>LIABILITIES AND NET EQUITY</u>			
70	Fiscal liabilities	€ 1.233	€ 765
	of which		
	a) current	€ 1.233	€ 765
	b) deferred	€ -	€ -
90	Other liabilities	€ 334.362	€ 203.101
120	Capital	€ 10.000	€ 10.000
160	Reserves	€ 2.530	€ 2.530
180	Profit (loss) for year	€ -	€ -
	<u>Total liabilities and equity</u>	€ <u>348.125</u>	€ <u>216.396</u>

<u>INCOME STATEMENT</u>		in Euro 30.06.2015	in Euro 30.06.2014
<u>ITEMS</u>			
INTEREST MARGIN		€ - €	- -
110	Operation expenses	-€ 130.267	-€ 131.703
	of which		
	a) personnel expenses	-€ 19.541	-€ 20.871
	b) other operation expenses	-€ 110.726	-€ 110.832
160	Other management revenues and expenses	€ 131.500	€ 132.468
MANAGEMENT PERFORMANCE		€ 1.233	€ 765
CURRENT MANAGEMENT PROFIT (LOSS) BEFORE TAX		€ 1.233	€ 765
190	Taxes on current management results	-€ 1.233	-€ 765
<u>PROFIT (LOSS) FOR YEAR</u>		€ - €	- -

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at the Bank of Italy

Managed and coordinated by: Mediobanca S.p.A.**Statement of changes in Quota holders' equity**

	Balance on 30.09.2014	Changes in operations	Balance on 01.01.2015	Previous year result allocation		Variations during the year						Total profitability	Net equity as of 30.09.2014
						Operations on net equity							
				Reserves	Dividends and other dispositions	Reserve variations	New securities emissions	Own securities purchase	Extraordinary dividend distribution	Capital instrument variations	Other variations		
Capital	€ 10.000		€ 10.000									€ 10.000	
Premium on emissions													
Reserves a) from profits b) other	€ 2.530		€ 2.530									€ 2.530	
Evaluation reserves													
Capital instruments													
Proprietary shares													
Profit (loss) of the year	€ 0		€ 0									€ 0	
Net equity	€ 12.530		€ 12.530									€ 12.530	

	Balance on 30.09.2014	Changes in operations	Balance on 01.01.2015	Previous year result allocation		Variations during the year						Total profitability	Net equity as of 30.09.2014
						Operations on net equity							
				Reserves	Dividends and other dispositions	Reserve variations	New securities emissions	Own securities purchase	Extraordinary dividend distribution	Capital instrument variations	Other variations		
Capital	€ 10.000		€ 10.000									€ 10.000	
Premium on emissions													
Reserves a) from profits b) other	€ 2.530		€ 2.530									€ 2.530	
Evaluation reserves													
Capital instruments													
Proprietary shares													
Profit (loss) of the year	€ 0		€ 0									€ 0	
Net equity	€ 12.530		€ 12.530									€ 12.530	

Milano, July 23, 2015

The Chairman
of the Board of Directors
Cesare Castagna

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Managed and Coordinated by: Mediobanca S.p.A.

TOTAL PROFITABILITY STATEMENT

Items	Period 1/7/2014 - 30/06/2015	Period 1/7/2013 - 30/06/2014
10. Profit (loss) for period	-	-
Other components of income after-tax	-	-
20. <i>Tangible assets</i>	-	-
30. <i>Intangible assets</i>	-	-
50. <i>Non-current assets to be dismissed</i>	-	-
60. <i>Quota of reserves from participation evaluation on net equity</i>	-	-
Other income components, net of tax and transfer to income statement	-	-
70. <i>Foreign investments hedge</i>	-	-
80. <i>Exchange rate difference</i>	-	-
90. <i>Financial flow hedge</i>	-	-
100. <i>Financial assets available for sale</i>	-	-
110. <i>Non-current assets to be dismissed</i>	-	-
120. <i>Quota of reserves from participation evaluation on net equity</i>	-	-
130. Total other components of income after-tax	-	-
140. Total profitability (Items 10 + 130)	-	-
Milano, lì 23 luglio 2015		
Il Presidente del Consiglio d'Amministrazione Dott. Cesare castagna		

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at the Bank of Italy

CASH FLOW STATEMENT - FINANCIAL INTERMEDIARIES

Direct method

	30.06.2015	30.06.2014
A. OPERATION ACTIVITY		
1. MANAGEMENT	€ 56.997	-€ 319
- interest income and assimilated revenues	€ 1	€ 0
- interest loss and assimilated expenses	€ 0	€ 0
- other costs	-€ 114	-€ 319
- other revenues	€ 57.110	€ 0
- taxes	€ 0	€ 0
2. LIQUIDITY GENERATED/ABSORBED FROM FINANCIAL ASSETS	-€ 131.729	-€ 132.125
3. LIQUIDITY GENERATED/ABSORBED FROM FINANCIAL LIABILITIES	€ 131.729	€ 132.125
NET GENERATED/ABSORBED LIQUIDITY FROM OPERATION	€ 56.997	-€ 319
B. INVESTMENT ACTIVITY		
NET GENERATED/ABSORBED LIQUIDITY FROM INVESTMENTS		
C. FINANCING ACTIVITY		
NET GENERATED/ABSORBED LIQUIDITY FROM FINANCING		
NET GENERATED/ABSORBED LIQUIDITY FOR YEAR	€ 56.997	-€ 319
RECONCILIATION		
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	€ 11.069	€ 11.388
NET TOTAL GENERATED/ABSORBED LIQUIDITY OF THE YEAR	€ 56.997	-€ 319
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	€ 68.066	€ 11.069
<p>Milan, July 23, 2015</p> <p style="text-align: center;">The Chairman of the Board of Directors Cesare Castagna</p>		

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Managed and Coordinated by: Mediobanca S.p.A.

ILLUSTRATIVE NOTES TO THE FINANCIAL STATEMENTS

CLOSED ON JUNE 30, 2015

#

Operations of the Company

The company, founded on October 26, 2001 in compliance with Italian Law n. 130/99, works exclusively in the field of credit securitizing and its only purpose is to realize one or more credit securitization transactions, financed by issuing “*asset-backed*” securities.

Structure and contents of the Financial Statements

The financial statement comprises:

- Balance sheet;
- Income statement;
- Total profitability analysis;
- Statement of changes in equity;
- Cash flow statement;
- Illustrative note;

and is accompanied by the Director's Report.

The amounts are in Euro and, in order to assure a better understanding of the data in the Illustrative notes, additional information on main Financial Statement items is provided.

The financial statements are subject to statutory audit of the audit firm PricewaterhouseCoopers S.p.A.

The Illustrative notes include these sections:

- Section A – Accountancy policies
- Section B – Balance sheet information
- Section C – Income statement information
- Section D – Other information.

Securitization transactions

The accountant presentation of the securitization transactions is in compliance with Italian Law 130/99, which states that “the receivables related to each transaction are a separate equity, apart from company’s equity, and from equities related to other transactions”.

The recording of assets and liabilities in the Illustrative notes conforms to administrative regulations of the Bank of Italy, under art. 9 of the gov. decr. 38/2005, observing IFRS. This approach is also in line with the provisions of Law no. 130/99, according to which receivables relating to each transaction represent assets segregated in all respects from those of the company and those relating to other transactions.

We note that accountancy processing (according to IAS 39) of financial assets or groups of assets, and liabilities as a result of securitization, is still to be elaborated by competent accountant institutions, who have not delivered a formal interpretation by now.

With regulation dated December 22, 2014, which has replaced the Regulation dated January 21, 2014, and considering the principle of substance over form in IFRS, and referring to similar transactions, the Bank of Italy expressly determines the following:

- a) the accounting data pertaining to each securitization transaction will be separately highlighted in a special chapter of the Illustrative Notes;
- b) each chapter will contain all the quantity and quality data needed to present the transaction in a clear and comprehensive manner.

In particular, the Bank of Italy requires to include in the Illustrative Notes a

minimum of information, as described hereafter.

Section D, “*Other information*” must contain a chapter reporting concisely *at least* the following: purchased receivables amount (nominal value and assignment value); issued securities amount, divided by classes and in order of subordination. It does not affect the provision on the basis of which all the information is provided, even if not expressly required, so as to provide a complete overview of the transaction, while information which, by nature or by excessive content, reduces the clarity and immediacy of the information in the document, in accordance with the principle of substance over form, is omitted.

Each described transaction must report *at least* the following information:

About quality:

- description and course of the transaction;
- subjects involved;
- features of the issued Securities;
- additional financial transactions; and
- operational power of the assignee.

About quantity:

- receivables flow information ;
- evolution of matured receivables;
- liquidity flows of the year;
- guarantees and liquidity lines;
- breakdown of securitized assets and debts outstanding at year-end for residual life;
- breakdown of securitized assets by geographic area and by currency; and
- risk concentration and information regarding the degree of subdivision of the portfolio.

SECTION A - ACCOUNTANCY POLICIES#**A.1 GENERALITIES****Chapter 1: Declaration of compliance with International Accounting Standards**

The Financial Statements of the vehicle were prepared according to the accounting standards of the International Accounting Standards Board (“IASB”) and the related interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Commission according to the procedure in Article 6 of the Regulations (CE) n. 1606/2002 of the European Parliament and the Council of July 19, 2002. The Financial Statements tables, the Statement of changes in equity, the Cash Flow Statement, and the Illustrative Notes are prepared according to the Regulation issued by the Bank of Italy, dated December 22, 2014, which has replaced the previous Regulation dated January 21, 2014.

Please note that the status of securitizing transactions described in SECTION D, is, on the contrary, prepared according to national accounting standards, given that IAS/IFRS are not applicable in this case.

Reclassification of previous years balances

Pursuant to IAS 8, we confirm that no changes were made in accountancy policies nor in accounting evaluation, compared to the previous financial year.

Amendments to IAS/IFRS

As from July 1, 2013, the new accounting principle IFRS 13 has entered into force (Evaluation of the fair value), which collects all the information to determine the fair value previously contained in the various principles and introduces some clarifications on the fair value of derivative contracts related to the credit risk of the counterparty.

We emphasize that the company does not hold any financial instruments values at fair value. For further details please refer to section A.4.

There are no additional amendments to accounting standards approved by IASB and by the European Commission, concerning the Company and applying to the

preparation of these Financial Statements, mandatory for the year 2014-2015.

IFRS 8 "Operating Segments"

The Company, as an issuer of securities listed on statutory markets, is required to provide segment information in accordance with IFRS 8 "Operating Segments", which entered into force as from 2009.

IFRS 8 requires operating segments subject to Financial Statements information to be identified on the basis of internal reports, which are verified by company management in order to assess the performance of various segments and to allocate resources accordingly.

In this regard, we omit the information required by IFRS 8, as the division in segments is not relevant in view of the nature of the Company.

Chapter 2: General Accounting Principles

The Financial Statements have taken into consideration the International Accounting Rules as well as the Bank of Italy instructions as per Governor's Regulation dated December 22, 2014 (concerning statements of financial institutions) and, when necessary, other regulations.

The Financial Statements have been prepared with the aim of representing correctly and truthfully the equity and financial status, the year's result, and the cash flows.

These Financial Statements is based on the following general principles:

Corporate continuity

Receivables and payables are evaluated according to their functional value, as they are supposed to be long-lasting.

Competence

Costs and revenues are registered, notwithstanding their settlement, for the period of maturity and according to the correlation standard.

Accrual Basis of Accounting

Presentation and classification of items were unchanged over time in order to ensure the comparability of the information, unless such change is required by an International Accounting Standard or an Interpretation, or where such change makes the representation of values more appropriate in terms of significance and reliability. If a criterion for the presentation or classification is changed, the new one applies - where possible – retroactively; in such a case the nature and reason for the change are indicated, as well as the items concerned. In the presentation and classification of items the new financial statement outlines prepared by the Bank of Italy with the decree of the Governor dated December 22, 2014, are adopted.

Materiality and Aggregation

Groups of similar items are reported separately. Significant items of different nature or function are represented in a distinct manner.

No offsetting

Assets and liabilities, income and expenses are not offset, unless this is required or permitted by an International Accounting Standard or an Interpretation or from the schemes and instructions prepared by the Bank of Italy.

Comparative information

Comparison is provided for every item of accountancy, except under different dispositions of a IAS or an Interpretation. Descriptions are included if necessary for a better understanding of the items.

The balance differences caused by changing accountancy standards during the transition, are assigned directly to a special Equity Reserve.

Chapter 3: Significant events subsequent to the date of the interim financial statements

After June 30, 2015, the securitization transaction developed in a regular manner.

The company is currently realizing a new credit securitization transaction.

On July, 13, 2015, the company signed a contract for the sale of receivables without recourse with Compass S.p.A. for the purchase of a loan portfolio amounting to € 2,199,998,688 deriving from consumer credit contracts entered into by Compass S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale.

The operation is financed by issuing two series of notes, a senior class in the amount of €1,694,000,000 and a Junior class in the amount of €506,000,000.

The senior notes are listed on the Irish Stock Exchange

Corporate continuity

During the preparation of the Financial Statements, we assessed the preconditions relating to the Company's ability to operate as an entity for at least twelve months after the date of the Financial Statements. In this assessment we used all the available information and specific activities performed by the Company whose only corporate purpose, in accordance with the Law 130, April 30, 1999, is the realization of one or more securitization transactions.

Consequently, the Financial Statements has been prepared with the prospect of continuing the activity, since there are no events or conditions that may lead to doubts about the Company's ability to remain a working entity.

A.2 MAIN ELEMENTS OF THE FINANCIAL STATEMENTS

Receivables

Registration standards

Receivables and payables are initially registered at fair value.

Standards for evaluation and recognizing of receivables

After initial recognition, except in case of events that bring about value losses, the receivables keep their initial registration value. The short term nature of these receivables makes the effect of time-discounting, according to cost amortization rule, negligible. Receivables are analysed for impairment and if impaired, a value adjustment is registered in the income statement.

The original value of receivables is restored during the following financial periods if the reasons for recognising an impairment no longer exists and the is due to an event that occurred after the impairment loss was recognised. The reversal of impairment losses is recognised in the Statement of Income.

Derecognizing standards

Receivables are derecognised from the Balance Sheet only when contract rights to the cash flows from the financial asset expire, or when they are sold transferring substantially all the risks and rewards of ownership. Otherwise, receivables continue to be recognised in the Balance Sheet, even if their juridical possession was assigned to third parties.

Payables, given their short term, keep their initial value after their initial recognition.

Tax Assets and Liabilities

This item includes current and deferred tax assets and liabilities.

Income taxes, current and deferred, are calculated in compliance with current tax legislation.

The recognition of deferred tax occurs at the time the different types of taxes are ascertainable.

Current and deferred tax assets and liabilities are presented without any compensation.

Current tax assets are registered by entering the nominal value of related credits into advance tax payment. The current tax liabilities are also recorded at their nominal value, for withholding tax, while yearly income taxes are estimated realistically, applying the tax law in force.

The current taxes (assets and liabilities) are cancelled when the different types of taxes operated as a withholding tax are paid at maturity according to law.

Other assets

This item includes receivables not related to other items of the Financial Statements. These items are recorded at nominal value or at net realizable value, if lower.

Other liabilities

This item includes amounts not related to other items of the Financial Statements, including supplier payables and separate equity payables.

These items are recorded at nominal value.

Costs and revenues

The costs and revenues of the year are registered in the Financial Statements according to the accruals basis of accounting. Costs and Revenues are included in the Income Statement only when it is considered probable that economic benefits will flow in or out of the Company and when their value can be reliably measured, and, when risks and benefits concerning assets and liabilities have been transferred. In particular, the costs and revenues are recognized in the income statement at the time of occurrence of the economic event.

Evaluation standards used during the preparation of the Operating Circular

The accounting information related to the securitization transaction is illustrated in the Enclosed documents to the Illustrative Notes, according to the Regulation dated December 22, 2014 – “Instructions for preparing the financial statements of financial intermediaries registered in the Special list” of the Bank of Italy.

The standards required by the Operating Circular are those set by Gov. Decree 87/1992 and its amendments, as securitization transactions are not governed by IAS/IFRS, as already mentioned in Part A – Accountancy policies.

All items include amounts deriving from the accounting and internal information system. The accounting methodology applied allows, through reclassification entries, to reconcile to the line items of the table above with the accountancy.

Below are descriptions of the standards applied to evaluate the most significant items.

Securitized assets

The receivables are registered at their purchase cost and are reduced as a result of collections during the year. They are evaluated according to the estimated realizable value.

The value adjustments reflect the specific information received by the Servicer on the estimates of the recoverable amount.

Specifically, the adjustments are determined, both with regard to performing loans and non-performing loans, according to the same methodology of impairment used by the Originator in the preparation of its financial statements and based on risk parameters internally developed and on historical series updated to the date of observation from the same the Originator, developed for the types of credit in question.

Also they include accrued interest receivables that can be collectable.

Other assets (Receivables, Prepaid expenses and Accrued income)

The receivables are registered at their nominal value which equals their presumable market value.

Prepaid expenses and accrued income are displayed at their nominal value. Prepaid expenses and accrued income are accounted for under the accruals basis of accounting.

Application of the Funds

Displayed at their nominal value.

Investments and similar to liquidity

The item Investments and similar to liquidity contains investments and related accruals: those receivables are at face value, which represents the estimated realizable value.

Accruals and prepayments are determined according to the criteria of economic competence.

Issued securities

Issued securities are displayed at their nominal value and are refunded exclusively with the amounts coming from the collection of receivables subject to assignment. The adjustments reflect the specific information received from Servicer on the estimates of recoverable amount. These transactions are determined, both with regard to performing loans and non-performing loans, according to the same impairment method used by the Originator in the preparation of its financial statements and based on risk parameters internally developed and historical series updated by the Originator at the examination date, developed for this types of receivables.

Also they include accrued interest income considered recoverable.

Other liabilities (payables, accrued expenses and deferred income)

Liabilities, accrued expenses and deferred income are recorded at their nominal value. Accrued expenses and deferred income were accounted for using the accruals basis of accounting.

Interests, commissions, incomes and expenses

The income and expenses related to securitized assets and to issued securities, interests, commissions, revenues, and other income and expenses, are accounted for using the accruals basis of accounting. The gains and losses on receivables are recorded at the moment of collection/payment.

Off-balance sheet transactions

Derivative contracts are entered into exclusively for hedging purposes and are valued at cost.

As provided in Circular n. 8 of February 6, 2003 of the Italian Taxpayer's Office, regarding the tax treatment of separate equities of securitization companies, the estimate of direct taxes is based only on the taxable income of the vehicle company.

A.3 INFORMATION ON TRANSFERS BETWEEN INVESTMENT PORTFOLIOS

There are no transfers of portfolios during the financial year.

A.4 INFORMATION ON FAIR VALUE

The company does not hold any financial instruments valued at fair value on a recurring basis which are classified in Levels 2 and 3 of IFRS 13.

Financial instruments not valued at fair value on a recurring basis such as payables and receivables to customers and banks are not managed on the basis of fair value.

For these instruments, the fair value is calculated only for the purpose of fulfilling requests for information to the market and this value has no impact on the financial statements or in terms of profits or losses.

The fair value of receivables and payables to banks has been conventionally regarded as equal to the Relevant book value because of their short duration.

A5. DAY ONE PROFIT

Given the company's activities, this part of the Illustrative Notes is not applicable.

SECTION B- Balance sheet information**ASSETS*****Part 6 – Receivables – Item 60***

	30-06-2015	30-06-2014
60. Receivables	€ 68,066	€ 11,069

6.1 “Bank receivables”

Structure	Total 30.06.2015	Total 30.06.2014
1. Deposits and current accounts	€ 68,066	€ 11,069
2. Financing		
2.1 Repurchase agreements		
2.2 From financial lease		
2.3 from factoring		
- credits to assignors		
- credits to assignee debtors		
2.4 Other financing		
3. Debt instruments		
- structured securities		
- other debt instruments		
4. Other assets		
Total Financial Statements value	€ 68,066	€ 11,069
Total fair value L.1	€ 68,066	€ 11,069

The amount includes the temporary active balance of the following current accounts:

Deutsche Bank 822883 – Corporate Capital Account	€ 68,066	€ 11,069
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Part 12 – Tax assets and liabilities*12.1 Structure of item 120 “Tax assets: current and deferred”*

	30-06-2015	30-06-2014
120. Tax Assets	€ 593	€ 1,008

Il saldo è composto dalle voci:

- Advances on IRES (corporate income tax)	€ 593	€ 971
- Treasury c/tax offset	€ -	€ 37

The balance, entirely represented by current taxes, consists of surplus or tax advances paid during the period.

12.2 Structure of item 70 “Tax liabilities: current and deferred”

About variations in this item, please refer to the information contained in Part 7 – Tax liabilities.

Part 14 – Other assets – Item 140*14.1 Structure of item 140 “Other assets”*

	30-06-2015	30-06-2014
140. Other assets	€ 279,466	€ 204,319

The balance includes the following items::

- Discount receivables	€ 271,561	€ 139,451
- Various receivables	€ 2,710	€ 2,710
- Prepaid expenses	€ 5,025	€ 5,047
- Credit towards Compass	€ -	€ 57,111

The balance includes receivables from separate equities deriving from Securitizing transactions, and deferred assets from insurance premium.

LIABILITIES***Part 7 – Tax liabilities – Item 70***

	30-06-2015	30-06-2014
70. Tax liabilities	€ 1,233	€ 765

The balance includes the following items:

- Tax reserve and taxes for the year € 1,233 € 765

A. Opening balance	€ 765
B. Used for tax payment	€ (765)
C. Provisions	
- IRES (corporate income tax)	€ 1,233
- IRAP (regional production income tax)	€ -
D. Closing balance	€ 1,233

Part 9 – Other liabilities – Item 90***9.1 Structure of Item 90 “Other liabilities”***

	30-06-2015	30-06-2014
90, Other liabilities	€ 334,362	€ 203,101

The balance includes the following items:

- Supplier payables for invoices to be received	€ 28,307	€ 36,454
- Supplier payables	€ 28,512	€ 10,370
- Discount payables	€ 277,187	€ 156,227
- Other payables	€ 356	€ 50

Part 12 – Equity – Items 120, 130, 140, 150, 160, and 170

12.1 Structure of Item 120 “Capital”

	30-06-2015	30-06-2014
120. Capital	€ 10,000	€ 10,000

The capital, fully paid-up, on the date of closing the Financial Statements, June 30, 2015, was composed as follows:

- 90% - Compass S.p.A. for a value of €9,000; and
- 10% - S.P.V. Holding S.r.l. for a value of €1,000.

12.1 Structure of item 120 “Capital”

Types	Amount
Capital	10,000
1.1 Ordinary shares	-
1.2 Other shares (quotas)	10,000

12.5 Altre informazioni

	30-06-2015	30-06-2014
160. Reserve	€ 2,530	€ 2,530

Quota holders’ equity changes

	CAPITAL	RESERVE	INCOME FOR YEAR	TOTAL EQUITY
Balance on 30.06.13	€10,000	€2,530	-	€12,530
Balance on 30.06.14	€10,000	€2,530	-	€12,530
Balance on 30.06.15	€10,000	€2,530	-	€12,530

Please find below the required info from Article 2427, paragraph 1, subsection 7 bis, of the Italian Civil Code.

Nature/description	Amount	Possibility of use	Available amount
Capital	10,000		
Legal reserve	2,000	B	-----
Profit reserves	530	A,B,C	530
Profit for year	0	A,B,C	0
Total balance on 30.06.15	12,530		530

Legend - A: for capital increase; B: for loss coverage; C: for distribution between quota holders.

SECTION C - INCOME STATEMENT INFORMATION

Part 9 - Management costs - Item 110

9.1 Structure of the item 110.a "Personnel costs"

The amount includes Directors' Civil Liability insurance and retribution to the Board of Statutory Auditors.

Items/Departments	Total 30-06-2015	Total 30-06-2014
1. Employees a) wages and salaries b) social security charges c) severance pay d) pension costs e) provision for severance indemnities f) provisions for pensions and similar obligations: - Defined contribution - Defined benefit g) payments to external pension funds: - Defined contribution - Defined benefit h) other costs 2. Other personnel 3. Directors and auditors 4. Retired personnel 5. Recovery of expenses for employees seconded to other companies 6. Refund of expenses for employees seconded to the company	€ 19,541	€ 20,871
Total	€ 19,541	€ 20,871

9.2 Average number of employees per category

The company has no working employees

9.3 Structure of item 110.b “Other management costs”

The amount includes administrative costs, for costs related to the management of the company, as follows:

	30-06-2015		30-06-2014	
Other management costs	€	110,726	€	110,832
Statutory audit	€	37,469	€	37,245
Professional services	€	10,249	€	9,967
Miscellaneous expenditure	€	32,447	€	38,757
Contingent liabilities	€	4,482	€	1,216
Notary expenses	€	2,036	€	644
Software expenses	€	24,475	€	23,003
Contingent assets	€	(432)	€	-

The costs for software are referred to the system of electronic storage of documents. The item miscellaneous expenses is largely made up of the cost for maintaining corporate books (€30,500).

Part 14 – Other operating revenues and expenses - Item 160

14.1 Structure of the item 160 “Other operating revenues and expenses”

	30-06-2015		30-06-2014	
160. Other operating revenues and expenses	€	131,500	€	132,468
Non-deductible expenses	€	-	€	(910)
Stamp duty	€	100	€	-
Annual Subscription Chamber of Commerce	€	(200)	€	(200)
Endorsement of corporate books	€	(309)	€	(309)
Revenues for reimbursement of expenses	€	132,109	€	133,849
Rebates received	€	-	€	3
Contingent Assets	€	-	€	35

This item mainly consists of cost refund revenues concerning expenses on separate equities.

Part 17 - Income tax on current operation – Item 190

17.1 Structure of the item 190 “Income tax on current operation”

	30-06-2015	30-06-2014
190. Income tax	€ 1,233	€ 765

	Total 30.06.2015	Total 30.06.2014
1. Current taxes (-)	€ 1,233	€ 765
2. Current tax fluctuation compared to previous years (+/-)	€ -	€ -
3. Reduction of current taxes for the year (+)	€ -	€ -
4. Prepaid taxes fluctuation (+/-)	€ -	€ -
5. Deferred taxes fluctuation (+/-)	€ -	€ -
Taxes for the year (-)	€ 1,233	€ 765

17.2 Reconciliation of the theoretical tax burden with the actual budget

	Taxable	Rate	Tax
Hypothetical IRES	€1,233	27,5%	€339
Increases			
Contingent losses			
Non-deductible expenses	€4,482	27,5%	€1,233
Decreases			
Tax reversal	€1,233	27,5%	€339
Effective IRES	€4,482	27,5%	€1,233

SECTION D – OTHER INFORMATION**Part 1 – Specific reference to company operation****F – CREDIT SECURITIZATION****SECURITIZATION 2013*****F.1 - Summary of the securitization assets and the issued Securities***

		30.06.2015	30.06.2014
A	SECURITIZATION ASSETS	3,374,533,847	3,430,202,749
A1	Receivables Receivables acquired from the Originator	3,325,706,169	3,384,663,922
A3	Other receivables	48,827,678	45,538,827
B	APPLICATION OF THE FUNDS DERIVING FROM THE RECEIVABLES MANAGEMENT	177,061,305	170,538,396
B1	Debt instruments, including Money Market Fund	-	-
B3	Liquidity	176,781,671	170,379,746
B4	Accrued income and Prepaid expenses	2,442	2,421
B5	Premium receivables	277,187	156,227
B6	Withholding tax on interest	5	2
C	ISSUED SECURITIES	3,500,000,000	3,500,000,000
C1	Class A securities	2,960,000,000	2,960,000,000
C2	Class B securities	540,000,000	540,000,000
D	RECEIVED FINANCING	-	-
E	OTHER LIABILITIES	51,595,152	100,741,145
E1	Premium payables	271,561	139,451
E2	Other reserves	35,000,000	35,000,000
E3	Payables towards the Originator	325,707	437,240
E6	Advances from Customers	57,890	56,082
E7	Various accrued expenses	5,717,221	62,895,455
E8	Various payables	10,222,773	2,212,917

F	INTEREST COSTS ON ISSUED SECURITIES	185,051,020	298,634,648
G	COMMISSIONS AND FEES CONCERNING THE TRANSACTION	17,629,044	17,590,696
G1	Servicing fee	17,513,619	17,463,526
G2	For other services	115,425	127,170
	Paying Agent	5,000	8,000
	Computation Agent & Cash Manager	15,000	24,000
	Representative of the Noteholders	12,200	12,150
	Listing Fees	14,588	13,964
	Corporate Fees	63,757	63,380
	Back-up servicer fees	4,880	5,676
H	OTHER EXPENSES	182,873,570	62,953,098
H1	Vehicle costs	132,109	133,849
H2	Interest rate swap	-	-
H5	Loss on receivables	82,097,556	4,285,993
H6	Other costs	119	116
H9	Credits depreciation	100,643,755	58,531,457
H10	Contingent losses	31	1,683
I	INTERESTS DERIVING FROM SECURITIZATION ASSETS	369,123,793	370,120,350
L	OTHER INCOME	16,429,841	9,058,092
L1	Interest income on current accounts	2,445	105,044
L2	Interest income on MMF	-	-
L3	Cost refunds	7,245,273	6,689,494
L5	Write up of receivables	6,550,901	281,953
L6	Interest on arrears	284,916	10,739
L7	Prepayment commissions	2,346,293	1,970,862
L8	Contingent Assets	13	-

The values included in the items related to economic components were inserted according to the accrual basis.

DETAILS OF THE ITEMS REFERRING TO THE PREVIOUS TABLE

		30-06-2015		30-06-2014
A. <u>SECURITIZED ASSETS</u>		€ 3,374,533,847	€	3,430,202,749
A1. Securitized receivables		€ 3,325,706,169	€	3,384,663,922
A3. Other receivables		€ 48,827,678	€	45,538,827
<u>B. APPLICATION OF THE FUNDS DERIVING FROM RECEIVABLES MANAGEMENT</u>		€ 177,061,305	€	170,538,396
B3. Liquidity		€ 176,781,671	€	170,379,746
Expenses Account	c/c n.826255	€ 49,989	€	45.766
Collection Account	c/c n. 29540408	€ 141,731,682	€	135.326.867
Payment Account	c/c n. 29540407	€ -	€	1.935
Reserve Amount	c/c n. 29540410	€ 35,000,000	€	35.005.178
B4. Prepaid Expenses and Accrued Income		€ 2,442	€	2,421
B5. Premium receivables		€ 277,187	€	156,227
B6. Withholding tax on interest		€ 5	€	2
<u>C. ISSUED SECURITIES</u>		€ 3,500,000,000	€	3,500,000,000
In detail:				
- Class A securities		€ 2,960,000,000	€	2,960,000,000
- Class B securities		€ 540,000,000	€	540,000,000
<u>E. OTHER LIABILITIES</u>		€ 51,595,152	€	100,741,145
E1. Premium payables		€ 271,561	€	139,451
In detail:				

SPV charges on separate equity	€	271,561	€	139,451
E2. Other reserves	€	35,000,000	€	35,000,000
Details:				
- Cash Reserve	€	35,000,000	€	35,000,000
E3. Payables towards the Originator	€	325,707	€	437,240
E6. Advances from Clients	€	57,890	€	56,082
E7. Various accrued expenses	€	5,717,221	€	62,895,455
Including:				
accrued expenses on interests on Securities	€	5,717,221	€	62,895,455
E8. Various payables	€	10,222,773	€	2,212,917
Including:				
Supplier payables for services	€	4,270	€	4,270
Supplier payables for invoices to be received	€	2,208,647	€	2,208,647
Various payables	€	8,009,856	€	-
<u>F. INTEREST LOSS ON ISSUED SECURITIES</u>	€	185,051,020	€	298,634,648
Including:				
- on class A bonds	€	66,024,445	€	66,024,444
- on class B bonds (Junior Notes)	€	16,425,000	€	16,425,000
- J.N. Additional Return	€	102,601,575	€	216,185,204
<u>G. COMMISSIONS AND FEES CONCERNING THE TRANSACTION</u>	€	17,629,044	€	17,590,696
G1. Servicing fee	€	17,513,619	€	17,463,526
Detail:				
- Servicing Fee	€	17,513,619	€	17,463,526
G2. Commissions for other services	€	115,425	€	127,170

Detail:

- Paying Agent	€	5,000	€	8,000
- Computation Agent & Cash Manager	€	15,000	€	24,000
- Representative of the Noteholders	€	12,200	€	12,150
- Listing Fees	€	14,588	€	13,964
- Corporate Fees	€	63,757	€	63,380
- Back-up Servicer Fees	€	4,880	€	5,676

<u>H. OTHER EXPENSES</u>	€	182,873,570	€	62,953,098
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H1. Vehicle maintenance costs	€	132,109	€	133,849
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H5. Loss on receivables	€	82,097,556	€	4,285,993
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H6. Other costs	€	119	€	116
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In detail:

Stamp Duties	€	100	€	92
Bank expenses	€	19	€	16
Other	€	-	€	8

H9. Credits depreciation	€	100,643,755	€	58,531,457
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H10. Contingent Losses	€	31	€	1,683
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<u>I. INTERESTS FROM SECURITIZED ASSETS</u>	€	369,123,793	€	370,120,350
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Detail:

Interests on securitized receivables	€	369,123,793	€	370,120,350
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<u>L. OTHER REVENUES</u>	€	16,429,841	€	9,058,092
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L1. Interest income on current accounts	€	2,445	€	105,044
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L3. Cost refund	€	7,245,273	€	6,689,494
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L5. Write up of receivables	€	6.550.901	€	281.953
L6. Interest on arrears	€	284.916	€	10.739
L7. Prepayment commission	€	2.346.293	€	1.970.862
L8. Contingent Assets	€	13	€	-

QUALITY INFORMATION

F.2 - Transaction description and development

- **Date of the transaction**

The transaction was held on May 27, 2013, which is the date of establishing the contract for purchasing the initial credit portfolio worth a nominal and assignment value of 3,499,999,539.65 Euro. The securities through which the purchase was financed were issued on June 5, 2013.

- **Originator**

Compass S.p.A., a company founded in Italy as a Public limited company, with registered office on 10, Foro Buonaparte, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 107 of gov. decr. N. 385 from 01 Sept 1993. Compass is part of Gruppo Mediobanca, an Italian banking group.

- **Assignment credits**

According to a “package credit” assignment contract, under art. 4 of Italian Law 130, signed on May 27, 2013 and effective since this date, the Company has purchased non-recourse from COMPASS S.p.A., with registered office on 10, Foro Buonaparte, 20121 Milan (Italy), all the credits (capital, interests, interests on arrears, additional, costs, losses, indemnities, etc.) property of COMPASS S.p.A., deriving from consumer credit contracts, registered in the account books of COMPASS S.p.A., which on May 25, 2013, have the following characteristics:

1. Classified as in bonis receivables under Compass S.p.A. criteria, complying with the Bank of Italy norms, i.e. have never been classified as overdue or stranded;
2. Consumer lease contracts, originally entered into by Compass S.p.A.;
3. Consumer lease contracts, entered into with individuals (as beneficiaries,

guarantors or obligors of any kind), resident in Italy;

4. Consumer lease contracts, denominated in Euro;
5. Consumer lease contracts that provide that each periodical instalment due shall be paid on a monthly basis, by a direct bank transfer ("RID") or by a mail order;
6. Consumer lease contracts whose amortization plan does not differ from the initial one, even after Compass has renewed previous lease contracts granted by the latter;
7. Consumer lease contracts where each monthly instalment includes interests payment and capital refund;
8. Consumer lease contracts whose matured instalments have been totally and dutifully paid;
9. Consumer lease contracts with at least three matured instalments;
10. Consumer lease contracts with Annual Nominal Interest Rate (T.A.N.) higher than 6.5%, or than 8.5%, only with respect to consumer credit contracts bearing the words "personal loans";
11. Consumer lease contracts with no more than 120 instalment's;
12. Consumer lease contracts entered into by Compass S.p.A. between December 11, 2006 and February 23, 2013;
13. Consumer lease contracts for the purchase of vehicles registered in the Public Vehicle Register, whose first registration was made no more than 24 months before the stipulation date, and this purpose is mentioned in the contract, with due capital from Euro 6,118.41 and Euro 49,852.89 if repaid by bank transfer ("RID"), and from Euro 6,119.62 and Euro 39,152.39 if repaid by mail order; or

Consumer lease contracts for the purchase of vehicles registered in the Public Vehicle Register, whose first registration was made more than 24 months before the stipulation date, and this purpose is mentioned in the contract, with due capital from Euro 2,760.97 and Euro 43,155.41 if repaid by bank transfer ("RID"), and from Euro 2,761.39 and Euro 34,420.48 if repaid by mail order; or

Consumer lease contracts named "personal loan" originated by Compass

S.p.a.(that states the consumer lease contracts classification originated by Compass as “personal loan”) with due capital from Euro 3,483.53 and Euro 65,999.66 if repaid by bank transfer ("RID"), and from Euro 3,483.53 and Euro 53,224.97 if repaid by mail order; or

Consumer lease contracts for consumer goods specified in the contract itself, (and in any case different from the vehicles), with due capital from Euro 2,014.03 and Euro 34,947.11 for loans paid by bank transfer ("RID"), and from Euro 2,014.03 and Euro 28,538.57 for loans paid by mail order.

The receivables deriving from the following types of contracts are nonetheless excluded from the assignment, if they comply with the above standards, but on May 25, 2013, have one of these features:

1. their beneficiaries have other loans with Compass S.p.A., and one of the instalments has not been duly paid;
2. are entered into by Compass S.p.A. with physical entities (as beneficiaries, guarantors or obligors of any kind), and their capital is higher than Euro 75,000;
3. have been entered into with employees of Compass S.p.A. or of its subsidiaries, or of other companies from Mediobanca Banking Group;
4. lease contracts including a maxi final instalment higher than the other instalments of the related amortization schedule;
5. have been entered into by virtue of concessions or favourable repayment terms proposed by third parties, according to the law.

F.3 – Details of the entities involved

Originator

Compass S.p.A. registered in 10, Foro Buonaparte – Milan – Italy; fiscal code 00864530159; financial intermediary registered in special list under art. 107 of the Bank Consolidating Act, under N. 19275.7.

Corporate Servicer Provider

Studio Dattilo Commercialisti Associati, VAT code 09293980158.

Representative of the Noteholders and Security Trustee

KPMG FIDES Servizi di Amministrazione S.p.A., Via Vittor Pisani n. 27, 20124 Milan, Fiscal Code 00731410155.

Principal Paying Agent, Cash Manager and English Account Bank

Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London EC2N 2DB. United Kingdom.

Calculation Agent, Paying Agent and Italian Account Bank

Deutsche Bank S.p.A., Piazza del Calendario n. 3, 20126 Milan,

Servicer

Compass S.p.A., Foro Buonaparte n. 10, 20121 Milan,

Irish Listing Agent

Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, L-1115 Luxembourg,

Indemnity Provider and Lead Manager

MEDIOBANCA – Banca di Credito Finanziario S.p.A., Piazzetta Cuccia n. 1, 20121 Milan.

Back-Up Servicer Facilitator

Securitisation Services S.p.A. – Via Vittorio Alfieri 1, 31015 Conegliano (TV).

Contractual relations established between the involved subjects:

- Master Receivables Purchase Agreement between Compass S.p.A. and Quarzo S.r.l.;
- Servicing Agreement between Quarzo S.r.l., COMPASS S.p.A. and Securitisation Services S.p.A.;
- Corporate Servicing Agreement between QUARZO S.r.l. and STUDIO DATTILO COMMERCIALISTI;

- Intercreditor Agreement between QUARZO S.r.l., COMPASS S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG S.A., KPMG Fides Servizi di Amministrazione S.p.A., SPV Holding S.r.l., Studio Dattilo Commercialisti and Securitisation Services S.p.A.;
- Cash Allocation, Management and Agency Agreement between QUARZO S.r.l., DEUTSCHE BANK S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK LUXEMBOURG SA and KPMG Fides Servizi di Amministrazione S.p.A.;
- Monte Titoli Mandate Agreement between QUARZO S.r.l. and MONTE TITOLI S.p.A.;
- Deed of Pledge between QUARZO S.r.l., KPMG Fides Servizi di Amministrazione S.p.A. and DEUTSCHE BANK S.p.A.;
- Acceptance of the Deed of Pledge between QUARZO S.r.l., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, COMPASS S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG SA, KPMG Fides Servizi di Amministrazione S.p.A. and Securitisation Services S.p.A.;
- Deed of Charge between QUARZO S.r.l. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Master Definition Agreement between QUARZO S.r.l., COMPASS S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG SA, KPMG Fides Servizi di Amministrazione S.p.A., SPV HOLDING S.r.l. and Securitisation Services S.p.A.;
- Series A Notes Subscription Agreement between QUARZO S.r.l., COMPASS S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Series B Notes Subscription Agreement between QUARZO S.r.l., COMPASS S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.,

- Indemnity Agreement between QUARZO S.r.l., COMPASS S.p.A., KPMG Fides Servizi di Amministrazione S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and Studio Dattilo Commercialisti.

F4 - Details of the Securities

CLASS A SECURITIES – Senior Notes

Amount	€2,960,000,000
Coupon rate	2.20%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2028
Initial rating	Standard & Poors “A+”
Second rating	DBRS “A (high)”
Listing on regulated markets	Irish Stock Exchange

CLASS B SECURITIES – Junior Notes

Amount	€ 540,000,000
Coupon rate	3.00%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2028
Rating	No rated
Listing on regulated markets	Irish Stock Exchange
Additional return	Yes

The notes are listed on the Irish Stock Exchange with the following ISIN codes:

A Series IT0004932056

B Series IT0004932155

Following is a detail of decreasing priority in capital and interest refunding:

- **Interests CLASS A SECURITIES**
- **Capital CLASS A SECURITIES**
- **Interests CLASS B SECURITIES**
- **Capital CLASS B SECURITIES**

F.6 - Assignee company operation power

The assignee company's operation power is limited to what is expressly stated in the information leaflet (please see details). It essentially consists in receiving acquired credits and temporary re-application of the liquidities deriving from described financial instruments. The company can reintegrate the original portfolio monthly, until the date originally established of December 2015. The vehicle's assets are under the exclusive guarantee of issued securities refund.

QUANTITATIVE INFORMATION

F.7 - Flow data relating to Receivables

	30.06.2015	30.06.2014
Initial Receivables as of Financial Statements	3,443,195,379	3,365,195,607
+Assignments for year	1,587,563,212	1,459,076,235
-Collections on collateral (recoveries not included)	-1,854,409,543	-1,760,972,663
+Matured interests, not collected	307,503,496	378,061,819
+Payment of expenses	2,973,734	2,362,650
-Losses	-1,944,898	-528,269
Final Receivables as of Financial Statements	3,484,881,381	3,443,195,379

The final value of the receivables in the chart and in those that follow is gross of Provision for Bad Debts amounting to €159,175,212.

F.8 - Evolution of due receivables

About the evolution of matured, and presently non-collected receivables, the Offering Circular procedures are being applied: collection attempts by Compass up to the 30th day; insolvency and delegation to debt collection companies from the 31th day.

The overdue positions are approached, starting from 10 days past due, with a phone call or by mail; in case of further overdue, the action becomes more effective, relying on a network of about 60 debt collection companies coordinated by the Receivables Management Department of Compass S.p.a.. Debt collection is meant to prevent a slight overdue from bringing a credit to the state of deterioration.

In debt collection, Compass S.p.a. uses behavioural scoring systems and benchmarking mechanisms to improve overdue processing strategies, and constantly seeks the most efficient debt collection companies. Quarzo S.r.l.'s portfolio is managed within Compass S.p.a.'s portfolio, with the same strategies, so that it benefits from every strategy and process improvement applied to overdue payments by Compass S.p.a.

As of levels of overdue, the amounts of new deteriorated credits, which are similar to Default credits according to the Offering circular, have risk levels that are much below the trigger values set for the securitization.

Evolution of matured receivables	Amount
Deteriorated positions as of 30.06.2014	106,878,409
New deteriorated positions	120,105,276
Deteriorated positions transformed into in bonis	-3,121,696
Assigned/lost deteriorated positions	-70,112,265
Unchanged deteriorated positions (amount fluctuation)	-2,520,197
Repurchased deteriorated positions	-
Deteriorated positions as of 30.06.2015	151,229,527

F.9 - Cash flows

Italian Expenses Account a current account at Deutsche Bank SpA, a/c no. 826255, account used for the payment of expenses incurred during the quarter.

Collection Account	30.06.2015	30.06.2014
Initial balance	45,766	460
Increments	23,201	72,664
Decrements	(18,978)	(27,358)
Final balance	49,989	45,766

The following table shows the movements related to the year ended 30.06.2015:

Proceeds for the year	23,201
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other receipts	23,201
Payments during the year	(18,978)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(18,978)
Income / (Expenses), net	4,223
Net liquidity at beginning of period	45,766
Net liquidity at end of period	49,989
Change in net liquidity	4,223

Collection Account a current account in Deutsche Bank AG London c/c n. 29540408, for the deposit of all amounts collected and/or recovered deriving from credits generated by Compass as Servicer, and of the amounts due to the Issuer by each Counterparty cited in the Transaction Documents where the Issuer is also present as a Counterparty.

Collection Account	30.06.2015	30.06.2014
Initial balance	135,326,867	145,624,317
Increments	1,851,993,112	1,758,770,120
Decrements	(1,845,588,297)	(1,769,067,570)
Final balance	141,731,682	135,326,867

The following table shows the movements related to the year ended 30.06.2015:

Proceeds for the year	1,851,993,112
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other receipts	1,851,993,112
Payments during the year	(1,845,588,297)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(1,845,588,297)
Income / (Expenses), net	6,404,815
Net liquidity at beginning of period	135,326,867
Net liquidity at end of period	141,731,682
Change in net liquidity	6,404,815

Payments Account a current account in Deutsche Bank AG London c/c n. 29540407, for the deposit of the amounts in Collection Account and in Eligible Investment Account and that will be used for paying the amounts due according to the Priority Order, and for paying the amounts on the Italian Expense Account.

Payment Account	30.06.2015	30.06.2014
Initial balance	1,935	-
Increments	1,845,593,959	1,769,084,719
Decrements	(1,845,595,894)	(1,769,082,784)
Final balance	-	1,935

The following table shows the movements related to the year ended 30.06.2015:

Proceeds for the year	1,845,593,959
------------------------------	----------------------

- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other receipts	1,845,593,959
Payments during the year	(1,845,595,894)
- to holders of securities	
- to the Originator	(1,584,757,344)
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(260,838,550)
Income / (Expenses), net	(1,935)
Net liquidity at beginning of period	1,935
Net liquidity at end of period	-
Change in net liquidity	(1,935)

Set-Off Account a current account at Deutsche Bank AG London a/n. 29540410, account in which the Issuer has deposited and will maintain the liquidity reserve (Initial Set-Off amount) generated by the premium of Junior notes for an amount of € 35,000,000. On this account it will also be possible that the Indemnity Provider deposits further amounts in accordance with the provisions of the Indemnity Agreement.

Reserve amount	30.06.2015	30.06.2014
Initial balance	35,005,178	35,000,000
Increments	483	25,393
Decrements	(5,661)	(15,215)
Final balance	35,000,000	35,005,178

The following table shows the movements related to the year ended 30.06.2015:

Proceeds for the year	483
- from Receivables	
- from issuing securities	

- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other receipts	483
Payments during the year	(5,661)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(5,661)
Income / (Expenses), net	(5,178)
Net liquidity at beginning of period	35,005,178
Net liquidity at end of period	35,000,000
Change in net liquidity	(5,178)

F.10 - Guarantees and liquidity lines

Indemnity, generated by the Originator as a guarantee against the risk of non-transferring of the Collections and/or their revocation, as a consequence of an assignment made by the Servicer. The guarantee is issued by Mediobanca S.p.A., up to max €175,000,000.

F.11 - Residual maturity distribution

Securitized assets

Residual Maturity	Amount	%
Within 3 months	400,076,082	11,5%
from 4 to 12 months	720,426,864	20,7%
from 13 to 18 months	432,769,756	12,4%
from 19 to 60 months	1,748,592,516	50,2%
over 60 months	183,016,162	5,3%
Total	3,484,881,381	

Payables: issued Securities

Residual Maturity	Amount	%
Within 3 months	-	-

from 4 to 12 months	-	-
from 13 to 18 months	-	-
from 19 to 60 months	-	-
over 60 months	3,500,000,000	100%
Total	3,500,000,000	

Payables: other liabilities

Residual maturity	Amount	%
Within 3 months	16,595,152	32,1%
from 4 to 12 months	-	-
from 13 to 18 months	-	-
from 19 to 60 months	-	-
over 60 months	35,000,000	67,9%
Total	51,595,152	

F.12 - Geographical distribution

Geographical area	Amount	%
North	992,384,885	29,2%
Centre	867,891,660	24,2%
South	1,624,604,836	46,6%
Total	3,484,881,381	

F.13 - Risk concentration

The loss/recovery forecast on securitized contracts was made referring to similar situations of receivables not transferred by the Originator.

Delinquency level	Amount	%
Bonis	3,270,194,031	93,84%
Delq 1 (30-59 days)	54,961,727	
Delq 2 (60-89 days)	20,571,306	
Delq 3 (90-119 days)	13,931,362	
Delq 4 (120-149 days)	14,383,308	
Delq 5 (150-179 days)	10,584,205	
Total Delinquent	114,431,908	3,28%
Default	100,255,441	2,88%
Total	3,484,881,381	

Deteriorated positions

Category	Amount	Pezzi
Bonis	3,333,651,853	474,594
Matured	36,934,745	4,268
Overdue	86,383,644	9,545
Stranded	27,911,137	2,076
Total	3,484,881,381	490,483

Risk concentration

Category	Amount	Pezzi
Up to 25,000 Euro	2,957,624,031	472,823
From 25,000 to 75,000 Euro	527,257,350	17,660
From 75,000 to 250,000 Euro	-	-
Over 250,000 Euro	-	-
Total	3,484,881,381	490,483

Collection forecast 2014-2015

Collection type	Amount	%
Capital quotas	1,447,686,293	80,6%
Interest quotas	338,939,178	18,9%
Collection expenses	10,116,295	0,6%
Total	1,796,741,766	

The forecast refers to the 12 months of the financial year 2014-2015

Part 2 - SECURITISATIONS AND ASSIGNMENT

This part is not applicable because the company is not an intermediary originator of securitization transactions.

Part 3 – Information on risks and hedging policies**3.1 Credit risk**

With reference to corporate equity, the Company has mainly receivables from the separate equity, due to the payment of operation costs. Given the expected collections from separate equity receivables, and the priority of using those collections to pay the above mentioned receivables, it is not considered that there are risks on their collection.

3.2 Market risk

The Company has no financial assets and liabilities that expose it to a significant price or interest rate risk. In addition, the Company only operates within the Country and is not therefore exposed to currency risks.

The Company, as a result of the principle of Separate securitized equity, Law 130/1999, does not run any credit or market risk on securitized assets: the risks are passed on to security holders.

3.3 Operation risks

Regarding operation risk, please note that the Company has no employees and has delegated its management and related operation risk to the subjects put in charge by force of contracts.

3.4 Liquidity Risk

It is not considered that there are any significant liquidity risks.

Part 4 – Information on equity

4.1 The corporate equity

4.1.1 Qualitative information

In accordance with Article 3 of Law 130/1999, the Company is founded as a Limited liability company, with authorized capital of 10,000 Euros.

Considering the unique corporate purpose of the Company, it aims at preserving its equity over time, and at covering its operation expenses by using the separate equity.

4.1.2 Quantitative information

4.1.2.1 Structure of the Equity

Items/Values	Amount 30.06.2015	Amount 30.06.2014
1.Capital	€10,000	€10,000
2. Share premium	-	-
3. Reserves		
- from profit		
a) legal reserve	€2,000	€2,000
b) statutory reserve		
c) own quotas		
d) other		
- other	€530	
4. Own quotas	-	€530
5. Evaluation reserves	-	-
- Financial assets available for sale		-
- Tangible assets		
- Intangible assets		
- Foreign investment hedging		
- Financial flow hedging		
- Exchange rate fluctuation.		
- Non-current assets and groups held for sale.		
- Special revaluation laws		
- Actuarial gains/losses relating to defined benefit pension plans.		
- A quota of revaluation reserves relating to investments valued at equity.		
6. Equity instruments		
7. Profit for year		

	-	-
	-	-
Total	€12,530	€12,530

4.2 Equity and supervision quotient

Given the corporate purpose of the Company, and the contents of Part 4.1, this item is considered not applicable.

Part 5 – Total profitability analysis

As reported in the statement of total profitability, the profit/loss of the company coincides with its total profitability.

Part 6 – Transactions with related parties

6.1 Strategic Directors' and Auditors' compensation

No compensation is paid to Directors.

The company has no working Directors.

6.2 Credits and guarantees to Directors and Statutory Auditors

No credits or guarantees were given to Directors or Statutory Auditors.

6.3 Information on transactions with related parties

The interaction between parties, governed by market conditions, is part of routine activity. No unusual or atypical transactions are being held, outside the regular company management.

Part 7 - Other detailed information

Auditor's remuneration

The independent auditor PricewaterhouseCoopers receives an annual fee of Euro 27,701(not including VAT, Consob contributions and cost refunds) for the statutory audit of the Financial Statements, the accountancy auditing activities based on the information provided to Compass for the preparation of the half-year statements as of December 31, regular bookkeeping check, and tax claims related activities.

Management and coordination activities

As of June 30, 2015, the Company has no affiliates or subsidiaries.

The Company is controlled by Mediobanca S.p.A., which indirectly holds, through COMPASS S.p.A., a 90% quota of the authorized capital.

The company is managed and coordinated by Mediobanca S.p.A., registered office in Milan, n. 1, Piazzetta Enrico Cuccia, under art. 2497 and the succeeding, of the Italian Civil Code.

These are the main Financial Statement entries of Mediobanca, as of 30/06/2014 (in Euro).

BALANCE SHEET – ASSETS	30-06-2014
10. Cash and liquidity	508,271
20. held for trading financial assets	11,639,869,066
40. Available for sale financial assets	7,301,515,165
50. Held to Maturity financial assets	1,645,928,476
60. Bank receivables	9,541,356,391
70. Customer receivables	26,300,688,496
80. Hedging derivatives	1,065,100,659
100. Equity holdings	2,667,949,522
110. Tangible assets	123,866,280
120. Intangible assets	9,507,223
130. Tax assets	390,729,971
<i>a) current</i>	<i>248,639,687</i>
<i>b) paid in advance</i>	<i>142,090,284</i>
150. Other assets	73,472,840
Total assets	60,760,492,360

Balance sheet – LIABILITIES	30-06-2014
10. Payables to banks	18,845,545,064
20. Payables to customers	1,970,706,135
30. Outstanding securities	24,148,442,721
40. Held for trading financial liabilities	9,251,145,047
60. Hedging derivatives	570,732,294
80. Tax liabilities	484,911,751
a) current	185,947,408
b) deferred	298,964,343
100. Other liabilities	333,939,329
110. Employee benefit liability (Severance pay)	9,967,593
120. Provisions	151,708,260
a) retirement and similar funds	-
b) other funds	-
130. Evaluation reserve	452,154,478
160. Other Reserve	2,021,603,868
170. Share premium	2,121,818,661
180. Capital	430,703,356
190. Own quotas	(198,799,267)
200. Profit (Loss) for year	165,913,070
Total liabilities	60,760,492,360

INCOME STATEMENT	30-06-2014
10. Interest income and similar revenues	1,511,712,920
20. Interest expense and similar expenses	(1,381,360,469)
30. Net interest income	130,352,451
40. Commission income	221,743,483
50. Commission expense	(16,156,651)
60. Net commission income	205,586,832
70. Dividends and similar revenues	177,718,732
80. Net gain from trading	(1,115,310)
90. Net loss (gain) from hedging activities	(1,827,182)
100. Profit (Loss) from purchase / sale of:	268,984,967
a) <i>Receivables</i>	(163,026)
b) <i>Available for sale financial assets</i>	287,522,171
c) <i>Held to Maturity financial assets</i>	(1,517,952)
d) <i>Financial liabilities</i>	(16,856,226)

120. Brokerage margin	779,700,490
130. Impairment/reversal of impairment on:	(239,155,105)
<i>a) Receivables</i>	(233,047,708)
<i>b) Available for sales financial assets</i>	(6,528,473)
<i>c) Held to Maturity financial assets</i>	(3,268,725)
<i>d) Other financial transactions</i>	3,689,801
140. Net result from financial management	540,545,385
150. Management costs	(274,912,630)
<i>a) Cost of labour</i>	(167,981,143)
<i>b) Other operating costs</i>	(106,931,487)
160. Net provisions	(400,000)
170. Net adjustments on tangible assets	(3,676,430)
180. Net adjustment on intangible assets	(6,217,043)
190. Other operating revenues/expenses	15,111,297
200. Operation costs	(270,094,806)
210. Profit (Loss) from equity holdings valued at net equity	(69,013,546)
240. Profit (Loss) from sales of equity investments	(23,963)
250. Profit (Loss) before tax	201,413,070
260. income tax expense	(35,500,000)
270. Profit(loss) for the year from continuing operations	165,913,070
290. Profit (Loss) for year	165,913,070

Milan, July 23 2015

QUARZO s.r.l.

The Chairman of the Board of Directors

Cesare Castagna

ANNEX 2
THE FINANCIAL STATEMENTS OF THE ISSUER AS OF 30 JUNE 2016

QUARZO s.r.l.

**Financial Statement
as of June 30, 2016**



**Gruppo Bancario
MEDIOBANCA**

QUARZO s.r.l.

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

Registered office: 2, Galleria del Corso, 20122 Milan

Fiscal code 03312560968 – VAT code 03312560968

Milan Registrar of Companies, n. 03312560968

Economic Administration Register, n. : 1665517

Authorized Capital Euro 10,000

Registered under n. 32609.0 in the Registrar of Vehicle Companies
at the Bank of Italy

Managed and Coordinated by: Mediobanca S.p.A.

DIRECTORS' REPORT:

FINANCIAL STATEMENTS JUNE 30, 2016

The Financial Statements closed on June 30, 2016 comprise the Balance Sheet, profit and loss account, notes to the accounts, statement of changes to net equity, comprehensive profit and loss account, Financial Flows, and the Directors' Report.

The Financial Statements dated June 30, 2016 broke even, and have been drawn up in accordance with the standards of accountancy valid at the issue date.

General information

Currently the Company is located in Milan, Galleria del Corso 2 - 20122 Milano (MI).

The authorized capital (10,000 euro) is composed as follows:

- 90% (for a value of € 9,000) held by Compass Banca S.p.A.;
- 10% (for a value of € 1,000) held by S.P.V. Holding S.r.l..

Operations of the Company

The corporate objects of the Company are to enter into and perform one or more securitizing transactions, governed by Italian Law n. 130/1999 and implementation orders, through onerous purchasing of monetary credits, existing or future, as a package if multiple, and financing the purchase by issuing Securities as described in art. 1 chapter 1, point b) and amendments of Italian Law n. 130/1999.

According to the regulations of the above mentioned law, the credits related to each securitizing transaction form a separate equity.

Actually, no action on those credits is allowed to creditors other than the owners of Securities issued to finance the above mentioned credits. Within the limits of Italian Law n. 130/1999, the Company can commit additional actions aimed at the smooth running of the securitization, or anyway helpful in achieving its business objective, as well as reinvesting the funds, in other financial assets, that are derived from managing the purchased credits, and are not immediately spent to cover the rights generated from the above mentioned securities.

The Company has implemented five securitizing transactions. The first two, started respectively on August 6, 2008 and February 19, 2009, have been closed on May 20, 2013 whereas the third one, that started on May 27, 2013, has been closed on February 8, 2016, through the repurchase of the receivables portfolio by the Originator and the refund in full of the notes.

The fourth securitizing transaction has been launched on July, 13, 2015, when the company signed a contract for the sale of receivables without recourse with Compass Banca S.p.A. for the purchase of a loan portfolio amounting to € 2,199,998,688 deriving from consumer credit contracts entered into by Compass Banca S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale.

The operation has been financed by issuing two series of notes, a senior class in the amount of €1,694,000,000 and a Junior class in the amount of €506,000,000.

The senior notes are listed on the Irish Stock Exchange.

On February, 16, 2016 the fifth securitization transaction has been launched by signing a contract for the sale of receivables with Compass Banca S.p.A. for the purchase of a consumer loan portfolio amounting to € 3,299,999,588.99 deriving from consumer credit contracts entered into by Compass Banca S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale. The transaction has been financed by issuing two series of notes, a Senior class in the amount of € 2,640,000,000 and a Junior class for € 660,000,000. Senior notes are listed on the Irish Stock Exchange.

Corporate governance and ownership structure

Pursuing its corporate purpose, actually the Company has two active securitizing transaction, one launched in 2015 and the other launched in 2016, both consisting in purchasing consumer credits from Compass Banca S.p.A. and issuing asset-backed securities listed at the Dublin Stock Exchange.

Pursuant to Article 123-bis of Gov. Decr. No. 58, February 24, 1998, the Director's report of issuers of securities allowed to trade on statutory markets must contain a specific section, called "Report on corporate governance and ownership structure", which, according to paragraph 2, b) of the same Article, should contain information about the "main features of risk management and internal control systems in relation to the financial reporting process - consolidated, if necessary."

The Company has no employees and is not obliged to hire any. It has special representatives in charge of activities related to risk management and internal control systems related to the financial reporting process. The contractual documentation for the securitization regulates the election and activities of each representative of the Company. For more information, see Parts D and F.3. of the Illustrative Notes.

The agents of the transaction are appointed among persons who perform in a professional manner the activity entrusted to them by the Company. These agents will comply with the requirements of the applicable law, and will help the Company to promptly fulfil its obligations imposed by the transaction documents and by the law.

Main tasks and staff involved:

- (i) the Servicer, who deals, inter alia, with the management of purchased credits;
- (ii) the Corporate Servicer, in charge of the administrative and accounting management;
- (iii) the Cash Manager, the Computation Agent and the Paying Agent, in charge of cash management, calculation, and payment.

In particular, we note that the Servicer is "responsible for the collection of sold credits, and for cash and payment services " as per Article 2, Paragraph 3, subsection (C) of Law 130/1999. According to Article 2, paragraph 6, Law 130/1999, the task of the Servicer can be performed by banks or by intermediaries entered in the Special List as of Article

107, Gov. Decree No. 385, 1 September 1993. The Servicer verifies if operations comply with the law and with the Operating Circular.

Pursuant to the Disposition of the Bank of Italy, 23 August 2000, the Servicer is in charge of operational tasks, but should also guarantee the proper running of the securitization, to the benefit of quota holders and of the market in general.

We emphasize, finally, that financial reports are prepared by the Corporate Servicer, using mainly the data supplied by the entity responsible for the management of purchased credits.

As an issuer of securities admitted to trading on statutory markets of the European Union, the Company is subjected to the requirements of Directive 2004/109/EC (Transparency Directive).

Target market trends during 2016

During the financial year 2015-2016 the Italian economic situation was still under the effects of the global financial crisis started in 2008 as a result of the U.S. sub-prime mortgages. The landscape of international markets and real economy, including the euro area, is still uncertain, so the prospects for recovery remain doubtful and cautious.

Situation of the Company, trends and operation outcome

With reference to the company's assets and activities, no information can be added to what is described in the Illustrative Notes.

The financial year broke even, as operating costs were charged to a separate equity, in compliance with the contract.

In particular, performance indicators are not considered significant with respect to corporate assets. About separate equity fluctuations, please refer to Part D, Section F of the Illustrative Notes.

Significant events after the balance date

After June 30, 2016, the securitization transaction proceeded in a regular manner.

Predictable evolution of the operations

The evolution of the operations is predetermined and strictly governed by the contracts signed by the Parties.

Corporate continuity – GOING CONCERN

During the preparation of the Financial Statements, an assessment was made of by the Company's ability to operate as an entity with a time horizon of twelve months after the date of the Financial Statements. This assessment took into account all the available information and the specific activities of the Company whose only purpose, in accordance with Law n.130 of April 30, 1999, is the realization of one or more securitization transactions.

Consequently, these Financial Statements have been prepared on the basis of a going concern, since no events or conditions may lead to doubts about the Company's ability to continue as a going concern.

OTHER INFORMATION:

Proprietary shares

The Company does not possess, by itself or through any intermediary, own shares or Shares of its parent companies.

Research and development activities

No specific research and development activities were held.

Related parties:

About securitization transactions, please refer to Section F.3 of the Illustrative Notes, featuring a complete list of the Parties involved.

Management and coordination activities

As of June 30, 2016, the company have no affiliates or subsidiaries.

The Company is an indirect subsidiary of Mediobanca S.p.A., by the intermediation of Compass Banca S.p.A. with registered office in Milan, n. 21 Via Caldera, Fiscal code: 00864530159, which possesses a 90% quota of the authorized capital.

The company is managed and coordinated by Mediobanca S.p.A., registered office in Milan, n. 1, Piazzetta Enrico Cuccia, under art. 2497 and the succeeding, of the Italian Civil Code.

Risks and related hedging policy

The following information refers to the company management; about the separate equity, please refer to Part D, Section F.3 of the Illustrative Notes.

Liquidity risk

The company considers its available liquidity sufficient to meet its financial commitments.

Exchange risk

The company operates exclusively at national level, therefore is not subjected to exchange risk.

Credit risk

The Company is not subjected to credit risk.

Interest rate risk

The company is not exposed to interest rate risk as it's financial assets and liabilities are at fixed rates.

Security Policy Document

Please note that, referring to the Company's obligations under the Regulations of Gov. Decr. n. 196 from June 30, 2003 "Personal data protection", given the outsourcing of various activities, especially those assigned to the Servicer by contract (Compass Banca SpA), the latter's Security Policy document is valid, as required by the above mentioned Decree.

Tax Treatment of the Separate Equity

Pursuant to Circular 8/E, dated February 6, 2003, the revenue from separate equity management during the securitization is not available to the Company, therefore it is not taxable. This treatment confirms the Disposition of the Bank of Italy dated March 29, 2000, stating that the income statement of the Company is not influenced by income and charges relating to securitization management.

Only at the end of the securitization, and after paying all the creditors of the Separate equity, taxes are applied to any funds available to the Company.

Please note furthermore that the Separate Equity assets contain credits for withholding tax applied on interest income earned on current accounts. Pursuant to Resolution No. 222/E from December 5, 2003, this payment may be deducted during the financial year in which the securitization ends.

Milan, July 25, 2016

The Chairman of the Board of Directors

Cesare Castagna

QUARZO s.r.l.

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

Registered office: 2, Galleria del Corso, 20122 Milan

Fiscal code 03312560968 – VAT code 03312560968

Milan Registrar of Companies, n. 03312560968

Economic Administration Register, n. : 1665517

Authorized Capital Euro 10,000

Registered under n. 32609.0 in the Registrar of Vehicle Companies
at the Bank of Italy**FINANCIAL STATEMENT AS OF JUNE 30, 2016**

<u>BALANCE SHEET</u>		In Euro 30.06.2016	In Euro 30.06.2015
<u>ASSETS</u>			
60	Receivables	€ 10.000	€ 68.066
120	Tax assets	€ 1.238	€ 593
	of which		
	a) current	€ 1.238	€ 593
	b) deferred	€ -	€ -
140	Other assets	€ 164.598	€ 279.466
	<u>Total assets</u>	<u>€ 175.836</u>	<u>€ 348.125</u>
<u>LIABILITIES AND NET EQUITY</u>			
70	Tax liabilities	€ 277	€ 1.233
	of which		
	a) current	€ 277	€ 1.233
	b) deferred	€ -	€ -
90	Other liabilities	€ 163.029	€ 334.362
120	Share Capital	€ 10.000	€ 10.000
160	Reserves	€ 2.530	€ 2.530
180	Net Profit (loss) for the period	€ -	€ -
	<u>Total liabilities and net equity</u>	<u>€ 175.836</u>	<u>€ 348.125</u>

<u>INCOME STATEMENT</u>		In euro 30.06.2016	In euro 30.06.2015
<u>ITEMS</u>			
INTEREST MARGIN		€ - €	- -
110	Administrative expenses	-€ 142.787	-€ 130.267
	of which		
	a) personnel expenses	-€ 14.528	-€ 19.541
	b) other administrative expenses	-€ 128.259	-€ 110.726
160	Other operating income (expenses)	€ 142.970	€ 131.500
MANAGEMENT PERFORMANCE		€ 183	€ 1.233
PROFIT (LOSS) ON ORDINARY ACTIVITY BEFORE TAX		€ 183	€ 1.233
190	Income tax for the year on ordinary activities	-€ 183	-€ 1.233
<u>NET PROFIT (LOSS) FOR THE PERIOD</u>		€ - €	- -

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Managed and coordinated by: Mediobanca S.p.A.**Statement of changes in Quota holders' equity**

	Balance on 30.06.2015	Changes in opening balances	Balance on 01.07.2015	Allocation of profit for previous period		Changes during the reference period						Overall profit for the 12 months ended 30.06.2016	Net equity as of 30.06.2016
						Changes to reserves	Operations on net equity						
				Reserves	Dividends and other fund applications		New shares issued	Treasury shares acquired	Extraordinary dividend payouts	Change to equity instruments	Other variations		
Share capital	€ 10.000		€ 10.000									€ 10.000	
Share premium reserve													
Reserves a) retained earnings b) others	€ 2.530		€ 2.530									€ 2.530	
Valuation reserves													
Equity instruments													
Treasury shares													
Profit (loss) for the period	€ 0		€ 0									€ 0	
Net equity	€ 12.530		€ 12.530									€ 12.530	

	Balance on 30.06.2014	Changes in opening balances	Balance on 01.07.2014	Allocation of profit for previous period		Changes during the reference period						Overall profit for the 12 months ended 30.06.2015	Net equity as of 30.06.2015
						Changes to reserves	Operations on net equity						
				Reserves	Dividends and other fund applications		New shares issued	Treasury shares acquired	Extraordinary dividend payouts	Change to equity instruments	Other variations		
Share capital	€ 10.000		€ 10.000									€ 10.000	
Share premium reserve													
Reserves a) retained earnings b) others	€ 2.530		€ 2.530									€ 2.530	
Valuation reserves													
Equity instruments													
Treasury shares													
Profit (loss) for the period	€ 0		€ 0									€ 0	
Net equity	€ 12.530		€ 12.530									€ 12.530	

Milano, July 25, 2016

The Chairman
of the Board of Directors
Cesare Castagna

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at the Bank of Italy**Managed and Coordinated by: Mediobanca S.p.A.****COMPREHENSIVE PROFIT AND LOSS ACCOUNT**

Items	Period 1/7/2014 - 30/06/2015	Period 1/7/2015 - 30/06/2016
10. Profit (loss) for period	-	-
Other income items net of tax without passing through profit and loss	-	-
20. <i>Property, plant and equipment</i>	-	-
30. <i>Intangible assets</i>	-	-
50. <i>Non-current assets being sold</i>	-	-
60. <i>Share of valuation reserves attributable to equity-accounted companies</i>	-	-
Other income items net of tax passing through profit and loss	-	-
70. <i>Foreign investments hedge</i>	-	-
80. <i>Exchange rate difference</i>	-	-
90. <i>Cash flow hedges</i>	-	-
100. <i>Financial assets available for sale</i>	-	-
110. <i>Non-current assets being sold</i>	-	-
120. <i>Share of valuation reserves attributable to equity-accounted companies</i>	-	-
130. Total other income items, net of tax	-	-
140. Comprehensive income (headings 10 + 130)	-	-
<div>Milan, July 25, 2016</div> <div style="text-align: right;"> The Chairman of the Board of Directors Cesare Castagna </div>		

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CASH FLOW STATEMENT - FINANCIAL INTERMEDIARIES

Direct method

	30.06.2016	30.06.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. OPERATING ACTIVITIES	-€ 58.066	€ 56.997
- interest income and assimilated revenues	€ 0	€ 1
- interest loss and assimilated expenses	€ 0	€ 0
- other expensenses paid	-€ 16	-€ 114
- other income received	-€ 58.050	€ 57.110
- income taxes paid	€ 0	€ 0
2. CASH GENERATED/ABSORBED BY FINANCIAL ASSETS	€ 172.289	-€ 131.729
3. CASH GENERATED/ABSORBED BY FINANCIAL LIABILITIES	-€ 172.289	€ 131.729
NET CASH FLOW (OUTFLOW) FROM OPERATING ACTIVITIES	-€ 58.066	€ 56.997
B. INVESTMENT ACTIVITY		
NET CASH FLOW (OUTFLOW) FROM INVESTMENTS/SERVICING OF FINANCE		
C. FUNDING ACTIVITIES		
NET CASH FLOW (OUTFLOW) FROM FUNDING ACTIVITIES		
NET CASH FLOW (OUTFLOW) DURING PERIOD	-€ 58.066	€ 56.997
RECONCILIATION		
CASH AND CASH EQUIVALENT: BALANCE AT START PERIOD	€ 68.066	€ 11.069
TOTAL CASH FLOW (OUTFLOW) DURING PERIOD	-€ 58.066	€ 56.997
CASH AND CASH EQUIVALENT: BALANCE AT END OF PERIOD	€ 10.000	€ 68.066
<p>Milan, July 25, 2016</p> <p style="text-align: center;">The Chairman of the Board of Directors Cesare Castagna</p>		

QUARZO S.r.l.

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Fiscal code 03312560968 – VAT code 03312560968

Milan Registrar of Companies, n. 03312560968

Economic Administration Register, n. : 1665517

Authorized Capital Euro 10,000 fully paid-up

Registered under n. 32609.0 in the Registrar of Vehicle Companies
at the Bank of Italy

Managed and Coordinated by: Mediobanca S.p.A.

NOTES TO THE FINANCIAL STATEMENTS

CLOSED ON JUNE 30, 2016

Operations of the Company

The company, founded on October 26, 2001 in compliance with Italian Law n. 130/99, works exclusively in the field of credit securitizing and its only purpose is to realize one or more credit securitization transactions, financed by issuing “*asset-backed*” securities.

The company, with Deed of Assignment dated February 8 2016, has early terminated the securitizations of receivables implemented in 2013 through the sale of receivables without recourse and as a whole to the Originator and subsequent reimbursement, on February 12, 2016, of all classes of securities issued.

Subsequently the company realized two new securitization transaction.

On July 13, 2015, the company signed a contract for the sale of receivables without recourse with Compass Banca S.p.A. for the purchase of a loan portfolio amounting to € 2,199,998,688 deriving from consumer credit contracts entered into by Compass Banca S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale.

The operation has been financed by issuing two series of notes, a senior class in the amount of €1,694,000,000 and a Junior class in the amount of €506,000,000.

The senior notes are listed on the Irish Stock Exchange.

On February 15, 2016 the fifth securitization transaction has been launched by signing a contract for the sale of receivables with Compass Banca S.p.A. for the purchase of a consumer loan portfolio amounting to € 3,299,999,588.99 deriving from consumer credit contracts entered into by Compass Banca S.p.A., and which meet the requirements for the identification of the initial portfolio predetermined in the contract of sale. The transaction has been financed by issuing two series of notes, a Senior class in the amount of € 2,640,000,000 and a Junior class for € 660,000,000. Senior notes are listed on the Irish Stock Exchange.

All information about these new operations are described in section D of the present document.

Structure and contents of the Financial Statements

The financial statement comprises:

- Balance sheet;
- Income statement;
- Comprehensive profit and loss account;
- Statement of changes in equity;
- Cash flow statement;
- Notes to the financial statements;

and is accompanied by the Director's Report.

The amounts are in Euro and, in order to assure a better understanding of the data in the Illustrative notes, additional information on main Financial Statement items is provided.

The financial statements are subject to external audit of the audit firm PricewaterhouseCoopers S.p.A.

The notes include these sections:

- Section A – Accountancy policies
- Section B – Balance sheet information
- Section C – Income statement information
- Section D – Other information.

Securitization transactions

The accounting presentation of the securitization transactions is in accordance with Italian Law 130/99, which states that “the receivables related to each transaction are a separate equity, apart from company’s equity, and from equities related to other transactions”.

The recording of assets and liabilities in the Illustrative notes conforms to administrative regulations of the Bank of Italy, according to art. 9 of the legislative decree 38/2005, observing IFRS. This approach is also in accordance with the provisions of Law no. 130/99, according to which receivables relating to each transaction represent assets segregated in all respects from those of the company and those relating to other transactions.

We note that accounting processing (according to IAS 39) of financial assets or groups of assets, and liabilities as a result of securitization, is still to be elaborated by competent accounting institutions, who have not delivered a formal interpretation by now.

With regulation dated December 15, 2015, which has replaced the Regulation dated December 22, 2014, and considering the principle of substance over form in IFRS, and referring to similar transactions, the Bank of Italy expressly determines the following:

- a) the accounting data pertaining to each securitization transaction will be separately highlighted in a special chapter of the Notes;
- b) each chapter will contain all the quantity and quality data needed to present the transaction in a clear and comprehensive manner.

In particular, the Bank of Italy requires to include in the Illustrative Notes a minimum of information, as described hereafter.

Section D, “*Other information*” must contain a chapter reporting concisely *at least* the following: purchased receivables amount (nominal value and assignment value); issued securities amount, divided by classes and in order of subordination. It does not affect the provision on the basis of which all the information is provided, even if not expressly required, so as to provide a complete overview of the transaction, while information which, by nature or by excessive content, reduces the clarity and immediacy of the information in the document, in accordance with the principle of substance over form, is omitted.

Each described transaction must report *at least* the following information:

Qualitative information:

- description and course of the transaction;
- subjects involved;
- features of the issued Securities;
- additional financial transactions; and
- operational power of the assignee.

Quantitative information:

- receivables flow information;
- evolution of matured receivables;
- liquidity flows of the year;
- guarantees and liquidity lines;
- breakdown of securitized assets and debts outstanding at year-end for residual life;
- breakdown of securitized assets by geographic area and by currency; and
- risk concentration and information regarding the degree of subdivision of the portfolio.

SECTION A - ACCOUNTANCY POLICIES

A.1 GENERALITIES

Chapter 1: Statement of compliance with International Accounting Standards

The Financial Statements of the vehicle were prepared according to the accounting standards of the International Accounting Standards Board (“IASB”) and the related interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Commission according to the procedure in Article 6 of the Regulations (CE) n. 1606/2002 of the European Parliament and the Council of July 19, 2002. The Financial Statements tables, the Statement of changes in equity, the Cash Flow Statement, and the Notes to financial statement are prepared according to the Regulation issued by the Bank of Italy, dated December 15, 2015, which has replaced the previous Regulation dated December 22, 2014.

Please note that the status of securitizing transactions described in SECTION D, is, on the contrary, prepared according to national accounting standards, given that IAS/IFRS are not applicable in this case.

Chapter 2: General Accounting Principles

This Financial Statements comprise:

- Balance Sheet;
- Income Statement;
- Comprehensive profit and loss account;
- Statement of changes in equity;
- Financial Flows Statement;
- Illustrative Notes

The Financial Statements have been prepared in compliance with IAS and principles presented in Section A.2, and present data of the reference period compared with the previous year's data or with those of the previous year interim period, respectively for the balance sheet and income statement.

Here are the recently issued regulations that have integrated the regulations on accounting standards:

REGULATION	TOPIC
EU REGULATION 1361/2014	Amendment to IFRS 3 - <i>Business combination</i>
	Amendment to IFRS 13 - <i>Fair value measurement</i>
	Amendment to IAS 40 - <i>Investment Property</i>
EU REGULATION 28/2015	Amendment to IFRS 2 - <i>Share based payment</i>
	Amendment to IFRS 3 - <i>Business combination</i>
	Amendment to IFRS 8 - <i>Operating segments</i>
	Amendment to IAS 16 - <i>Property, Plant and Equipment</i>
	Amendment to IAS 24 - <i>Related Party Disclosures</i>
EU REGULATION 29/2015	Amendment to IAS 19 - <i>Employee benefits</i>

Changes mentioned above have no significant impact on the financial statements of Quarzo Srl.

With effect from 1 January 2015 it has been revised by the Bank of Italy the classification methods for regulatory purposes and reporting of impaired financial assets 7th update of Circular no. 272 of July 30, 2008 - "Matrix of accounts" issued by the Bank of Italy on January 20, 2015) in order to adapt it to the new definitions of financial assets "non-performing exposures" and "forborne exposures" defined by the European Commission Regulation 2015/227 after the EBA proposal (EBA / ITS / 2013/03 / rev1 07/24/2014).

The fourth update of Circular 262/2005 of 22 December 2015 has implemented and made mandatory a new segmentation of the quality that provides the following subdivision: suffering, likely defaults and past due and / or overdrawn deteriorated by at least 90 days for impaired assets and in bonis; all of these classes have inside them the forborne subclass

These new definitions have gained significance in the framework of the IFRS Group Accounting policies and led to the revision of the credit processes to adapt to the new classification rules.

We note that during 2014, the IASB issued the new accounting standards IFRS 15 - Revenue and IFRS 9 - Financial Instruments, both still pending approval by the European Commission. The IASB has completed the process of issue of the new IFRS 9, with the exception of so-called "macro hedging", which regulates the financial instruments and which will take effect from 1 January 2018.

Moreover, the Company, as an issuer of securities listed on statutory markets, is required to provide segment information in accordance with IFRS 8 "Operating Segments", which entered into force as from 2009.

IFRS 8 requires operating segments subject to Financial Statements information to be identified on the basis of internal reports, which are verified by company management in order to assess the performance of various segments and to allocate resources accordingly.

In this regard, we omit the information required by IFRS 8, as the division in segments is not relevant in view of the nature of the Company.

The Financial Statements have taken into consideration the International Accounting Rules as well as the Bank of Italy instructions as per Governor's Regulation dated December 15, 2015 (concerning statements of financial institutions) and, when necessary, other regulations.

The Financial Statements have been prepared with the aim of representing correctly and truthfully the equity and financial status, the year's result, and the cash flows.

These Financial Statements is based on the following general principles:

Going concern

Receivables and payables are evaluated according to their functional value, as they are supposed to be long-lasting.

Accrual

Costs and revenues are recorded, notwithstanding their settlement, for the period of maturity and according to matching principle.

Accrual Basis of Accounting

Presentation and classification of items were unchanged over time in order to ensure the comparability of the information, unless such change is required by an International Accounting Standard or an Interpretation, or where such change makes the representation of values more appropriate in terms of significance and reliability. If a criterion for the presentation or classification is changed, the new one applies - where possible – retroactively, in such a case the nature and reason for the change are indicated, as well as the items concerned. In the presentation and classification of items the new financial statement outlines prepared by the Bank of Italy Governor's decree dated December 15, 2015, are adopted.

Materiality and Aggregation

Groups of similar items are reported separately. Significant items of different nature or function are represented in a distinct manner.

Offsetting

Assets and liabilities, income and expenses are not offset, unless this is required or permitted by an International Accounting Standard or an Interpretation or from the schemes and instructions prepared by the Bank of Italy.

Comparative information

Comparison is provided for every amount reported in current periods of financial statements, except under different dispositions of a IAS or an Interpretation. Descriptions are included if necessary for a better understanding of the items.

The differences caused by changing accounting principle standards during the transition are assigned directly to a special Equity Reserve.

Chapter 3: Significant events subsequent to the date of the financial statements

After June 30, 2016, the securitization transaction developed in a regular manner.

Going concern

During the preparation of the Financial Statements, we assessed the preconditions relating to the Company's ability to operate as an entity for at least twelve months after the date of the Financial Statements. In this assessment, we used all the available information and specific activities performed by the Company whose only corporate purpose, in accordance with the Law 130, April 30, 1999, is the realization of one or more securitization transactions.

Consequently, the Financial Statements has been prepared with the prospect of going on the activity, since there are no events or conditions that may lead to doubts about the Company's ability to remain a working entity.

A.2 MAIN ELEMENTS OF THE FINANCIAL STATEMENTS

Receivables

Recognition

Receivables and payables are initially registered at fair value.

Standards for evaluation

After initial recognition, except in case of events that bring about value losses, the receivables keep their initial registration value. The short-term nature of these receivables makes the effect of time discounting, according to cost amortization rule, negligible.

Income recognition

Receivables are analysed for impairment and if impaired, a value adjustment is registered in the income statement.

The original value of receivables is restored during the following financial periods if the reasons for recognising an impairment no longer exists and the is due to an event that occurred after the impairment loss was recognised. The reversal of impairment losses is recognised in the Statement of Income.

Income statements derecognition

Receivables are derecognised from the Balance Sheet only when contract rights to the cash flows from the financial asset expire, or when they are sold transferring substantially all the risks and rewards of ownership. Otherwise, receivables continue to be recognised in the Balance Sheet, even if their juridical possession was assigned to third parties.

Payables, given their short term, keep their initial value after their initial recognition.

Tax Assets and Liabilities

This item includes current and deferred tax assets and liabilities.

Income taxes, current and deferred, are calculated in compliance with current tax legislation.

The recognition of deferred tax occurs at the time the different types of taxes are ascertainable.

Current and deferred tax assets and liabilities are presented without any compensation. Current tax assets are registered by entering the nominal value of related credits into advance tax payment. The current tax liabilities are also recorded at their nominal value, for withholding tax, while yearly income taxes are estimated realistically, applying the tax law in force.

The current taxes (assets and liabilities) are cancelled when the different types of taxes operated as a withholding tax are paid at maturity according to law.

Other assets

This item includes receivables not related to other items of the Financial Statements. These items are recorded at nominal value or at net realisable value, if lower.

Other liabilities

This item includes amounts not related to other items of the Financial Statements, including supplier payables and separate equity payables.

These items are recorded at nominal value.

Costs and revenues

The costs and revenues of the year are registered in the Financial Statements according to the accruals basis of accounting. Costs and Revenues are included in the Income Statement only when it is considered probable that economic benefits will flow in or out of the Company and when their value can be reliably measured, and, when risks and benefits concerning assets and liabilities have been transferred. In particular, the costs and revenues are recognized in the income statement at the time of occurrence of the economic event.

Evaluation standards used during the preparation of the Operating Circular

The accounting information related to the securitization transaction is illustrated in the Enclosed documents to the Illustrative Notes, according to the Regulation dated

December 15, 2015 – “Instructions for preparing the financial statements of financial intermediaries registered in the Special list” of the Bank of Italy.

The standards required by the Operating Circular are those set by Gov. Decree 87/1992 and its amendments, as securitization transactions are not governed by IAS/IFRS, as already mentioned in Part A – Accounting policies.

All items include amounts deriving from the accounting and internal information system. The accounting methodology applied allows, through reclassification entries, to reconcile to the line items of the table above with the accountancy.

Below are descriptions of the standards applied to evaluate the most significant items.

Securitized assets

Receivables

The receivables are registered at their purchase cost and are reduced as a result of collections during the year. They are evaluated according to the estimated realisable value.

The value adjustments reflect the specific information received by the Servicer on the estimates of the recoverable amount.

Specifically, the adjustments are determined, both with regard to performing loans and non-performing loans, according to the same methodology of impairment used by the Originator in the preparation of its financial statements and based on risk parameters internally developed and on historical series updated to the date of observation from the same the Originator, developed for the types of credit in question.

Also they include accrued interest receivables that can be collectable.

Other assets (Receivables, Prepaid expenses and Accrued income)

The receivables are registered at their nominal value which equals their presumable market value.

Prepaid expenses and accrued income are displayed at their nominal value. Prepaid expenses and accrued income are accounted in compliance with the accruals basis of accounting.

Application of the Funds

Displayed at their nominal value.

Investments and similar to liquidity

The item Investments and similar to liquidity contains investments and related accruals: those receivables are at face value, which represents the estimated realizable value.

Accruals and prepayments are determined according to the criteria of economic competence.

Issued securities

Issued securities are displayed at their nominal value and are refunded exclusively with the amounts coming from the collection of receivables subject to assignment.

Other liabilities (payables, accrued expenses and deferred income)

Liabilities, accrued expenses and deferred income are recorded at their nominal value. Accrued expenses and deferred income were accounted according to the accruals basis of accounting.

Interests, commissions, incomes and expenses

The income and expenses related to securitized assets and to issued securities, interests, commissions, revenues, and other income and expenses, are accounted for using the accruals basis of accounting. The gains and losses on receivables are recorded at the moment of collection/payment.

Off-balance sheet transactions

Derivative contracts are entered into exclusively for hedging purposes and are valued at cost.

As provided in Circular n. 8 of February 6, 2003 of the Italian Taxpayer's Office, regarding the tax treatment of separate equities of securitization companies, the estimate of direct taxes is based only on the taxable income of the vehicle company.

A.3 INFORMATION ON TRANSFERS BETWEEN INVESTMENT PORTFOLIOS

There are no transfers of portfolios during the financial year.

A.4 FAIR VALUE DISCLOSURE

The company does not hold any financial instruments valued at fair value on a recurring basis, which are classified in Levels 2 and 3 of IFRS 13.

Financial instruments not valued at fair value on a recurring basis such as payables and receivables to customers and banks are not managed on the basis of fair value.

For these instruments, the fair value is calculated only for the purpose of fulfilling requests for information to the market and this value has no impact on the financial statements or in terms of profits or losses.

The fair value of receivables and payables to banks has been conventionally regarded as equal to the Relevant book value because of their short duration.

A5. DAY ONE PROFIT/LOSS

Given the company's activities, this part of the Illustrative Notes is not applicable.

SECTION B- Balance sheet information**ASSETS*****Part 6 – Receivables – Item 60***

	30-06-2016	30-06-2015
60. Receivables	€ 10,000	€ 68,066

The amount includes the temporary active balance of the account opened at Mediobanca S.p.A. in Milan n. 70201172.

6.1 “Bank receivables”

Structure	Total 30.06.2016	Total 30.06.2015
1. Deposits and current accounts	€ 10,000	€ 68,066
2. Financing		
2.1 Repurchase agreements		
2.2 From financial lease		
2.3 from factoring		
- credits to assignors		
- credits to assignee debtors		
2.4 Other financing		
3. Debt instruments		
- structured securities		
- other debt instruments		
4. Other assets		
Total Financial Statements value	€ 10,000	€ 68,066
Total fair value L.1	€ 10,000	€ 68,066

Part 12 – Tax assets and liabilities*12.1 Structure of item 120 “Tax assets: current and deferred”*

	30-06-2016	30-06-2015
120. Tax Assets	€ 1,238	€ 593

The budget balance includes the following items:

- Advances on IRES (corporate income tax)	€ 1,233	€ 593
- Treasury c/tax offset	€ 5	€ -

12.2 Structure of item 70 “Tax liabilities: current and deferred”

About variations in this item, please refer to the information contained in Part 7 –Tax liabilities.

Part 14 – Other assets – Item 140*14.1 Structure of item 140 “Other assets”*

	30-06-2016	30-06-2015
140. Other assets	€ 164,598	€ 279,466

The budget balance includes the following items:

- Discount receivables	€ 158,727	€ 271,561
- Various receivables	€ 2,710	€ 2,710
- Prepaid expenses	€ 3,161	€ 5,025
- Credit towards Compass	€ -	€ -

The budget balance includes receivables from separate equities deriving from Securitizing transactions, and deferred assets from insurance premium.

Discount receivables has fallen due to the termination of the securitization implemented in 2013.

LIABILITIES**Part 7 – Tax liabilities – Item 70**

	30-06-2016	30-06-2015
70. Tax liabilities	€ 277	€ 1,233

The balance includes the following items:

- Tax reserve and taxes for the year	€ 183	€ 1,233
- Withholding Tax	€ 94	-

A. Opening balance	€ 1,233
B. Used for tax payment	€ (1,233)
C. Provisions	
- IRES (corporate income tax)	€ 183
- IRAP (regional production income tax)	€ -
D. Closing balance	€ 183

Part 9 – Other liabilities – Item 90*9.1 Structure of Item 90 “Other liabilities”*

	30-06-2016	30-06-2015
90, Other liabilities	€ 163,029	€ 334,362

The budget balance includes the following items:

- Supplier payables for invoices to be received	€ 37,319	€ 28,307
- Account payables	€ 12,661	€ 28,512
- Discount payables	€ 61,519	€ 277,187
- Originator payables	€ 50,669	€ -
- Other payables	€ 861	€ 356

The balance includes debit toward Compass resulting from the termination of Securitizing transactions 2013, payables from separate equities deriving from new Securitizing transactions and supplier payables. Discount payables has fallen due to the termination of the securitization implemented in 2013.

Part 12 – Equity – Items 120, 160

12.1 Structure of Item 120 “Capital”

	30-06-2016	30-06-2015
120. Capital	€ 10,000	€ 10,00

The capital, fully paid-up, on the date of closing the Financial Statements, June 30, 2016, was composed as follows:

- 90% - Compass S.p.A. for a value of € 9,000; and
- 10% - S.P.V. Holding S.r.l. for a value of € 1,000.

12.1 Structure of item 120 “Capital”

Types	Amount
Capital	10,000
1.1 Ordinary shares	-
1.2 Other shares (quotas)	10,000

12.5 Other information

	30-06-2016	30-06-2015
160. Reserves	€ 2,530	€ 2,530

The item consist of net profit carried forward.

Statement of changes in equity

	CAPITAL	RESERVE	INCOME FOR YEAR	TOTAL EQUITY
Balance on 30.06.14	€ 10,000	€ 2,530	-	€ 12,530
Balance on 30.06.15	€ 10,000	€ 2,530	-	€ 12,530
Balance on 30.06.16	€ 10,000	€ 2,530	-	€ 12,530

Please find below the required info from Article 2427, paragraph 1, subsection 7 bis, of the Italian law.

Nature/description	Amount	Possibility of use	Available amount
Capital	10,000		
Legal reserve	2,000	B	-----
Profit reserves	530	A,B,C	530
Profit for year	0	A,B,C	0
Total balance on 30.06.16	12,530		530

Legend - A: for capital increase; B: for loss coverage; C: for distribution between quota holders.

SECTION C - INCOME STATEMENT INFORMATION**Part 9 – Administrative expenses - Item 110****9.1 Structure of the item 110.a “Payroll costs”**

The amount includes Directors’ Civil Liability insurance and retribution to the Board of Auditors.

Items/Departments	Total 30-06-2016	Total 30-06-2015
1. Employees a) wages and salaries b) social security charges c) severance pay d) pension costs e) provision for severance indemnities f) provisions for pensions and similar obligations: - Defined contribution - Defined benefit g) payments to external pension funds: - Defined contribution - Defined benefit h) other costs 2. Other personnel 3. Directors and auditors 4. Retired personnel 5. Recovery of expenses for employees seconded to other companies 6. Refund of expenses for employees seconded to the company	€ 14,528	€ 19,541
Total	€ 14,528	€ 19,541

9.2 Average number of employees per each category

The company has no working employees.

9.3 Structure of item 110.b “Other administrative expenses”

	30-06-2016	30-06-2015
Other management costs	€ 128,259	€ 110,726

The amount includes administrative expenses, for costs related to the management of the company, as follows:

Statutory audit	€	36,997	€	37,469
Professional services	€	10,614	€	10,249
Miscellaneous expenditure	€	55,415	€	32,447
Contingent liabilities	€	665	€	4,482
Notary expenses	€	701	€	2,036
Software expenses	€	24,475	€	24,475
Contingent assets	€	(608)	€	(432)

The costs for software are referred to the system of electronic storage of documents. The item miscellaneous expenses is largely made up of the cost for maintaining corporate books (€ 30,500) and for announcement on the Official Journal (8,134).

Part 14 – Other operating expenses (income) - Item 160

14.1 Structure of the item 160 “Other operating revenues and expenses”

	30-06-2016		30-06-2015	
160. Other operating revenues and expenses	€	142,970	€	131,500

Non-deductible expenses	€	-	€	-
Stamp duty	€	(16)	€	100
Annual Subscription Chamber of Commerce	€	(130)	€	(200)
Endorsement of corporate books	€	(309)	€	(309)
Revenues for reimbursement of expenses	€	143,423	€	132,109
Rebates received	€	2	€	-

This item mainly consists of cost refund revenues concerning expenses on separate equities.

Part 17 - Income tax for the year on ordinary activities – Item 190

17.1 Structure of the item 190 “Income tax for the year on ordinary activities”

	30-06-2016		30-06-2015	
190. Income tax for the year on ordinary activities	€	183	€	1,233

	Total 30.06.2016	Total 30.06.2015
1. Current taxes (-)	€ 183	€ 1,233
2. Current tax fluctuation compared to previous years (+/-)	€ -	€ -
3. Reduction of current taxes for the year (+)	€ -	€ -
4. Prepaid taxes fluctuation (+/-)	€ -	€ -
5. Deferred taxes fluctuation (+/-)	€ -	€ -
Taxes for the year (-)	€ 183	€ 1,233

17.2 Reconciliation of the theoretical tax burden with the actual budget

	Taxable	Rate	Tax
Hypothetical IRES	€ 183	27,5%	€ 50
Increases			
Contingent losses	€ 665	27,5%	€ 183
Non-deductible expenses			
Decreases			
Tax reversal	€ 183	27,5%	€ 50
Effective IRES	€ 665	27,5%	€ 183

SECTION D – OTHER INFORMATION**Part 1 – Specific reference to company operation****F – CREDIT SECURITIZATION****SECURITIZATION 2013****F.1 - Summary of the securitization assets and the issued Securities**

		30.06.2016	30.06.2015
A	SECURITIZATION ASSETS	-	3,374,533,847
A1	Receivables Receivables acquired from the Originator	-	3,325,706,169
A3	Other receivables	-	48,827,678
B	APPLICATION OF THE FUNDS DERIVING FROM THE RECEIVABLES MANAGEMENT	-	177,061,305
B3	Liquidity	-	176,781,671
B4	Accrued income and Prepaid expenses	-	2,442
B5	Premium receivables	-	277,187
B6	Withholding tax on interest	-	5
C	ISSUED SECURITIES	-	3,500,000,000
C1	Class A securities	-	2,960,000,000
C2	Class B securities	-	540,000,000
D	RECEIVED FINANCING	-	-
E	OTHER LIABILITIES	-	51,595,152
E1	Premium payables	-	271,561
E2	Other reserves	-	35,000,000
E3	Payables towards the Originator	-	325,707
E6	Advances from Customers	-	57,890
E7	Various accrued expenses	-	5,717,221
E8	Other payables	-	10,222,773
F	INTEREST COSTS ON ISSUED SECURITIES	212,129,277	185,051,020
G	COMMISSIONS AND FEES CONCERNING THE TRANSACTION	10,678,509	17,629,044

G1	Servicing fee	10,610,000	17,513,619
G2	For other services	68,509	115,425
	Paying Agent	2,917	5,000
	Computation Agent & Cash Manager	8,750	15,000
	Representative of the Noteholders	7,577	12,200
	Listing Fees	3,093	14,588
	Corporate Fees	42,505	63,757
	Back-up servicer fees	3,667	4,880
H	OTHER EXPENSES	42,867,630	182,873,570
H1	Vehicle costs	42,747	132,109
H2	Interest rate swap	-	-
H5	Loss on receivables	42,813,877	82,097,556
H6	Other costs	77	119
H9	Credits depreciation	-	100,643,755
H10	Contingent losses	10,929	31
I	INTERESTS DERIVING FROM SECURITIZATION ASSETS	201,329,724	369,123,793
L	OTHER INCOME	64,345,692	16,429,841
L1	Interest income on current accounts	-	2,445
L3	Cost refunds	4,372,017	7,245,273
L5	Write up of receivables	58,192,030	6,550,901
L6	Default interest	110,970	284,916
L7	Prepayment commissions	1,670,675	2,346,293
L8	Contingent Assets	-	13

The values included in the items related to economic components were inserted according to the accrual basis.

DETAILS OF THE ITEMS REFERRING TO THE PREVIOUS TABLE

		30-06-2016		30-06-2015
<u>A. SECURITIZED ASSETS</u>		€	-	€ 3,374,533,847
Please note that, as mentioned in the introduction of the notes, on February 8, 2016 the company entered in to a retransfer agreement with Compass Banca S.p.A., in order to transfer back to it the entire portfolio and simultaneously repay the securities issued.				
A1. Securitized receivables		€	-	€ 3,325,706,169
A3. Other receivables		€	-	€ 48,827,678
<u>B. APPLICATION OF THE FUNDS DERIVING FROM RECEIVABLES MANAGEMENT</u>		€	-	€ 177,061,305
B3. Liquidity		€	-	€ 176,781,671
Expenses Account	c/c n.826255	€	-	€ 49,989
Collection Account	c/c n. 29540408	€	-	€ 141,731,682
Payment Account	c/c n. 29540407	€	-	€ -
Reserve Amount	c/c n. 29540410	€	-	€ 35,000,000
B4. Prepaid Expenses and Accrued Income		€	-	€ 2,442
B5. Premium receivables		€	-	€ 277,187
B6. Withholding tax on interest		€	-	€ 5
<u>C. ISSUED SECURITIES</u>		€	-	€ 3,500,000,000
In detail:				
Class A securities		€	-	€ 2,960,000,000
Class B securities		€	-	€ 540,000,000

<u>E. OTHER LIABILITIES</u>	€	-	€	51,595,152
E1. Premium payables	€	-	€	271,561
In detail:				
SPV charges on separate equity	€	-	€	271,561
E2. Other reserves	€	-	€	35,000,000
Details:				
Cash Reserve	€	-	€	35,000,000
E3. Payables towards the Originator	€	-	€	325,707
E6. Advances from Clients	€	-	€	57,890
E7. Various accrued expenses	€	-	€	5,717,221
Including:				
accrued expenses on interests on Securities	€	-	€	5,717,221
E8. Other payables	€	-	€	10,222,773
Including:				
Account payables for services	€	-	€	4,270
Account payables for invoices to be received	€	-	€	2,208,647
Other payables	€	-	€	8,009,856
<u>F. INTEREST LOSS ON ISSUED SECURITIES</u>	€	212,129,277	€	185,051,020
Including:				
on class A bonds	€	41,061,777	€	66,024,445
on class B bonds (Junior Notes)	€	10,215,000	€	16,425,000
J.N. Additional Return	€	160,852,500	€	102,601,575
<u>G. COMMISSIONS AND FEES CONCERNING THE TRANSACTION</u>	€	10,678,509	€	17,629,044
G1. Servicing fee	€	10,610,000	€	17,513,619

Detail:

Servicing Fee	€	10,610,000	€	17,513,619
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G2. Commissions for other services	€	68,509	€	115,425
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Detail:

- Paying Agent	€	2,917	€	5,000
- Computation Agent & Cash Manager	€	8,750	€	15,000
- Representative of the Noteholders	€	7,577	€	12,200
- Listing Fees	€	3,093	€	14,588
- Corporate Fees	€	42,505	€	63,757
- Back-up Servicer Fees	€	3,667	€	4,880

<u>H. OTHER EXPENSES</u>	€	42,867,630	€	182,873,570
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H1. Vehicle maintenance costs	€	42,747	€	132,109
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H5. Loss on receivables	€	42,813,877	€	82,097,556
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H6. Other costs	€	77	€	119
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In detail:

Stamp Duties	€	66	€	100
Bank expenses	€	11	€	19
Other	€	-	€	-

H9. Credits depreciation	€	-	€	100,643,755
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H10. Contingent Losses	€	10,929	€	31
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<u>I. INTERESTS FROM SECURITIZED ASSETS</u>	€	201,329,724	€	369,123,793
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Detail:

Interests on securitized receivables	€	201,329,724	€	369,123,793
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<u>L. OTHER REVENUES</u>	€	64,345,692	€	16,429,841
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L1. Interest income on current accounts	€	-	€	2,445
L3. Cost refund	€	4,372,017	€	7,245,273
L5. Write up of receivables	€	58,192,030	€	6.550.901
L6. Default interest	€	110,970	€	284.916
L7. Prepayment commission	€	1,670,675	€	2.346.293
L8. Contingent Assets	€	-	€	13

QUALITATIVE INFORMATION

F.2 – Description of transaction and its development

- **Date of the transaction**

The transaction was held on May 27, 2013, which is the date of establishing the contract for purchasing the initial credit portfolio worth a nominal and assignment value of 3,499,999,539.65 Euro. The securities through which the purchase was financed were issued on June 5, 2013.

- **Originator**

Compass Banca S.p.A., a company founded in Italy as a Public limited company, with registered office on 21, Via Caldera, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 107 of gov. decr. N. 385 from 01 Sept 1993. Compass is part of Gruppo Mediobanca, an Italian banking group.

- **Assignment credits**

According to a “package credit” assignment contract, under art. 4 of Italian Law 130, signed on May 27, 2013 and effective since this date, the Company has purchased non-recourse from COMPASS Banca S.p.A., with registered office on 21, Via Caldera, Milan (Italy), all the credits (capital, interests, interests on arrears, additional, costs, losses, indemnities, etc.) property of COMPASS Banca S.p.A., deriving from consumer credit contracts, registered in the account books of COMPASS Banca S.p.A., which on May 25, 2013, have the following characteristics:

1. Classified as in bonis receivables under Compass S.p.A. criteria, complying with the Bank of Italy norms, i.e. have never been classified as overdue or stranded;
2. Consumer lease contracts, originally entered into by Compass S.p.A.;
3. Consumer lease contracts, entered into with individuals (as beneficiaries,

- guarantors or obligors of any kind), resident in Italy;
4. Consumer lease contracts, denominated in Euro;
 5. Consumer lease contracts that provide that each periodical instalment due shall be paid on a monthly basis, by a direct bank transfer ("RID") or by a mail order;
 6. Consumer lease contracts whose amortization plan does not differ from the initial one, even after Compass has renewed previous lease contracts granted by the latter;
 7. Consumer lease contracts where each monthly instalment includes interests payment and capital refund;
 8. Consumer lease contracts whose matured instalments have been totally and dutifully paid;
 9. Consumer lease contracts with at least three matured instalments;
 10. Consumer lease contracts with Annual Nominal Interest Rate (T.A.N.) higher than 6.5%, or than 8.5%, only with respect to consumer credit contracts bearing the words "personal loans";
 11. Consumer lease contracts with no more than 120 instalment's;
 12. Consumer lease contracts entered into by Compass S.p.A. between December 11, 2006 and February 23, 2013;
 13. Consumer lease contracts for the purchase of vehicles registered in the Public Vehicle Register, whose first registration was made no more than 24 months before the stipulation date, and this purpose is mentioned in the contract, with due capital from Euro 6,118.41 and Euro 49,852.89 if repaid by bank transfer ("RID"), and from Euro 6,119.62 and Euro 39,152.39 if repaid by mail order;
or
Consumer lease contracts for the purchase of vehicles registered in the Public Vehicle Register, whose first registration was made more than 24 months before the stipulation date, and this purpose is mentioned in the contract, with due capital from Euro 2,760.97 and Euro 43,155.41 if repaid by bank transfer ("RID"), and from Euro 2,761.39 and Euro 34,420.48 if repaid by mail order;
or
Consumer lease contracts named "personal loan" originated by Compass

S.p.a.(that states the consumer lease contracts classification originated by Compass as “personal loan”) with due capital from Euro 3,483.53 and Euro 65,999.66 if repaid by bank transfer ("RID"), and from Euro 3,483.53 and Euro 53,224.97 if repaid by mail order; or

Consumer lease contracts for consumer goods specified in the contract itself. (and in any case different from the vehicles), with due capital from Euro 2,014.03 and Euro 34,947.11 for loans paid by bank transfer ("RID"), and from Euro 2,014.03 and Euro 28,538.57 for loans paid by mail order.

The receivables deriving from the following types of contracts are nonetheless excluded from the assignment, if they comply with the above standards, but on May 25, 2013, have one of these features:

1. their beneficiaries have other loans with Compass S.p.A., and one of the instalments has not been duly paid;
2. are entered into by Compass S.p.A. with physical entities (as beneficiaries, guarantors or obligors of any kind), and their capital is higher than Euro 75,000;
3. have been entered into with employees of Compass S.p.A. or of its subsidiaries, or of other companies from Mediobanca Banking Group;
4. lease contracts including a maxi final instalment higher than the other instalments of the related amortization schedule;
5. have been entered into by virtue of concessions or favourable repayment terms proposed by third parties, according to the law.

F.3 – Details of the entities involved

Originator

COMPASS Banca S.p.A. registered in 21, Via Caldera – Milan – Italy; fiscal code 00864530159; Bank registered in Bank Register pursuant to Legislative Degree September 1, 1993, n. 385, under N. 8045. The company is managed and coordinated by Mediobanca S.p.A.,

Corporate Servicer Provider

Studio Dattilo Commercialisti Associati, VAT code 09293980158.

Representative of the Noteholders and Security Trustee

KPMG FIDES Servizi di Amministrazione S.p.A., Via Vittor Pisani n. 27, 20124 Milan, Fiscal Code 00731410155.

Principal Paying Agent, Cash Manager and English Account Bank

Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London EC2N 2DB. United Kingdom.

Calculation Agent, Paying Agent and Italian Account Bank

Deutsche Bank S.p.A., Piazza del Calendario n. 3, 20126 Milan,

Servicer

Compass Banca S.p.A., Via Caldera n. 21, 20121 Milan, fiscal code 00864530159; Bank registered in Bank Register pursuant to Legislative Degree September 1, 1993, n. 385, under N. 8045. The company is managed and coordinated by Mediobanca S.p.A.,

Irish Listing Agent

Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, L-1115 Luxembourg,

Indemnity Provider and Lead Manager

MEDIOBANCA – Banca di Credito Finanziario S.p.A., Piazzetta Cuccia n. 1, 20121 Milan.

Back-Up Servicer Facilitator

Securitisation Services S.p.A. – Via Vittorio Alfieri 1, 31015 Conegliano (TV).

Contractual relations established between the involved subjects:

- Master Receivables Purchase Agreement between COMPASS Banca S.p.A. and Quarzo S.r.l.;
- Servicing Agreement between Quarzo S.r.l., COMPASS Banca S.p.A. and Securitisation Services S.p.A.;
- Corporate Servicing Agreement between QUARZO S.r.l. and STUDIO DATTILO COMMERCIALISTI;
- Intercreditor Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG S.A., KPMG Fides Servizi di Amministrazione S.p.A., SPV Holding S.r.l., Studio Dattilo Commercialisti and Securitisation Services S.p.A.;
- Cash Allocation, Management and Agency Agreement between QUARZO S.r.l., DEUTSCHE BANK S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK LUXEMBOURG SA and KPMG Fides Servizi di Amministrazione S.p.A.;
- Monte Titoli Mandate Agreement between QUARZO S.r.l. and MONTE TITOLI S.p.A.;
- Deed of Pledge between QUARZO S.r.l., KPMG Fides Servizi di Amministrazione S.p.A. and DEUTSCHE BANK S.p.A.;
- Acceptance of the Deed of Pledge between QUARZO S.r.l., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, COMPASS Banca S.p.A., DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG SA, KPMG Fides Servizi di Amministrazione S.p.A. and Securitisation Services S.p.A.;
- Deed of Charge between QUARZO S.r.l. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Master Definition Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, DEUTSCHE BANK AG LONDON BRANCH, DEUTSCHE BANK S.p.A., DEUTSCHE BANK LUXEMBOURG SA, KPMG Fides Servizi di

Amministrazione S.p.A., SPV HOLDING S.r.l. and Securitisation Services S.p.A.;

- Series A Notes Subscription Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Series B Notes Subscription Agreement between QUARZO S.r.l., COMPASS Banca S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.,
- Indemnity Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., KPMG Fides Servizi di Amministrazione S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and Studio Dattilo Commercialisti.

F4 - Details of the Securities

CLASS A SECURITIES – Senior Notes

Amount	€ 2,960,000,000
Coupon rate	2.20%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2028
Initial rating	Standard & Poors “A+”
Second rating	DBRS “A (high)”
Listing on regulated markets	Irish Stock Exchange

CLASS B SECURITIES – Junior Notes

Amount	€ 540,000,000
Coupon rate	3.00%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2028
Rating	No rated
Listing on regulated markets	Irish Stock Exchange
Additional return	Yes

The notes are listed on the Irish Stock Exchange with the following ISIN codes:

A Series IT0004932056

B Series IT0004932155

Following is a detail of decreasing priority in capital and interest refunding:

- **Interests CLASS A SECURITIES**
- **Capital CLASS A SECURITIES**
- **Interests CLASS B SECURITIES**
- **Capital CLASS B SECURITIES**

DBRS	S&P	DEFINITIONS
A	A+	High grade

F.6 - Assignee company operation power

The assignee company's operation power is limited to what is expressly stated in the information leaflet (please see details). It essentially consists in receiving acquired credits and temporary re-application of the liquidities deriving from described financial instruments. The company can reintegrate the original portfolio monthly, until the date originally established of December 2015. The vehicle's assets are under the exclusive guarantee of issued securities refund.

QUANTITATIVE INFORMATION

F.7 - Flow data relating to Receivables

	30.06.2016	30.06.2015
Initial Receivables as of Financial Statements	3,484,881,381	3,443,195,379
+Assignments for year	841,986,056	1,587,563,212
-Collections on collateral (recoveries not included)	-1,181,170,730	-1,854,409,543
+Matured interests, not collected	154,604,780	307,503,496
+Payment of expenses	2,048,336	2,973,734
-Losses	-3,915,004	-1,944,898
- Sale of receivables	-3,298,434,818	-
Final Receivables as of Financial Statements	-	3,484,881,381

F.8 - Evolution of due receivables

About the evolution of matured, and presently non-collected receivables, the Offering Circular procedures are being applied: collection attempts by Compass up to the 30th day; insolvency and delegation to debt collection companies from the 31th day.

The overdue positions are approached, starting from 10 days past due, with a phone call or by mail; in case of further overdue, the action becomes more effective, relying on a network of about 60 debt collection companies coordinated by the Receivables Management Department of Compass S.p.a.. Debt collection is meant to prevent a slight overdue from bringing a credit to the state of deterioration.

In debt collection, Compass S.p.a. uses behavioural scoring systems and benchmarking mechanisms to improve overdue processing strategies, and constantly seeks the most efficient debt collection companies. Quarzo S.r.l.'s portfolio is managed within Compass S.p.a.'s portfolio, with the same strategies, so that it benefits from every strategy and process improvement applied to overdue payments by Compass S.p.a.

As of levels of overdue, the amounts of new deteriorated credits, which are similar to Default credits according to the Offering circular, have risk levels that are much below the trigger values set for the securitization.

Evolution of matured receivables	Amount
Deteriorated positions as of 30.06.2015	151,229,527
New deteriorated positions	65,107,175
Deteriorated positions transformed into in bonis	-4,497,182
Assigned/lost deteriorated positions	-43,275,283
Unchanged deteriorated positions (amount fluctuation)	-3,964,547
Repurchased deteriorated positions	-164,599,690
Deteriorated positions as of 30.06.2016	-

F.9 - Cash flows

Italian Expenses Account a current account at Deutsche Bank SpA, a/c no. 826255, account used for the payment of expenses incurred during the quarter.

Collection Account	30.06.2016	30.06.2015
Initial balance	49,989	45,766
Increments		23,201
Decrements	(49,989)	(18,978)
Final balance	-	49,989

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	-
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	
Payments during the year	(49,989)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(49,989)
Income / (Expenses), net	(49,989)
Net liquidity at beginning of period	49,989
Net liquidity at end of period	-
Change in net liquidity	(49,989)

Collection Account a current account in Deutsche Bank AG London c/c n. 29540408, for the deposit of all amounts collected and/or recovered deriving from credits generated by Compass as Servicer, and of the amounts due to the Issuer by each Counterparty cited in the Transaction Documents where the Issuer is also present as a Counterparty.

Collection Account	30.06.2016	30.06.2015
Initial balance	141,731,682	135,326,867
Increments	1,230,011,910	1,851,993,112
Decrements	(1,371,743,592)	(1,845,588,297)
Final balance	-	141,731,682

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	1,230,011,910
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	1,230,011,910
Payments during the year	(1,371,743,592)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(1,371,743,592)
Income / (Expenses), net	(141,731,682)
Net liquidity at beginning of period	141,731,682
Net liquidity at end of period	-
Change in net liquidity	(141,731,682)

Payments Account a current account in Deutsche Bank AG London c/c n. 29540407, for the deposit of the amounts in Collection Account and in Eligible Investment Account and that will be used for paying the amounts due according to the Priority Order, and for paying the amounts on the Italian Expense Account.

Payment Account	30.06.2016	30.06.2015
Initial balance	-	1,935
Increments	4,366,783,487	1,845,593,959
Decrements	(4,366,783,487)	(1,845,595,894)
Final balance	-	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	4,366,783,487
- from Receivables	1,371,743,591
- from issuing securities	2,960,000,000
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	35,039,896
Payments during the year	(4,366,783,487)
- to holders of securities	(121,572,412)
- to the Originator	(852,790,318)
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(3,392,420,757)
Income / (Expenses), net	-
Net liquidity at beginning of period	-
Net liquidity at end of period	-
Change in net liquidity	-

Set-Off Account a current account at Deutsche Bank AG London a/n. 29540410, account in which the Issuer has deposited and will maintain the liquidity reserve (Initial Set-Off amount) generated by the premium of Junior notes for an amount of € 35,000,000. On this account it will also be possible that the Indemnity Provider deposits further amounts in accordance with the provisions of the Indemnity Agreement.

Reserve amount	30.06.2016	30.06.2015
Initial balance	35,000,000	35,005,178
Increments	-	483
Decrements	(35,000,000)	(5,661)
Final balance	-	35,000,000

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	-
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	
Payments during the year	(35,000,000)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(35,000,000)
Income / (Expenses), net	(35,000,000)
Net liquidity at beginning of period	35,000,000
Net liquidity at end of period	-
Change in net liquidity	(35,000,000)

SECURITIZATION 2015*F.1 - Summary of the securitization assets and the issued Securities*

		30.06.2016
A	SECURITIZATION ASSETS	2,087,063,408
A1	Receivables Receivables acquired from the Originator	2,060,581,655
A3	Other receivables	26,481,753
B	APPLICATION OF THE FUNDS DERIVING FROM THE RECEIVABLES MANAGEMENT	124,973,183
B1	Debt instruments, including Money Market Fund	-
B3	Liquidity	114,304,556
B4	Accrued income and Prepaid expenses	10,609,878
B5	Premium receivables	50,743
B6	Withholding tax on interest	8,006
C	ISSUED SECURITIES	2,200,000,000
C1	Class A securities	1,694,000,000
C2	Class B securities	506,000,000
D	RECEIVED FINANCING	-
E	OTHER LIABILITIES	12,036,591
E1	Premium payables	129,331
E2	Other reserves	11,000,000
E3	Payables towards the Originator	311,111
E6	Advances from Customers	52,157
E7	Various accrued expenses	-
E8	Other payables	543,992
F	INTEREST COSTS ON ISSUED SECURITIES	150,167,080
G	COMMISSIONS AND FEES CONCERNING THE TRANSACTION	3,249,210
G1	Servicing fee	3,154,471
G2	For other services	94,739

	Paying Agent	3,833
	Computation Agent & Cash Manager	10,333
	Representative of the Noteholders	27,390
	Listing Fees	9,455
	Corporate Fees	38,064
	BUS Facilitator	5,664
H	OTHER EXPENSES	76,245,322
H1	Vehicle costs	71,282
H5	Loss on receivables	1,428,883
H6	Other costs	2,781
H9	Credits depreciation	74,742,376
I	INTERESTS DERIVING FROM SECURITIZATION ASSETS	225,101,614
L	OTHER INCOME	4,559,998
L1	Interest income on current accounts	30,793
L3	Cost refunds	3,232,905
L5	Write up of receivables	73,870
L6	Default interest	6,424
L7	Prepayment commissions	1,216,006

The values included in the items related to economic components were inserted according to the accrual basis.

DETAILS OF THE ITEMS REFERRING TO THE PREVIOUS TABLE

		30-06-2016
A. <u>SECURITIZED ASSETS</u>		€ 2,087,063,408
A1. Securitized receivables		€ 2,060,581,655
A3. Other receivables		€ 26,481,753
<u>B. APPLICATION OF THE FUNDS DERIVING FROM RECEIVABLES MANAGEMENT</u>		€ 124,973,183
B3. Liquidity		€ 114,304,556
Expenses Account	c/c n.70201167	€ 77,967
Collection Account	c/c n 70201168	€ 103,226,530
Payment Account	c/c n. 827980	€ 67
Liquidity Reserve Account	c/c n. 70201171	€ 10,999,992
B4. Prepaid Expenses and Accrued Income		€ 10,609,878
B5. Premium receivables		€ 50,743
B6. Withholding tax on interest		€ 8,006
<u>C. ISSUED SECURITIES</u>		€ 2,200,000,000
In detail:		
- Class A securities		€ 1,694,000,000
- Class B securities		€ 506,000,000
<u>E. OTHER LIABILITIES</u>		€ 12,036,591
E1. Premium payables		€ 129,331
In detail:		

SPV charges on separate equity	€	129,331
E2. Other reserves	€	11,000,000
Details:		
Cash Reserve	€	11,000,000
-		
E3. Payables towards the Originator	€	311,111
E6. Advances from Clients	€	52,157
E8. Other payables	€	543,992
Including:		
Account payables for services	€	15,433
Account payables for invoices to be received	€	525,259
Other payables	€	-
<u>F. INTEREST LOSS ON ISSUED SECURITIES</u>	€	150,167,080
- on class A bonds	€	16,187,111
- on class B bonds (Junior Notes)	€	9,670,222
- J.N. Additional Return	€	124,309,747
<u>G. COMMISSIONS AND FEES CONCERNING THE TRANSACTION</u>	€	3,249,210
G1. Servicing fee	€	3,154,471
Detail:		
Servicing Fee	€	3,154,471
-		
G2. Commissions for other services	€	94,739
Detail:		
- Paying Agent	€	3,833
- Computation Agent & Cash Manager	€	10,333
- Representative of the Noteholders	€	27,390

- Listing Fees	€	9,455
- Corporate Fees	€	38,064
- Bus facilitator	€	5,664
<u>H. OTHER EXPENSES</u>	€	76,245,322
H1. Vehicle maintenance costs	€	71,282
H5. Loss on receivables	€	1,428,883
H6. Other costs	€	2,781
Stamp Duties	€	180
Bank expenses	€	15
Cost refund	€	2,586
H9. Credits depreciation	€	74,742,376
<u>I. INTERESTS FROM SECURITIZED ASSETS</u>	€	225,101,614
Detail:		
Interests on securitized receivables	€	225,101,614
<u>L. OTHER REVENUES</u>	€	4,559,998
L1. Interest income on current accounts	€	30,793
L3. Cost refund	€	3,232,905
L5. Write up of receivables	€	73,870
L6. Default Interest	€	6,424
L7. Prepayment commission	€	1,216,006

QUALITATIVE INFORMATION

F.2 - Description of transaction and its development

- **Date the transaction**

The transaction was held on July 13, 2015, which is the date of establishing the contract for purchasing the initial credit portfolio worth a nominal and assignment value of 2,199,998,688.27 Euro. The securities through which the purchase was financed were issued on July 22, 2015.

- **Originator**

Compass S.p.A., a company founded in Italy as a Public limited company, with registered office on 10, Foro Buonaparte, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 107 of gov. decr. N. 385 from 01 Sept 1993. Compass is part of Gruppo Mediobanca, an Italian banking group.

- **Assignment credits**

According to a “package credit” assignment contract, under art. 4 of Italian Law 130, signed on July 13, 2015 and effective since this date, the Company has purchased non-recourse from COMPASS S.p.A., with registered office on 10, Foro Buonaparte, 20121 Milan (Italy), all the credits (capital, interests, interests on arrears, additional, costs, losses, indemnities, etc.) property of COMPASS S.p.A., deriving from consumer credit contracts, registered in the account books of COMPASS S.p.A., which on July 12, 2013, have the following characteristics:

1. classified as performing receivables pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation and therefore have never been classified as “*incagliati*” or as “*in sofferenza*” pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation;
2. consumer loans agreements whose financing has been originally granted by Compass;

3. consumer loan agreements entered into with individuals (in their capacity as either borrower or guarantor or obligor) resident in the Republic of Italy;
4. consumer loan agreements denominated in euro;
5. consumer loan agreements under which the instalments shall be paid on monthly basis, through the direct debit procedure or through postal payment;
6. consumer loan agreements whose amortisation plan has never been modified also as a consequence of a “*novazione*” by Compass of consumer loan agreements previously entered into by it;
7. consumer loan agreements whose *pro-rata* payments include, for each instalment, the payment of both interests and principal;
8. consumer loan agreements whose due instalments have been fully and regularly paid;
9. consumer loan agreements with at least one due instalment;
10. consumer loan agreements whose TAN is higher than 3%;
11. consumer loan agreements whose amortisation plan has not more than 120 instalments;
12. consumer loan agreements entered into by Compass in the period falling between 11 May 2009 and 3 July 2015.
13. consumer loan agreements entered into in order to finance the purchase of vehicles (cars and motorbikes) registered with the public register of motorveichles (*Registro Pubblico Automobilistico* – PRA) whose date of first registration falls within 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted and the relevant principal outstanding amount is comprised between euro 4,408.63 and euro 43,386.20 for those loans reimbursed through the direct debit procedure and between

euro 5,767.47 and euro 37,017.21 for the loans reimbursed through postal payment; or

14. consumer loan agreements entered into to finance the purchase of vehicles (cars and motorbikes) registered with PRA whose date of first registration falls beyond 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted and the relevant principal outstanding amount is comprised between euro 5,627.05 and euro 38,087.64 for the loans reimbursed through the direct debit procedure (“SDD”) and between euro 3,574.91 and euro 19,098.81 for the loans reimbursed through postal payment; or
15. consumer loan agreements named as “personal loans” originated by Compass whose principal outstanding amount is comprised between euro 5,283.28 and euro 59,705.00 for the loans reimbursed through the direct debit procedure (“SDD”) and between euro 2,868.45 and euro 40,060.97 for the loans reimbursed through postal payment; or
16. consumer loan agreements entered into in order to purchase the good as indicated in the relevant agreement and in any event other than the above mentioned agreements listed under this paragraph 13, whose principal outstanding amount is comprised between euro 3,842.75 and euro 40,329.62 for the loans reimbursed through the direct debit procedure (“SDD”) and between euro 1,525.88 and euro 23,847.90 for the loans reimbursed through postal payment.

The receivables arising from the consumer loan agreements that as of 12 July 2015 have at least one of the following characteristics, notwithstanding matching the above mentioned criteria, will be excluded from the assignment:

1. whose borrowers have been financed by Compass pursuant to any other different agreement and in respect to which one instalment of the relevant amortisation plan has not been regularly paid;

2. have been disbursed by Compass to individuals (in their capacity as either borrower or guarantor or obligor) for an aggregate principal amount higher than euro 75,000.00;
3. have been granted in favour of employees of Compass or other companies controlled by Compass or associated to Compass or other companies comprised in the Mediobanca banking group;
4. whose relevant amortisation plan provides for a final maxi instalment, higher than the other instalments of the relevant amortisation plan;
5. have been disbursed pursuant to contributions or subsidies made by third entities in accordance with applicable law;
6. whose relevant debtors are individuals who have a payment balance higher than euro 100,000.00 on payment accounts opened with Compass.

F.3 – Details of the entities involved

Originator

Compass Banca S.p.A., registered office on 10, via Caldera 21, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 13 of gov. decr. N. 385 from 01 Sept 1993., under N. 8045.

Corporate Servicer Provider

Studio Dattilo Commercialisti Associati, VAT code 09293980158.

Representative of the Noteholders and Security Trustee

KPMG FIDES Servizi di Amministrazione S.p.A., Via Vittor Pisani n, 27, 20124 Milan, Fiscal Code 00731410155.

Account Bank and Cash Manager

Mediobanca – Banca di Credito Finanziario S.p.A. Piazzetta Cuccia n. 1, 20121 Milan.

Paying Agent, Principal Paying Agent and Calculation Agent

Deutsche Bank , Piazza del Calendario n. 3, 20126 Milan.

Servicer

Compass Banca S.p.A., registered office on 10, via Caldera 21, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 13 of gov. decr. N. 385 from 01 Sept 1993., under N. 8045.

Back-Up Servicer Facilitator

Zenith Services S.p.A.- Via Guidubaldo del Monte 61, 00197, Rome

Irish Listing Agent

McCann FitzGerald Listing Services Limited - Riverside One, Sir John Rogerson's Quay, Dublin 2, 216410

Contractual relations established between the involved subjects:

- Master Receivables Purchase Agreement between COMPASS Banca S.p.A, and Quarzo S.r.l.;
- Servicing Agreement between Quarzo S.r.l., COMPASS Banca S.p.A., and Zenith Services S.p.A.;
- Definitions Agreement between COMPASS Banca S.p.A., ZENITH SERVICES S.p.A. and STUDIO DATTILO COMMERCIALISTI;
- Corporate Servicing Agreement between QUARZO S.r.l., and STUDIO DATTILO COMMERCIALISTI;
- Intercreditor Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., DEUTSCHE BANK S.p.A., KPMG Fides Servizi di Amministrazione S.p.A., SPV Holding S.r.l.,

Studio Dattilo Commercialisti and Zenith Services S.p.A.;

- Cash Allocation, Management and Agency Agreement between QUARZO S.r.l., DEUTSCHE BANK S.P.A. MEDIOBANCA – Banca di Credito Finanziario S.p.A., and KPMG Fides Servizi di Amministrazione S.p.A.;
- Deed of Pledge between QUARZO S.r.l., KPMG Fides Servizi di Amministrazione S.p.A. and MEDIOBANCA – Banca di Credito Finanziario S.p.A.;
- Acceptance of the Deed of Pledge between QUARZO S.r.l., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, COMPASS Banca S.p.A., DEUTSCHE BANK S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and Zenith Services S.p.A.;
- Series A Notes Subscription Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Series B Notes Subscription Agreement between QUARZO S.r.l., COMPASS Banca S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A..

F4 - Details of the Securities

CLASS A SECURITIES – Senior Notes

Amount	€ 1,694,000,000
Coupon rate	1,00%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2032
Initial rating	Fitch “A+”
Second rating	DBRS “A (high)”
Listing on regulated markets	Irish Stock Exchange

CLASS B SECURITIES – Junior Notes

Amount	€ 506,000,000
---------------	---------------

Coupon rate	2,00%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2032
Rating	No rated
Listing on regulated markets	N/A
Additional return	Yes

The notes are listed on the Irish Stock Exchange with the following ISIN codes:
A Series IT0005123788

Following is a detail of decreasing priority in capital and interest refunding:

- **Interests CLASS A SECURITIES**
- **Capital CLASS A SECURITIES**
- **Interests CLASS B SECURITIES**
- **Capital CLASS B SECURITIES**

The assignment of the rating by the Standard & Poor's "and" DBRS "was performed through an analysis expressed by the following synthetic symbols:

DBRS	S&P	DEFINITIONS
A	A+	High grade

F.6 - Assignee company operation power

The assignee company's operation power is limited to what is expressly stated in the information leaflet (please see details), It essentially consists in receiving acquired credits and temporary re-application of the liquidities deriving from described financial instruments, The company can reintegrate the original portfolio monthly, until the date originally established of January 2019, The vehicle's assets are under the exclusive guarantee of issued securities refund,

QUANTITATIVE INFORMATION

<i>F.7 - Flow data relating to Receivables</i>	30.06.2016
Initial Receivables as of Financial Statements	-
+Assignments for year	2,994,515,255
-Collections on collateral (recoveries not included)	-1,102,815,559
+Matured interests, not collected	242,702,945
+Payment of expenses	1,367,663
-Losses	-446,272
Final Receivables as of Financial Statements	2,135,324,032

The final value of the receivables in the chart and in those that follow is gross of Provision for Bad Debts amounting to € 74,742,376.

F.8 - Evolution of due receivables

About the evolution of matured, and presently non-collected receivables, the Offering Circular procedures are being applied: collection attempts by Compass up to the 30th day; insolvency and delegation to debt collection companies from the 31th day.

The overdue positions are approached, starting from 10 days past due, with a phone call or by mail; in case of further overdue, the action becomes more effective, relying on a network of about 60 debt collection companies coordinated by the Receivables Management Department of Compass Banca S.p.a.. Debt collection is meant to prevent a slight overdue from bringing a credit to the state of deterioration.

In debt collection, Compass Banca S.p.A. uses behavioural scoring systems and benchmarking mechanisms to improve overdue processing strategies, and constantly seeks the most efficient debt collection companies, Quarzo S.r.l.'s portfolio is managed within Compass Banca S.p.A.'s portfolio, with the same strategies, so that it benefits from every strategy and process improvement applied to overdue payments by Compass Banca S.p.A.

As of levels of overdue, the amounts of new deteriorated credits, which are similar to Default credits according to the Offering circular, have risk levels that are much below the trigger values set for the securitization.

Evolution of matured receivables	Amount
Deteriorated positions as of 30.06.2015	-
New deteriorated positions	38,331,228
Deteriorated positions transformed into in bonis	-
Assigned/lost deteriorated positions	-
Unchanged deteriorated positions (amount fluctuation)	-
Repurchased deteriorated positions	-
Deteriorated positions as of 30.06.2016	38,331,228

F.9 - Cash flows

Italian Expenses Account a current account at Mediobanca S.p.a., c/c no, 70201167, account used for the payment of expenses incurred during the quarter,

Expenses Account	30.06.2016	30.06.2015
Initial balance	-	-
Increments	98,050	-
Decrements	(20,082)	-
Final balance	77,967	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	98,050
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	98,050
Payments during the year	(20,082)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(20,082)

Income / (Expenses), net	77,967
Net liquidity at beginning of period	-
Net liquidity at end of period	77,967
Change in net liquidity	77,967

Collection Account a current account in Mediobanca S.p.a c/c n, 70201168, for the deposit of all amounts collected and/or recovered deriving from credits generated by Compass as Servicer, and of the amounts due to the Issuer by each Counterparty cited in the Transaction Documents where the Issuer is also present as a Counterparty,

Collection Account	30.06.2016	30.06.2015
Initial balance		-
Increments	1,076,361,042	-
Decrements	(973,134,512)	-
Final balance	103,226,530	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	1,076,361,042
- from Receivables	1,076,334,956
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	26,086
Payments during the year	(973,134,512)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(973,134,512)
Income / (Expenses), net	103,226,530

Net liquidity at beginning of period	-
Net liquidity at end of period	103,226,530
Change in net liquidity	103,226,530

Payments Account a current account in Deutsche Bank S.p.a. c/c n. 827980, for the deposit of the amounts in Collection Account and in Eligible Investment Account and that will be used for paying the amounts due according to the Priority Order, and for paying the amounts on the Italian Expense Account,

Payment Account	30.06.2016	30.06.2015
Initial balance		-
Increments	973,132,443	-
Decrements	(973,132,376)	-
Final balance	67	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	973,132,443
- from Receivables	973,129,889
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	2,554
Payments during the year	(973,132,376)
- to holders of securities	
- to the Originator	(814,396,220)
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(158,736,156)
Income / (Expenses), net	67
Net liquidity at beginning of period	

Net liquidity at end of period	67
Change in net liquidity	67

Liquidity Reserve Account a current account at Mediobanca S.p.a. c/c n. 70201171, account in which the Issuer has deposited and will maintain the liquidity reserve for an amount of € 11,000,000.

Reserve amount	30.06.2016	30.06.2015
Initial balance	-	-
Increments	11,002,924	-
Decrements	(2,932)	-
Final balance	10,999,992	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	11,002,924
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	11,002,924
Payments during the year	(2,932)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(2,932)
Income / (Expenses), net	10,999,992
Net liquidity at beginning of period	-
Net liquidity at end of period	10,999,992
Change in net liquidity	10,999,992

F.10 - Guarantees and liquidity lines

Liquidity Reserve, set up in accordance with Cash Allocation, Management and Agency Agreement. This reserve amounts to € 11,000,000. The guarantee has not been used as of June 30, 2016

F.11 - Residual maturity distribution***Securitized assets***

Residual Maturity	Amount	%
Within 3 months	184,379,016	8,6%
from 4 to 12 months	430,585,720	20,2%
from 13 to 18 months	265,969,572	12,5%
from 19 to 60 months	1,106,918,054	51,8%
over 60 months	147,471,670	6,9%
Total	2,135,324,032	

Payables: issued Securities

Residual Maturity	Amount	%
Within 3 months	-	-
from 4 to 12 months	-	-
from 13 to 18 months	-	-
from 19 to 60 months	-	-
over 60 months	2,200,000,000	100%
Total	2,200,000,000	

Payables: other liabilities

Residual maturity	Amount	%
Within 3 months	743,780	6.17%
from 4 to 12 months		
from 13 to 18 months		
from 19 to 60 months		
over 60 months	11,311,111	93.83%
Total	12,054,891	

F.12 - Geographical distribution

Geographical area	Amount	%
North	616,103,100	28.9%
Centre	617,380,485	28,9%
South	901,840,447	42.2%

Total	2,135,324,032
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F.13 - Risk concentration

The loss/recovery forecast on securitized contracts was made referring to similar situations of receivables not transferred by the Originator,

Delinquency level	Amount	%
Bonis	2,075,613,498	97,20%
Delq 1 (30-59 days)	17,571,377	
Delq 2 (60-89 days)	6,507,256	
Delq 3 (90-119 days)	5,197,462	
Delq 4 (120-149 days)	4,595,498	
Delq 5 (150-179 days)	2,481,453	
Total Delinquent	36,353,046	1,70%
Default	23,357,487	1,09%
Total	2,135,324,032	

Deteriorated positions

Category	Amount	Items
Bonis	2,096,992,803	265,251
Matured	13,526,834	1,575
Overdue	22,810,828	2,569
Stranded	1,993,567	176
Total	2,135,324,032	269,571

Risk concentration

Category	Amount	Items
Up to 25,000 Euro	1,837,360,101	260,010
From 25,000 to 75,000 Euro	297,963,931	9,561
From 75,000 to 250,000 Euro	-	-
Over 250,000 Euro	-	-
Total	2,135,324,032	

Collection forecast 2016-2017

Collection type	Amount	%
Capital quotas	1,086,872,750	82,3%
Interest quotas	228,379,336	17,3%
Collection expenses	5,297,330	0,4%
Total	1,320,549,416	

The forecast refers to the 12 months of the financial year 2016-2017

SECURITIZATION 2016*F.1 - Summary of the securitization assets and the issued Securities*

		30.06.2016
A	SECURITIZATION ASSETS	3,150,789,571
A1	Receivables Receivables acquired from the Originator	3,103,276,824
A3	Other receivables	47,512,747
B	APPLICATION OF THE FUNDS DERIVING FROM THE RECEIVABLES MANAGEMENT	162,348,673
B1	Debt instruments, including Money Market Fund	-
B3	Liquidity	161,976,501
B4	Accrued income and Prepaid expenses	360,432
B5	Premium receivables	10,776
B6	Withholding tax on interest	964
C	ISSUED SECURITIES	3,300,000,000
C1	Class A securities	2,640,000,000
C2	Class B securities	660,000,000
D	RECEIVED FINANCING	-
E	OTHER LIABILITIES	13,138,244
E1	Premium payables	29,395
E2	Other reserves	12,012,000
E3	Payables towards the Originator	249,945
E6	Advances from Customers	76,099
E7	Various accrued expenses	-
E8	Other payables	770,805
F	INTEREST COSTS ON ISSUED SECURITIES	60,117,054
G	COMMISSIONS AND FEES CONCERNING THE TRANSACTION	2,031,317
G1	Servicing fee	1,962,058
G2	For other services	69,259

	Paying Agent	3,667
	Computation Agent & Cash Manager	4,667
	Representative of the Noteholders	20,686
	Listing Agent	10,995
	Listing Fees	12,367
	Corporate Fees	14,803
	BUS Facilitator	2,074
H	ALTRI ONERI	67,845,305
H	OTHER EXPENSES	29,395
H1	Vehicle costs	93,413
H5	Loss on receivables	120
H6	Other costs	67,722,377
I	INTERESTS DERIVING FROM SECURITIZATION ASSETS	126,044,378
L	OTHER INCOME	3,949,298
L1	Interest income on current accounts	3,706
L3	Cost refunds	2,780,673
L5	Write up of receivables	16
L6	I Default interest	5
L7	Prepayment commissions	1,164,898

The values included in the items related to economic components were inserted according to the accrual basis.

**DETAILS OF THE ITEMS REFERRING TO THE PREVIOUS TABLE
30-06-2016**

A. <u>SECURITIZED ASSETS</u>	€	3,150,789,571
A1. Securitized receivables	€	3,103,276,824
A3. Other receivables	€	47,512,747
<u>B. APPLICATION OF THE FUNDS DERIVING FROM RECEIVABLES MANAGEMENT</u>	€	162,348,673
B3. Liquidity	€	161,976,501
Expenses Account c/c n. 70201283	€	39,398
Collection Account c/c n 70201284	€	149,924,472
Payment Account c/c n 000-460-828299	€	57
Liquidity Reserve Account c/c n. 70201287	€	12,011,984
B4. Prepaid Expenses and Accrued Income	€	360,432
B5. Premium receivables	€	10,776
B6. Withholding tax on interest	€	964
<u>C. TITOLI EMESSI</u>	€	3,300,000
In detail:		
C1. Class A Securities	€	2,640,000,000
C2. Class B Securities	€	660,000,000
<u>E. OTHER LIABILITIES</u>	€	13,138,244
E1. Premium payables	€	29,395
In detail:		
SPV charges on separate equity	€	29,395

E2. Other reserves	€	12,012,000
Details:		
- Cash Reserve	€	12,012,000
E3. Payables towards the Originator	€	249,945
E6. Advances from Clients	€	76,099
E7. Various accrued expenses	€	-
E8. Other payables	€	770,805
Including:		
Account payables for services	€	3,484
Account payables for invoices to be received	€	767,321
<u>F. INTEREST LOSS ON ISSUED SECURITIES</u>	€	60,117,054
Including:		
- on class A bonds	€	8,316,000
- on class B bonds (Junior Notes)	€	4,620,000
- J.N. Additional Return	€	47,181,054
<u>G. COMMISSIONS AND FEES CONCERNING THE TRANSACTION</u>	€	2,031,317
G1. Servicing fee	€	1,962,058
Detail:		
- Servicing Fee	€	1,962,058
G2. Commissions for other services	€	69,259
Detail:		
Paying Agent	€	3,667
Computation Agent & Cash Manager	€	4,667
Representative of the Noteholders	€	20,686
Listing Agent	€	10,995

Listing Fees	€	12,367
Corporate Fees	€	14,803
Bus facilitator	€	2,074
<u>H. OTHER EXPENSES</u>	€	67,845,305
H1. Vehicle maintenance costs	€	29,395
H5. Loss on receivables	€	93,413
H6. Other costs	€	120
In detail:		
Stamp Duties	€	115
Bank expenses	€	5
H9 Credits depreciation	€	67,722,377
<u>I. I INTERESTS FROM SECURITIZED ASSETS</u>	€	126,044,378
Detail:		
Interests on securitized receivables	€	126,044,378
L1. Interest income on current accounts	€	3,949,298
L3. Cost refund	€	3,706
L5. Write up of receivables	€	2,780,673
L6. Default interest	€	16
L7. Prepayment commission	€	5
L8. Contingent Assets	€	1,164,898

QUALITATIVE INFORMATION

F.2 – Description of transaction and its development

- **Date of the transaction**

The transaction was held on February 15, 2016, which is the date of establishing the contract for purchasing the initial credit portfolio worth a nominal and assignment value of 3,299,999,588.99 Euro. The securities through which the purchase was financed were issued on February 25, 2016.

- **Originator**

Compass Banca S.p.A., a company founded in Italy as a Public limited company, with registered office on 10, via Caldera 21., Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 107 of gov. decr. N. 385 from 01 Sept 1993. Compass is part of Gruppo Mediobanca, an Italian banking group.

- **Assignment credits**

According to a “package credit” assignment contract, under art. 4 of Italian Law 130, signed on July 13, 2015 and effective since this date, the Company has purchased non-recourse from COMPASS Banca S.p.A., with registered office on 21, Via Caldera, 20153 Milan (Italy), all the credits (capital, interests, interests on arrears, additional, costs, losses, indemnities, etc.) property of COMPASS Banca S.p.A., deriving from consumer credit contracts, registered in the account books of COMPASS Banca S.p.A., which on February 14, 2016, have the following characteristics:

1. classified as performing receivables pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation and therefore have never been classified as “*incagliati*” or as “*in sofferenza*” pursuant to the criteria applied by Compass in compliance with the Bank of Italy regulation;
2. consumer loans agreements whose financing has been originally granted by Compass (also in its previous denomination of Compass S.p.A.);
3. consumer loan agreements entered into with individuals (in their capacity as either borrower or guarantor or obligor) resident in the Republic of Italy;

4. consumer loan agreements denominated in euro;
5. consumer loan agreements under which the instalments shall be paid on monthly basis, through the direct debit procedure (“SDD”) or through postal payment or by direct debit of the relevant debtor’s credit card;
6. consumer loan agreements whose *pro-rata* payments include, 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;
7. consumer loan agreements whose due instalments have been fully and regularly paid;
8. consumer loan agreements with at least one due instalment;
9. consumer loan agreements whose amortisation plan has not more than 120 instalments;
10. consumer loan agreements entered into by Compass (also in its previous denomination of Compass S.p.A.) in the period falling between 2 July 2013 and 31 December 2015;
11. consumer loan agreements entered into in order to finance the purchase of vehicles (cars and motorbikes) registered with the public register of motorveichles (*Registro Pubblico Automobilistico – PRA*) whose date of first registration falls within 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted, the relevant principal outstanding amount is comprised between euro 3,618.12 and euro 51,065.27 and the last two digits of the relevant number code are comprised between 00 and 99; or
12. consumer loan agreements entered into to finance the purchase of vehicles (cars and motorbikes) registered with PRA whose date of first registration falls beyond 24 months from the date of the respective entering into, provided that the consumer loan agreement makes reference to the purpose for which the loan has been granted, the relevant principal outstanding amount is comprised between euro 3,932.49 and euro 42,492.31 and the last two digits of the relevant number code are comprised between 00 and 99; or
13. consumer loan agreements named as “personal loans” originated by Compass (also in its previous denomination of Compass S.p.A.) whose principal outstanding amount is comprised between euro 1,327.14 and euro 59,195.15 and whose last two digits of the relevant number code are comprised between 00 and 99; or

14. consumer loan agreements entered into in order to purchase the good as indicated in the relevant agreement and in any event other than the above mentioned agreements listed under this paragraph (xi), whose principal outstanding amount is comprised between euro 1,227.96 and euro 37,010.00 and whose last two digits of the relevant number code are comprised between 00 and 99;
15. consumer loan agreements whose amortisation plan has never 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; and
16. consumer loan agreements whose TAN is higher than 3%.

The receivables arising from the consumer loan agreements that as at the Initial Valuation Date have at least one of the following characteristics, notwithstanding matching the above mentioned criteria, will be excluded from the assignment:

1. whose borrowers have been financed by Compass pursuant to any other different agreement and in respect to which one instalment of the relevant amortisation plan has not been regularly paid;
2. have 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;
3. have been granted in favour of employees of Compass or other companies controlled by Compass or associated to Compass or other companies comprised in the Mediobanca banking group;
4. whose relevant amortisation plan provides for a final maxi instalment, higher than the other instalments of the relevant amortisation plan;
5. have been disbursed pursuant to contributions or subsidies made by third entities in accordance with applicable law;
6. whose relevant debtors are individuals who have a payment balance higher than euro 100,000.00 on payment accounts opened with Compass;
7. arise from loan agreements secured by (or that otherwise provide the) the assignment of one fifth of the salary (“*cessione del quinto*”, pursuant to the Presidential Decree n. 180/1950), or which provide the delegation for the payment of part of the debtor’s salary directly in favor of Compass.

F.3 – Details of the entities involved**Originator**

Compass Banca S.p.A., with registered office on 10, via Caldera 21, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 13 of gov. decr. N. 385 from 01 Sept 1993., under N. 8045. Compass is managed and coordinated by Mediobanca – Banca di Credito Finanziario S.p.A.

Corporate Servicer Provider

Studio Dattilo Commercialisti Associati, VAT code 09293980158.

Representative of the Noteholders and Security Trustee

KPMG FIDES Servizi di Amministrazione S.p.A., Via Vittor Pisani n, 27, 20124 Milan, Fiscal Code 00731410155.

Account Bank and Cash Manager

MEDIOBANCA – Banca di Credito Finanziario S.p.A., Piazzetta Cuccia n, 1, 20121 Milan.

Paying Agent, Principal Paying Agent and Calculation Agent

Deutsche Bank S.p.A., Piazza del Calendario n, 3, 20126 Milan.

Servicer

Compass Banca S.p.A., with registered office on 10, via Caldera 21, Milan (Italy), Fiscal Code and TVA Code 00864530159, registered in the Special List of Financial Intermediaries of Bank of Italy under art. 13 of gov. decr. N. 385 from 01 Sept 1993., under N. 8045, Compass is managed and coordinated by Mediobanca – Banca di Credito Finanziario S.p.A..

Back-Up Servicer Facilitator

Zenith Services S.p.A.- Via Guidubaldo del Monte 61, 00197, Roma

Irish Listing Agent

McCann FitzGerald Listing Services Limited - Riverside One, Sir John Rogerson's Quay, Dublin 2, 216410.

- **Contractual relations established between the involved subjects:**
- Master Receivables Purchase Agreement between COMPASS Banca S.p.A. and QUARZO S.r.l.;
- Servicing Agreement between QUARZO S.r.l., COMPASS Banca S.p.A. and ZENITH SERVICES S.p.A.;
- Definition Agreement between COMPASS Banca S.p.A., ZENITH SERVICES S.p.A. and Studio Dattilo Commercialisti;
- Corporate Servicing Agreement between QUARZO S.r.l. e STUDIO DATTILO COMMERCIALISTI;
- Intercreditor Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A., DEUTSCHE BANK S.p.A., KPMG Fides Servizi di Amministrazione S.p.A., SPV Holding S.r.l., Studio Dattilo Commercialisti and Zenith Services S.p.A.;
- Cash Allocation, Management and Agency Agreement between QUARZO S.r.l., DEUTSCHE BANK S.p.A., MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Deed of Pledge between QUARZO S.r.l., KPMG Fides Servizi di Amministrazione S.p.A. e MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.p.A.;
- Acceptance of the Deed of Pledge between QUARZO S.r.l., MEDIOBANCA – Banca di Credito Finanziario S.p.A., Studio Dattilo Commercialisti, COMPASS Banca S.p.A., DEUTSCHE BANK S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and Zenith Services S.p.A.;
- Series A Notes Subscription Agreement between QUARZO S.r.l., COMPASS Banca S.p.A., MEDIOBANCA – Banca di Credito Finanziario S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;
- Series B Notes Subscription Agreement between QUARZO S.r.l., COMPASS

Banca S.p.A. and KPMG Fides Servizi di Amministrazione S.p.A.;

- Put and Call Agreement between COMPASS Banca S.p.A. and MEDIOBANCA – Banca di Credito Finanziario S.p.A.

F4 - Details of the Securities

CLASS A SECURITIES – Senior Notes

Amount	€ 2.640.000.000
Coupon rate	0,90%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2032
Initial rating	Fitch “A+”
Second rating	DBRS “A (high)”
Listing on regulated markets	Irish Stock Exchange

CLASS B SECURITIES – Junior Notes

Amount	€ 660.000.000
Coupon rate	2,00%
Coupon	Quarterly (maturity 15/02-15/05-15/08-15/11)
Legal maturity	2032
Rating	No rated
Listing on regulated markets	N/A
Additional return	yes

The notes are listed on the Irish Stock Exchange with the following ISIN codes:

A Series IT0005170391

B Series IT0005170409

Following is a detail of decreasing priority in capital and interest refunding:

- **Interests CLASS A SECURITIES**
- **Capital CLASS A SECURITIES**
- **Interests CLASS B SECURITIES**
- **Capital CLASS B SECURITIES**

The assignment of the rating by the Standard & Poor's "and" DBRS "was performed through an analysis expressed by the following synthetic symbols:

DBRS	S&P	DEFINITIONS
A	A+	High grade

F.6 - Assignee company operation power

The assignee company's operation power is limited to what is expressly stated in the information leaflet (please see details). It essentially consists in receiving acquired credits and temporary re-application of the liquidities deriving from described financial instruments.

The company can reintegrate the original portfolio monthly, until the date originally established of august 2019; the vehicle's assets are under the exclusive guarantee of issued securities refund.

QUANTITATIVE INFORMATION

F.7 - Flow data relating to Receivables

	30.06.2016
Initial Receivables as of Financial Statements	-
+Assignments for year	3,756,735,255
-Collections on collateral (recoveries not included)	-736,636,680
+Matured interests, not collected	149,713,287
+Payment of expenses	1,187,340
-Losses	
Final Receivables as of Financial Statements	3,170,999,202

The final value of the receivables in the chart and in those that follow is gross of Provision for Bad Debts amounting to € 67,722,377.

F.8 - Evolution of due receivables

About the evolution of matured, and presently non-collected receivables, the Offering Circular procedures are being applied: collection attempts by Compass up to the 30th day; insolvency and delegation to debt collection companies from the 31th day.

The overdue positions are approached, starting from 10 days past due, with a phone call or by mail; in case of further overdue, the action becomes more effective, relying on a network of about 60 debt collection companies coordinated by the Receivables Management Department of Compass S.p.a.. Debt collection is meant to prevent a slight overdue from bringing a credit to the state of deterioration.

In debt collection, Compass S.p.a. uses behavioural scoring systems and benchmarking mechanisms to improve overdue processing strategies, and constantly seeks the most efficient debt collection companies. Quarzo S.r.l.'s portfolio is managed within Compass S.p.a.'s portfolio, with the same strategies, so that it benefits from every strategy and process improvement applied to overdue payments by Compass S.p.a.

As of levels of overdue, the amounts of new deteriorated credits, which are similar to Default credits according to the Offering circular, have risk levels that are much below the trigger values set for the securitization.

Evolution of matured receivables	Amount
Deteriorated positions as of 30.06.2015	-
New deteriorated positions	15,849,020
Deteriorated positions transformed into in bonis	
Assigned/lost deteriorated positions	
Unchanged deteriorated positions (amount fluctuation)	
Repurchased deteriorated positions	
Deteriorated positions as of 30.06.2016	15,849,020

F.9 - Cash flows

Italian Expenses Account a current account at Mediobanca S.p.A., c/c n. 70201283, account used for the payment of expenses incurred during the quarter.

Collection Account	30.06.2016	30.06.2015
Initial balance	-	-
Increments	40,000	-
Decrements	(12)	-
Final balance	39,988	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	40,000
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	40,000
Payments during the year	(12)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(12)
Income / (Expenses), net	39,988
Net liquidity at beginning of period	-
Net liquidity at end of period	39,988
Change in net liquidity	39,988

Collection Account a current account in Mediobanca S.p.a. c/c n. 70201284, for the deposit of all amounts collected and/or recovered deriving from credits generated by

Compass as Servicer, and of the amounts due to the Issuer by each Counterparty cited in the Transaction Documents where the Issuer is also present as a Counterparty.

Collection Account	30.06.2016	30.06.2015
Initial balance	-	-
Increments	689,126,433	-
Decrements	(539,201,961)	-
Final balance	149,924,472	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	689,126,938
- from Receivables	689,123,938
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	2,495
Payments during the year	(539,201,961)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(539,201,961)
Income / (Expenses), net	149,924,472
Net liquidity at beginning of period	-
Net liquidity at end of period	149,924,472
Change in net liquidity	149,924,472

Payments Account a current account in Deutsche Bank Spa c/c n. 828299, for the deposit of the amounts in Collection Account and in Eligible Investment Account and that will be used for paying the amounts due according to the Priority Order, and for paying the amounts on the Italian Expense Account.

Payment Account	30.06.2016	30.06.2015
Initial balance		-
Increments	3,179,202,153	-
Decrements	(3,179,202,096)	-
Final balance	57	-

The following table shows the movements related to the year ended 30.06.2016:

Proceeds for the year	3,179,202,153
- from Receivables	
- from issuing securities	2,640,000,000
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	539,202,153
Payments during the year	(3,179,202,096)
- to holders of securities	(80,336,894)
- to the Originator	(3,096,758,603)
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(2,106,599)
Income / (Expenses), net	57
Net liquidity at beginning of period	-
Net liquidity at end of period	57
Change in net liquidity	57

Liquidity Reserve Account a current account at Mediobanca S.p.a. c/c n. 70201287, account in which the Issuer has deposited and will maintain the liquidity reserve for an amount of € 12,012,000.

Reserve amount	30.06.2016	30.06.2015
Initial balance	-	-
Increments	12,012,247	-
Decrements	(263)	-
Final balance	12,011,984	-

The following table shows the movements related to the year ended 30.06.2016

Proceeds for the year	12,012,247
- from Receivables	
- from issuing securities	
- from guarantee lines	
- from liquidity	
- from derivative contracts	
- other collections	12,012,247
Payments during the year	(263)
- to holders of securities	
- to the Originator	
- on guarantee lines	
- on liquidity lines	
- on derivative contracts	
- other payments	(263)
Income / (Expenses), net	12,011,984
Net liquidity at beginning of period	-
Net liquidity at end of period	12,011,984
Change in net liquidity	12,011,984

F.10 - Guarantees and liquidity lines

Liquidity Reserve, set up in accordance with Cash Allocation, Management and Agency Agreement. This reserve amounts to € 12,012,000. The guarantee has not been used as of June 30, 2016

F.11 - Residual maturity distribution***Securitized assets***

Residual Maturity	Amount	%
Within 3 months	271,745,194	8,6%
from 4 to 12 months	726,251,563	22,9%
from 13 to 18 months	429,140,187	13,5%
from 19 to 60 months	1,607,890,341	50,7%
over 60 months	135,971,917	4,3%
Total	3,170,999,202	

Payables: issued Securities

Residual Maturity	Amount	%
Within 3 months		
from 4 to 12 months		
from 13 to 18 months		
from 19 to 60 months		
over 60 months	3,300,000,000	100%
Total	3,300,000,000	

Payables: other liabilities

Residual maturity	Amount	%
Within 3 months	876,299	6,67%
from 4 to 12 months		
from 13 to 18 months		
from 19 to 60 months		
over 60 months	12,261,945	93,33%
Total	13,138,244	

F.12 – Geographical distribution

Geographical area	Amount	%
North	941,918,585	29,7%
Centre	798,231,855	25,2%
South	1,430,836,562	45,1%
Total	3,170,987,002	

F.13 - Risk concentration

The loss/recovery forecast on securitized contracts was made referring to similar situations of receivables not transferred by the Originator.

Delinquency level	Amount	%
Bonis	3,132,329,235	98,78%
Delq 1 (30-59gg)	17,509,273	
Delq 2 (60-89gg)	7,315,885	
Delq 3 (90-119gg)	5,638,421	
Delq 4 (120-149gg)	8,206,388	
Delq 5 (150-179gg)	0	
Total Delinquent	38,669,966	1,22%
Default		
Total	3,170,999,202	

Deteriorated position

Category	Amount	Items
Bonis	3,155,150,182	496,269
Matured	13,487,316	1,651
Overdue	2,328,786	364
Stranded	32,918	10
Total	3,170,999,202	498,294

Risk concentration

Category	Amount	Items
Up to 25,000 Euro	2,923,415,856	490,120
From 25,000 to 75,000 Euro	247,583,346	8,174
From 75,000 to 250,000 Euro		
Over 250,000 Euro		
Total	3,170,999,202	498,294

Collection forecast 2016-2017

Collection type	Amount	%
Capital quotas	1,591,214,287	82,3%
Interest quotas	331,924,035	17,2%
Collection expenses	9,824,309	0,5%
Total	1,932,962,631	

The forecast refers to the 12 months of the financial year 2016-2017.

Part 2 - SECURITISATIONS AND ASSIGNMENT

This part is not applicable because the company is not an intermediary originator of securitization transactions.

Part 3 – Information on risks and hedging policies**3.1 Credit risk**

With reference to corporate equity, the Company has mainly receivables from the separate equity, due to the payment of operation costs. Given the expected collections from separate equity receivables, and the priority of using those collections to pay the above mentioned receivables, it is not considered that there are risks on their collection.

3.2 Market risk

The Company has no financial assets and liabilities that expose it to a significant price or interest rate risk. In addition, the Company only operates within the Country and is not therefore exposed to currency risks.

The Company, as a result of the principle of Separate securitized equity, Law 130/1999, does not run any credit or market risk on securitized assets: the risks are passed on to security holders.

3.3 Operation risks

Regarding operation risk, please note that the Company has no employees and has delegated its management and related operation risk to the subjects put in charge by force of contracts.

3.4 Liquidity Risk

It is not considered that there are any significant liquidity risks.

Part 4 – Information on equity**4.1 The corporate equity****4.1.1 Qualitative information**

In accordance with Article 3 of Law 130/1999, the Company is founded as a Limited liability company, with authorized capital of 10,000 Euros.

Considering the unique corporate purpose of the Company, it aims at preserving its equity over time, and at covering its operation expenses by using the separate equity.

4.1.2 Quantitative information**4.1.2.1 Structure of the Equity**

Items/Values	Amount 30.06.2016	Amount 30.06.2015
1.Capital	€ 10,000	€ 10,000
2. Share premium		
3. Reserves		
- from profit		
a) legal reserve	€ 2,000	€ 2,000
b) statutory reserve		
c) own quotas		
d) other		
- other	€ 530	€ 530
4. Own quotas		
5. Evaluation reserves		
- Financial assets available for sale		
- Tangible assets		
- Intangible assets		
- Foreign investment hedging		
- Financial flow hedging		
- Exchange rate fluctuation.		
- Non-current assets and groups held for sale.		
- Special revaluation laws		
- Actuarial gains/losses relating to defined benefit pension plans.		
- A quota of revaluation reserves relating to investments valued at equity.		
6. Equity instruments		
7. Profit for year		
Total	€ 12,530	€ 12,530

4.2 Equity and supervision quotient

Given the corporate purpose of the Company, and the contents of Part 4.1, this item is considered not applicable.

Part 5 – Total profitability analysis

As reported in the income comprehensive income, the profit/loss of the company coincides with its total profitability.

Part 6 – Transactions with related parties***6.1 Strategic Directors' and Auditors' compensation***

No compensation is paid to Directors.

The company has no working Directors.

6.2 Credits and guarantees to Directors and Auditors

No credits or guarantees were given to Directors or Auditors.

6.3 Information on transactions with related parties

The interaction between parties, governed by market conditions, is part of routine activity. No unusual or atypical transactions are being held, outside the regular company management.

Part 7 - Other detailed information***Auditor's remuneration***

The independent auditor PricewaterhouseCoopers receives an annual fee of Euro 27,457 (not including VAT, Consob contributions and cost refunds) for the statutory audit of the Financial Statements, the accounting auditing activities based on the information provided to Compass for the preparation of the half-year statements as of December 31, regular bookkeeping check, and tax claims related activities.

Management and coordination activities

As of June 30, 2016, the Company has no affiliates or subsidiaries.

The Company is controlled by Mediobanca S.p.A., which indirectly holds, through COMPASS S.p.A., a 90% quota of the authorized capital.

The main Financial Statement entries of the parent company Mediobanca S.p.A. exposed in the summary table required by article 2497-bis of the Italian Civil Code have been extracted from the financial statements for the year ended June 30, 2015. For an adequate and full understanding of the financial position of Mediobanca S.p.A. June 30, 2015, and of the results achieved by the company during the year ended on that date, please refer to the financial statements which, together with the auditors' report, is available in the form and manner required by law.

These are the main Financial Statement entries of Mediobanca, as of 30/06/2015 (in Euro).

BALANCE SHEET – ASSETS	30-06-2015
10. Cash and liquidity	4,788,058
20. held for trading financial assets	10,841,096,162
40. Available for sale financial assets	6,407,061,495
50. Held to Maturity financial assets	1,302,837,095
60. Bank receivables	10,784,548,102
70. Customer receivables	24,859,774,055
80. Hedging derivatives	817,728,572
100. Equity holdings	3,159,688,247
110. Tangible assets	121,419,865
120. Intangible assets	10,761,490
130. Tax assets	294,690,763
<i>a) current</i>	<i>152,405,739</i>
<i>b) paid in advance</i>	<i>142,285,024</i>
150. Other assets	60,999,769
Total assets	58,665,393,673

Balance sheet – LIABILITIES	30-06-2015
10. Payables to banks	19,449,008,699
20. Payables to customers	4,015,148,088
30. Outstanding securities	19,990,870,690
40. Held for trading financial liabilities	8,469,730,032
60. Hedging derivatives	584,684,675
80. Tax liabilities	491,570,578
a) current	201,558,192
b) deferred	290,012,386
100. Other liabilities	325,381,168
110. Employee benefit liability (Severance pay)	8,891,191
120. Provisions	140,369,158
a) retirement and similar funds	-
b) other funds	-
130. Evaluation reserve	402,203,647
160. Other Reserve	2,074,656,421
170. Share premium	2,144,489,313
180. Capital	433,598,881
190. Own quotas	(198,254,123)
200. Profit (Loss) for year	333,045,255
Total liabilities	58,665,393,673

INCOME STATEMENT	30-06-2015
10. Interest income and similar revenues	1,206,446,047
20. Interest expense and similar expenses	(1,047,426,029)
30. Net interest income	159,020,018
40. Commission income	251,598,169
50. Commission expense	(13,331,299)
60. Net commission income	238,266,870
70. Dividends and similar revenues	158,310,351
80. Net gain from trading	118,166,883
90. Net loss (gain) from hedging activities	(990,835)
100. Profit (Loss) from purchase / sale of:	185,982,169
a) <i>Receivables</i>	14,547,109
b) <i>Available for sale financial assets</i>	163,048,318
c) <i>Held to Maturity financial assets</i>	19,891,350
d) <i>Financial liabilities</i>	(11,504,608)
120. Brokerage margin	858,755,456
130. Impairment/reversal of impairment on:	(94,544,517)

<i>a) Receivables</i>	(63,467,428)
<i>b) Available for sales financial assets</i>	(20,894,881)
<i>c) Held to Maturity financial assets</i>	596,810
<i>d) Other financial transactions</i>	(10,779,018)
140. Net result from financial management	764,210,939
150. Management costs	(328,075,593)
<i>a) Cost of labour</i>	(194,960,893)
<i>b) Other operating costs</i>	(113,114,700)
160. Net provisions	-
170. Net adjustments on tangible assets	(3,558,966)
180. Net adjustment on intangible assets	(5,800,517)
190. Other operating revenues/expenses	19,324,308
200. Operation costs	(318,110,768)
210. Profit (Loss) from equity holdings valued at net equity	(3,034,243)
240. Profit (Loss) from sales of equity investments	(20,673)
250. Profit (Loss) before tax	443,045,255
260. income tax expense	(110,000,000)
270. Profit(loss) for the year from continuing operations	333,045,255
290. Profit (Loss) for year	333,045,255

Milan, July 25 2016

QUARZO s.r.l.

The Chairman of the Board of Directors

Cesare Castagna

ANNEX 3
THE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT ON THE ISSUER
FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED ON 30 JUNE 2015



**AUDITORS' REPORT IN ACCORDANCE
WITH ARTICLES 14 AND 16 OF LEGISLATIVE
DECREE N° 39 DATED 27 JANUARY 2010**

QUARZO SRL

FINANCIAL STATEMENTS AS OF 30 JUNE 2015



AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Quarzo Srl

- 1 We have audited the financial statements of Quarzo Srl as of 30 June 2015 which comprise the statement of balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Quarzo Srl are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the instruction of Bank of Italy dated 22 December 2014. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 24 September 2014.
- 3 In our opinion, the financial statements of Quarzo Srl as of 30 June 2015 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the instructions of Bank of Italy dated 22 December 2014; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Quarzo Srl, for the period then ended.
- 4 The company sole business is the securitisation of receivables pursuant to law No. 130/99 and, in compliance with the instructions of Bank of Italy dated 22 December 2014, the company recognizes receivables purchased, notes issued and other operations performed within securitisation, off-balance sheet, in the notes to the financial statement, rather than in balance sheet. As illustrated by the directors, the recognition of financial assets and liabilities in the notes to the financial statement, in accordance with the instructions of Bank of Italy and Law No. 130/99, enables to segregate from the company's assets, assets and liabilities originated from securitisation deals. In accordance with International Accounting Standard IAS – 39, de-recognition of financial assets and/or groups of financial assets and financial liabilities originated from securitisation is still under debate by the boards responsible for the interpretation of generally accepted accounting principles.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001



- 5 The directors of Quarzo Srl are responsible for the preparation of a report on operations in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the specific section on corporate governance and ownership structure, solely with reference to the information referred to in paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard n° 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the report on operations and the information referred to in paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the specific section of the aforementioned report are consistent with the financial statements of Quarzo Srl as of 30 June 2015.

Milan, 28 September 2015

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

ANNEX 4
THE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT ON THE ISSUER
FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED ON 30 JUNE 2016



**INDEPENDENT AUDITORS' REPORT
IN ACCORDANCE WITH ARTICLE 14 AND 16
OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010**

QUARZO SRL

FINANCIAL STATEMENTS AS OF 30 JUNE 2016



INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the shareholders of
Quarzo Srl

Report on the financial statements

We have audited the accompanying financial statements of Quarzo Srl, which comprise the statement of financial position as of 30 June 2016, the income statement, the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the instructions of Bank of Italy dated 15 December 2015.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhler 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Quarzo Srl as of 30 June 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the instructions of Bank of Italy dated 15 December 2015.

Emphasis of matter

The company sole business is the securitisation of receivables pursuant to law No. 130/99 and, in compliance with the instructions of Bank of Italy dated 15 December 2015, the company recognizes receivables purchased, notes issued and other operations performed within securitisation, off-balance sheet, in the notes to the financial statement, rather than in balance sheet. As illustrated by the directors, the recognition of financial assets and liabilities in the notes to the financial statement, in accordance with the instructions of Bank of Italy and Law No. 130/99, enables to segregate from the company's assets, assets and liabilities originated from securitisation deals. In accordance with International Accounting Standard IAS – 39, derecognition of financial assets and/or groups of financial assets and financial liabilities originated from securitisation is still under debate by the boards responsible for the interpretation of generally accepted accounting principles.

Our opinion is not qualified in respect of this matter.

Report on compliance with other laws and regulations

Opinion on the consistency of the report on operations with the financial statements

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report of corporate governance and ownership structure referred in article 123-bis, paragraph 4 of Legislative Decree n° 58/98, which are the responsibility of the directors of Quarzo Srl, with the financial statements of Quarzo Srl as of 30 June 2016. In our opinion, the report on operations and the information in the report of corporate governance and ownership structure mentioned above are consistent with the financial statements of Quarzo Srl as of 30 June 2016.

Milano, 29 September 2016

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international reader.

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 Guidubaldo del Monte, 61

00197 – Rome, Italy

**PAYING AGENT AND CALCULATION
AGENT**

Deutsche Bank S.p.A.

Piazza del Calendario, 3

20126 – Milan, Italy

IRISH LISTING AGENT

McCann FitzGerald Listing Services Limited

Riverside One, Sir John Rogerson's Quay

Dublin 2, Ireland

CORPORATE SERVICES PROVIDER

Studio Dattilo Commercialisti Associati

Galleria del Corso, 2

20122 – Milan, Italy

ARRANGER, ACCOUNT BANK AND CASH MANAGER

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

Piazzetta Enrico Cuccia 1

20121 – Milan, Italy

LEGAL ADVISERS

To the Arranger

Legance AVVOCATI ASSOCIATI

Via Dante, 7

20123 – Milan, Italy