

INFORMATION MEMORANDUM

CENTRO DELLE ALPI SME S.R.L.

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

Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060

Issue Price: 100 per cent

Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060

Issue Price: 100 per cent

Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060

Issue Price: 100 per cent

Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060

Issue Price: 100 per cent

Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060

Issue Price: 100 per cent

Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060

Issue Price: 100 per cent

This information memorandum (the "**Information Memorandum**") contains information relating to the issue by Centro delle Alpi SME S.r.l., a *società a responsabilità limitata* incorporated pursuant to the Securitisation Law (as defined below) with quota capital of Euro 10,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 05416660263, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni di vigilanza in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 48431.1 (the "**Issuer**") of the (i) Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060 (the "**Class A1 Notes**"), (ii) Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060 (the "**Class A2 Notes**"), (iii) Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060 (the "**Class A3 Notes**"), (iv) Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060 (the "**Class A4 Notes**" together with the Class A1 Notes, Class A2 Notes and Class A3 Notes, the "**Class A Notes**" or the "**Senior Notes**" and together with the Class A3 Notes, the "**Senior Partly Paid Notes**"), (v) Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060 (the "**Class M Notes**" or the "**Mezzanine Notes**" and, together with the Senior Notes, the "**Rated Notes**"), and (vi) Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060 (the "**Class J Notes**" or the "**Junior Notes**" and, together with (a) the Mezzanine Notes, the "**Subordinated Notes**", (b) the Class A3 Notes, the Class A4 Notes and the Class M Notes, the "**Partly Notes**" and (c) the Senior Notes and the Mezzanine Notes, the "**Notes**").

This document constitutes a "*prospetto informativo*" for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time (the "**Securitisation Law**"). The Notes are not being offered pursuant to this Information Memorandum and no application has been made to list the Notes on any stock exchange. The Notes will be issued on 16 June 2023 (the "**Issue Date**"). This Prospectus constitutes also the admission document of the Rated Notes for the admission to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive (Directive 2014/65/EC (the "**MIFID II**")), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). The Junior Notes are not being offered pursuant to this Prospectus and no application has been made to list the Junior Notes on any stock exchange.

Neither the Commissione Nazionale per le Società e la Borsa ("CONSOB") or Borsa Italiana have examined or approved the content of this Prospectus.

The net proceeds of the offering of the Notes will be applied by the Issuer on the Issue Date to fund, *inter alia*, the purchase of (i) a portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises pursuant to loan agreements collateralized by mortgages (respectively, the "**Mortgage Portfolio**", the "**Mortgage Receivables**" and the "**Mortgage Loans**") entered into between Banca Popolare di Sondrio S.p.A. ("**BPS**" or the "**Originator**") and the relevant Debtors, and (ii) a portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises pursuant to loan agreements, some of which are secured pursuant to Law Decree 8 April 2020, no. 23, converted with amendments into law 5 June 2020, no. 40 as from time to time amended and supplemented (the "**Liquidity Decree**") by guarantees granted by the *Fondo di Garanzia per le PMI* (the "**CGFS**") established in accordance with article 2, paragraph 100, letter (a) of Law n. 662 of 23 December 1996 and administered by Banca del Mezzogiorno – Mediocredito Centrale S.p.A. ("**MCC**" and the relevant guarantees, the "**MCC Guarantees**"), entered into between BPS and the relevant Debtors (respectively, the "**Non-Mortgage Portfolio**", the "**Non-Mortgage Receivables**" and the "**Non-Mortgage Loans**" and, together with the Mortgage Portfolio, the Mortgage Receivables and the Mortgage Loan, the "**Initial Portfolio**", the "**Initial Receivables**" and the "**Loans**"). The Initial Portfolio is purchased by the Issuer under the terms of a master transfer agreement entered into between the Issuer and the Originator pursuant to the Securitisation Law on 1 June 2023 (the "**Master Transfer Agreement**").

Pursuant to the terms and subject to the conditions of the Master Transfer Agreement and the relevant purchase notice, the Originator may, during the Ramp-Up Period, sell to the Issuer further non-mortgage portfolios (each a "**Further Portfolio**" and considered together with the Initial Portfolio, the "**Portfolios**") of further non-mortgage receivables (the "**Further Receivables**" and together with the Initial Receivables, the "**Receivables**") between BPS and the

relevant Debtors. The purchase price of the Further Portfolios will be financed through further instalments of the subscription price of the Partly Paid Notes, to be paid by the Notes Subscriber during the Ramp-Up Period, in accordance with the Conditions and the Notes subscription agreement entered into, on or about the date hereof, by and between the Issuer, the Notes Subscriber and the Representative of the Noteholders (the “**Notes Subscription Agreement**”).

The Portfolios will constitute the principal source of funds available to the Issuer for the payment of interest, the Variable Return (if any) and the repayment of principal on the Notes.

By operation of Italian Law and the Transaction Documents, the Issuer’s right, title and interest in and to the Portfolios and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer’s Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the securitisation of the Portfolios (the “**Securitisation**” or the “**Transaction**”). Amounts derived from the Portfolios will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 7 (*Priority of Payments*) and the Intercreditor Agreement (the “**Priority of Payments**”).

Interest on the Senior Notes will accrue on a daily basis and will be payable on 25 July 2023 (the “**First Payment Date**”) and thereafter monthly in arrears in Euro in accordance with the applicable Priority of Payments, on the 25th calendar day of each calendar month (or, if such day is not a Business Day, the immediately succeeding Business Day) (each such dates, a “**Payment Date**”).

The Senior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an “**Interest Period**”) (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) (i) in respect of the Class A1 Notes and the Class A3 Notes (the “**Class A1 and Class A3 Interest Rate**”) will be the Euribor for 1 month Euro deposits (the “**1 Month Euribor**”), as determined and defined in accordance with Condition 8 (*Interest*) plus a margin equal to 1.00% *per annum* (the “**Class A1 and Class A3 Margin**”), provided that if such rate of interest falls below 0 (zero), the applicable Class A1 and Class A3 Interest Rate shall be equal to 0 (zero); and (ii) in respect of the Class A2 Notes and the Class A4 Notes (the “**Class A2 and Class A4 Interest Rate**”) will be a fixed rate equal to 1.50% *per annum*.

The Mezzanine Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each Interest Period (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) in respect of the Mezzanine Notes (the “**Class M Interest Rate**”) will be the 1 Month Euribor, as determined and defined in accordance with Condition 8 (*Interest*) plus a margin equal to 2.00% *per annum* (the “**Class M Margin**”), provided that if such rate of interest falls below 0 (zero), the applicable Class M Interest Rate shall be equal to 0 (zero).

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each Interest Period (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) in respect of the Junior Notes (the “**Class J Interest Rate**”) will be a fixed rate equal to 1.00% *per annum*. A Variable Return may or may not be payable on the Junior Notes on each Payment Date in accordance with the Conditions.

The Senior Notes are expected, on issue, to be rated “A (sf)” by DBRS Ratings GmbH (“**DBRS**”) and “A (sf)” by S&P Global Ratings Europe Limited (“**S&P**”). The Mezzanine Notes (together with the Senior Notes, the “**Rated Notes**”) are expected, at maturity, to be rated “BB (high) (sf)” by DBRS and “BBB (sf)” by S&P. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** 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 Regulation (EC) no. 1060/2009 on credit rating agencies, as subsequently amended (the “**EU CRA Regulation**”), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. As at the date of this Information Memorandum, each of DBRS and S&P (together, the “**Rating Agencies**”) is established in the European Union and is registered under the EU CRA Regulation, as evidenced in the latest update of the list published by ESMA on its website (being, as at the date of this Information Memorandum, www.esma.europa.eu).

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

The Notes will be 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 the Other Issuer Creditors (as defined below). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan, including any depository banks appointed by Euroclear and Clearstream). Euronext Securities Milan shall act as depository for Euroclear and Clearstream. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83–*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time (the “**Joint Regulation**”). No physical document of title will be issued in respect of the Notes.

Before the Payment Date falling in 25 July 2060 (the “**Final Maturity Date**”), the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 9 (*Redemption, purchase and cancellation*)). Save for the fact that in any event full redemption will

have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Notes may not be offered or sold directly or indirectly, and neither this document nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom, France and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Information Memorandum, see the section headed "*Subscription, sale and selling restrictions*".

The Issuer will be relying on an exclusion or exemption from the definition of "*investment company*" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). No assurance can be given as to the availability of the exclusion or exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Notes. Any prospective investor in the Notes, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

U.S. RISK RETENTION – The Securitisation will not involve risk retention by the Originator for the purposes of the final rules promulgated under Section 15C of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**") and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. The Originator intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, except with the prior written consent of the Originator (a "**U.S. Risk Retention Consent**") and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**").

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

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (as from time to time amended and/or supplemented, the "**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (as from time to time amended and/or supplemented, the "**UK MIFIR**"); and (ii) all channels for distribution for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the Manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention And Product Governance Sourcebook (as from time to time amended and/or supplemented, the "**UK MIFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as from time to time amended and/or supplemented, the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in article 2 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any UK Retail Investor in the United Kingdom (the "**UK**"). For these purposes a "**UK Retail Investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as from time to time amended and/or supplemented, the "**EUWA**"); or (ii) a customer within the meaning of provisions of the Financial Services and Markets Act 2000 (as from time to time amended and/or supplemented, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as from time to time amended and/or supplemented, the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to UK Retail Investors has been prepared and therefore offering or selling the Notes or otherwise making them available to any UK Retail Investor may be unlawful under the UK PRIIPs Regulation.

BENCHMARK REGULATION – Amounts payable under the Senior Notes will be calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Information Memorandum, EMMI is authorised as benchmark administrator and included on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of Regulation (EU) No. 2016/1011.

Under the Intercreditor Agreement, the Originator has undertaken that it will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12

December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (as subsequently amended, the "**Securitisation Regulation**") and the relevant applicable technical standards in accordance with Article 6(3)(a) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, such material net economic interest is represented by the retention of not less than 5% of the nominal value of each Class of Notes, as required by the text of Article 6(3)(a) of the Securitisation Regulation.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in this Information Memorandum for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, BPS (in any capacity) nor any other party to the Transaction Documents, makes any representation that the information described in this Information Memorandum is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator. Please refer to the sections entitled "*Regulatory Disclosure and Retention Undertaking*" and "*Compliance with STS Requirements*" for further information.

STS SECURITISATION – The Securitisation is intended to qualify as simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**") and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27(2) of the Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS Requirements has been complied with in the Securitisation. **No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA website (being, as at the date of this Information Memorandum, https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre) (the "ESMA STS Register").** None of the Issuer, BPS (in any capacity), the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time. Please refer to the sections entitled "*Regulatory Disclosure and Retention Undertaking*" and "*Compliance with STS Requirements*" for further information.

EUROSYSTEM ELIGIBILITY – The Senior Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee and neither the Issuer nor the Arranger or the Originator nor any other person takes responsibility for the Senior Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the Senior Notes satisfying the Eurosystem eligibility criteria (as amended from time to time). In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Senior Notes for the above purpose prior to their issuance or to their rating and listing and if the Senior Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Senior Notes at any time. The assessment and/or decision as to whether the Senior Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank. None of the Issuer, the Originator, the Arranger or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Senior Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Senior Notes at any time.

Capitalised words and expressions used in this Information Memorandum shall, except so far as the context otherwise requires, have the meanings set out in the section headed "*Terms and Conditions of the Notes*".

Each prospective investor in the Notes should consult with its own legal, accounting and other advisors to determine whether, and to what extent, an investment in the Securitisation is a suitable investment for such prospective investor.

Dated 16 June 2023

Arranger

Banca Finanziaria Internazionale S.p.A.

Notes Subscriber

Banca Popolare di Sondrio S.p.A.

NOTICE TO INVESTORS

Responsibility for Information

None of the Issuer, the Arranger, the Notes Subscriber or any other party to any of the Transaction Documents (as defined below) or any other person, other than the Originator, has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of the Issuer, the Arranger, the Notes Subscribers or any other party to any of the Transaction Documents (as defined below) or any other person, other than the Originator, undertaken, nor will they undertake, any investigations, searches, or other actions to establish the existence of any of the monetary claims in the Portfolios or the creditworthiness of any Debtor in respect of the relevant Receivables. In the Warranty and Indemnity Agreement the Originator has given certain representations and warranties to the Issuer in relation to, inter alia, the Receivables, the Loan Agreements and the Debtors.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information contained in this Information Memorandum for which it takes responsibility is true and does not omit anything likely to affect the import of such information. In respect of any information contained in this Information Memorandum that has been sourced by the Issuer from a third party, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Banca Popolare di Sondrio S.p.A. has provided the information relating to itself and to the Portfolios included in this Information Memorandum in the sections headed "Regulatory Disclosure and Retention Undertaking", "The Portfolios", "The Originator, the Notes Subscriber, the Reporting Entity and the Servicer", "Credit and Collection Policies" and any other information contained in this Information Memorandum relating to itself and the Portfolios and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Banca Popolare di Sondrio S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.

Banca Finanziaria Internazionale S.p.A. has provided the information included in this Information Memorandum in the section headed "The Arranger, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer and the Back-Up Servicer Facilitator" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Banca Finanziaria Internazionale S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.

BNP Paribas, Italian Branch has provided the information included in this Information Memorandum in the section headed "The Account Bank and the Paying Agent" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of BNP Paribas, Italian Branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.

The Arranger, the Notes Subscriber (save for the information contained in this Information Memorandum in relation to which BPS is responsible jointly with the Issuer) and the Representative of the Noteholders have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Arranger, the Notes Subscriber (save for the information contained in this Information Memorandum in relation to which BPS is responsible jointly with the Issuer) and the Representative of the Noteholders or any of them as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer or BPS (in any capacity), in connection with the Notes or their distribution.

Stichting Fenchurch has provided the information included in this Information Memorandum in the section headed "The Sole Quotaholder" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Stichting Fenchurch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.

M&G Trustee Company Limited has provided the information included in this Information Memorandum in the section headed "The Stichting Corporate Servicer" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of M&G Trustee Company Limited (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.

No person has been authorised to give any information or to make any representation not contained in this Information Memorandum 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 Notes Subscriber, the Representative of the Noteholders, the Issuer, the Sole Quotaholder, the Stichting Corporate Servicer, the Originator, (in any capacity) or any other party to the Transaction Documents or any other person. Neither the delivery of this Information Memorandum nor any offering, sale or delivery of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer, the Originator or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Information Memorandum.

Other business relations

In addition to the interests described in this Information Memorandum, prospective Noteholders should be aware that each of the Arrangers and their related entities, associates, officers or employees (each a "Relevant Entity") may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any other party to the Transaction Documents, both on its own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or any other party to the Transaction Documents may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests

of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.

Selling restrictions

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

The Notes may not be offered or sold directly or indirectly, and neither this Information Memorandum nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom 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 would allow an offering (nor an "offerta al pubblico di prodotti finanziari") of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Information Memorandum nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Information Memorandum see the section entitled "Subscription, Sale and Selling Restrictions" below.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS INFORMATION MEMORANDUM OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Investors' responsibility to consult advisors

This Information Memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, BPS (in any capacity), the Arranger and the Notes Subscriber that any recipient of this Information Memorandum 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 Portfolios and the Issuer and the terms of the offering including the merits and the risks involved, and its own determination of the suitability of any such investment, with particular reference to its own investment, objectives and experience and any other

factors which may be relevant to it in connection with such an investment. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

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

The contents of this Information Memorandum 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.

Interpretation

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

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

In this Information Memorandum, unless otherwise specified, references to "EUR", "euro", "Euro" or "Euro" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

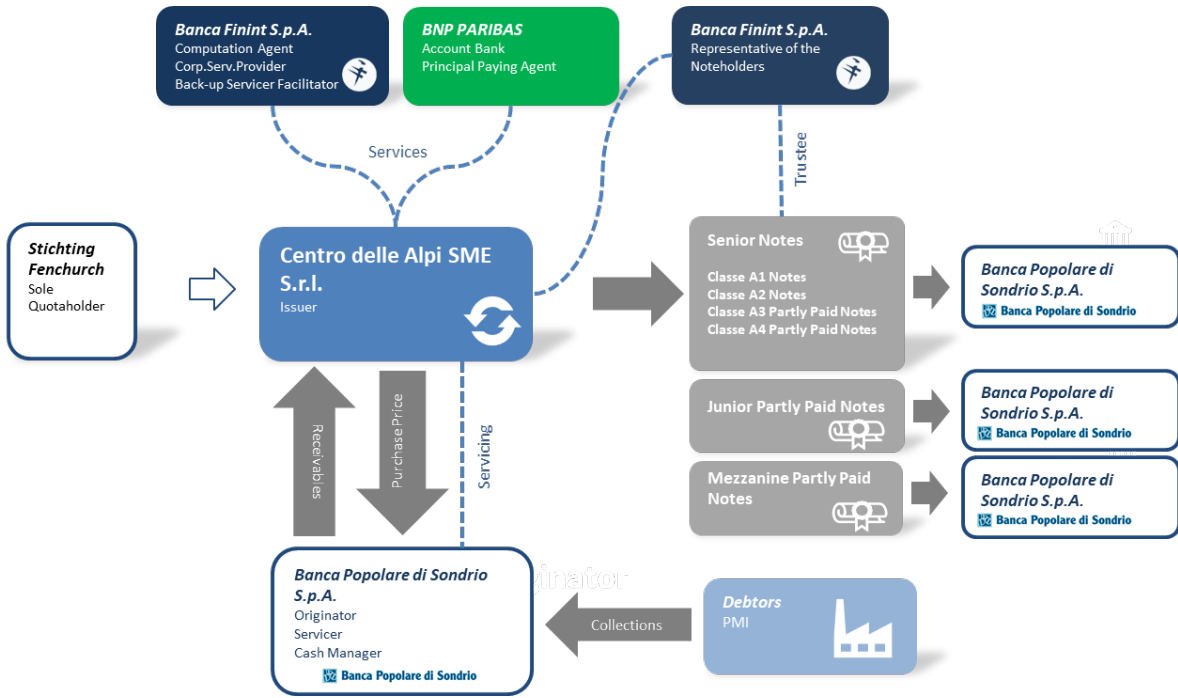
Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.

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

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TRANSACTION DIAGRAM



TRANSACTION OVERVIEW

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

Capitalised terms used but not defined in the overview below shall bear the meanings given to them in the section entitled Terms and Conditions of the Notes.

1. THE PRINCIPAL PARTIES

Issuer

Centro delle Alpi SME S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of Italian law No. 130 dated 30 April 1999 (as amended and supplemented from time to time, the “**Securitisation Law**”), quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso – Belluno No. 05416660263, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 (“*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*”) under No. 48431.1 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities in the context of one or more securitisation transactions, subject to Condition 6.12 (*Further Securitisations*).

For further details, see the section entitled “*The Issuer*”.

Originator

Banca Popolare di Sondrio S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza Garibaldi 16, 23100 Sondrio (SO), Italy, share capital of Euro 1,360,157,331.00 fully paid up, fiscal code and enrolment with the companies register of Sondrio No. 00053810149, enrolled (i) under No. 842 in the register of the banks held by the Bank of Italy pursuant to article

13 of Italian legislative decree No. 385 dated 1 September 1993 (as from time to time amended and supplemented, the “**Consolidated Banking Act**”) and (ii) under No. 5696.0 in the register of the banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act (“**BPS**”).

For further details, see the section entitled “*The Originator, the Notes Subscriber, the Reporting Entity, the Cash Manager and the Servicer*”.

Servicer

BPS.

The Servicer will act as such pursuant to the Servicing Agreement.

For further details, see the section entitled “*The Originator, the Notes Subscriber, the Reporting Entity, the Cash Manager and the Servicer*”.

Computation Agent

Banca Finanziaria Internazionale S.p.A., *breviter* “**BANCA FININT S.P.A.**”, a bank incorporated under the laws of Italy as a *società per azioni*, having its registered office in Via V. Alfieri 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the Companies’ Register of Treviso–Belluno number 04040580963, VAT Group “*Gruppo IVA FININT S.P.A.*” – VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the “*Fondo Interbancario di Tutela dei Deposit*” and of the “*Fondo Nazionale di Garanzia*” (“**Banca FinInt**”).

The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled “*The Arranger, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer and the Back-Up Servicer Facilitator*”.

Account Bank

BNP Paribas, Italian Branch, a company incorporated under the laws of France licensed to conduct banking operations, having its registered office at Boulevard des Italiens n. 16, Paris, France, registered with the Chamber of Commerce of Paris under number B662 042 449, with

a fully paid-up share capital of Euro 2,468,663,292.00 which acts for the purposes hereof through its Italian branch, whose offices are located in Piazza Lina Bo Bardi n. 3, Milan, enrolled in the register of the banks held by the Bank of Italy under no. 5482, Fiscal code and VAT code no. 04449690157, REA n. 731270 ("**BNP Paribas, Italian Branch**").

The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Account Bank and the Paying Agent*".

Paying Agent

BNP Paribas, Italian Branch.

The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Account Bank and the Paying Agent*".

Cash Manager

BPS.

The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Originator, the Notes Subscriber, the Reporting Entity, the Cash Manager and the Servicer*".

Representative of the Noteholders

Banca FinInt

The Representative of the Noteholders will act as such pursuant to the Notes Subscription Agreement, the Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other Transaction Documents.

For further details, see the section entitled "*The Arranger, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer and the Back-Up Servicer Facilitator*".

Corporate Servicer

Banca FinInt

The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.

For further details, see the section entitled "*The Arranger, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer and the Back-*

Up Servicer Facilitator".

Back-Up Servicer Facilitator

Banca FinInt

The Back-Up Servicer Facilitator will act in such capacity pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement.

For further details, see the section entitled "*The Arranger, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer and the Back-Up Servicer Facilitator*".

Sole Quotaholder

Stichting Fenchurch, a company duly incorporated and validly existing under the laws of The Netherlands, with registered office in Locatellikade 1, Amsterdam 1076AZ, The Netherlands, enrolment with the Chamber of Commerce in Amsterdam under no. 55593364 (the "**Sole Quotaholder**" or the "**Foundation**").

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

Stichting Corporate Servicer

M&G Trustee Company Limited, a company duly incorporated and validly existing under the laws of England and Wales, with registered office in 10 Fenchurch Avenue, London, EC enrolment with Companies House under no. 01863305 (the "**Stichting Corporate Servicer**").

The Stichting Corporate Servicer will act as such pursuant to the Stichting Corporate Services Agreement.

For further details, see the section entitled "*The Stichting Corporate Servicer*".

Reporting Entity

BPS acting as reporting entity pursuant to and for the purposes of article 7(2) of the Regulation (EU) 2017/2402 of 12 December 2017 (as amended and supplemented from time to time, the "**Securitisation Regulation**") or any person from time to time acting in such capacity for such purposes (the "**Reporting Entity**").

For further details, see the section entitled "*The Originator, the Notes Subscriber, the Reporting Entity, the Cash Manager and the Servicer*".

Arranger

Banca FinInt

For further details, see the section entitled "*The Arranger, the Computation Agent, the Representative of*

the Noteholders, the Corporate Servicer and the Back-Up Servicer Facilitator

Notes Subscriber

BPS.

The Notes Subscriber will act as such pursuant to the Notes Subscription Agreement.

For further details, see the section entitled "*The Originator, the Notes Subscriber, the Reporting Entity, the Cash Manager and the Servicer*".

Rating Agencies

DBRS Ratings GmbH ("**DBRS**") and Standard & Poor's Global Ratings Europe Limited ("**S&P**" and, together with DBRS, the "**Rating Agencies**", and each a "**Rating Agency**").

As at the date of the Prospectus, there are no relationships of direct or indirect control or ownership among the parties listed above, except for the relationships between the Issuer and the Sole Quotaholder as described in the section entitled "*The Issuer*".

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

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

Class A1 Notes

Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060 (the "**Class A1 Notes**").

Class A2 Notes

Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060 (the "**Class A2 Notes**").

Class A3 Notes

Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060 (the "**Class A3 Notes**").

Class A4 Notes

Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060 (the "**Class A4 Notes**", together with the Class A1 Notes, Class A2 Notes and Class A3 Notes, the "**Class A Notes**" or "**Senior Notes**" and together with the Class A3 Notes, the "**Senior Partly Paid Notes**").

Class M Notes

Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060 (the "**Class M Notes**", or the "**Mezzanine Notes**" and together with the Senior Notes, the "**Rated Notes**").

Class J Notes

Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060 (the "**Class J Notes**" or the "**Junior Notes**" and, together with (i) the Mezzanine Notes, the "**Subordinated Notes**" and

(ii) the Class A3 Notes, Class A4 Notes and the Class M Notes, the “**Partly Paid Notes**”).

Partly Paid Notes

The Class A3 Notes, the Class A4 Notes, the Class M Notes and the Junior Notes will be issued on a partly-paid basis by the Issuer as provided in the Conditions and the other Transaction Documents. Therefore:

- (a) on the Issue Date, the Partly Paid Notes will be issued and subscribed for the full Partly Paid Notes Nominal Amount and the following Notes Initial Instalments Amounts will be paid by the Notes Subscriber in respect of each Class of Partly Paid Notes, in accordance with the Notes Subscription Agreement:

Class A3 Notes: Euro 104,611,990 as Class A3 Notes Initial Instalment Amount;

Class A4 Notes: Euro 8,108,905 as Class A4 Notes Initial Instalment Amount;

Class M Notes: Euro 141,886,440 as Mezzanine Notes Initial Instalment Amount; and

Class J Notes: Euro 307,308,665 as Junior Notes Initial Instalment Amount.

- (b) during the Ramp-Up Period, the relevant Noteholders may be requested, in accordance with the Transaction Documents, to pay the Class A3 Notes Further Instalment Amounts, the Class A4 Notes Further Instalment Amounts, the Mezzanine Notes Further Instalment Amounts and the Junior Notes Further Instalment Amounts in respect of the relevant Class of Partly Paid Notes held by it to fund the payment of the Purchase Price of the Further Portfolios and the relevant Cash Reserve Increase Amount.

Upon payment of a Notes Further Instalment Amount, the then current Paid-Up Amount of the Partly Paid Notes shall be increased accordingly.

Ramp-Up Period	<p>Ramp-Up Period means the period starting from the Issue Date and until the earlier of:</p> <ul style="list-style-type: none"> (a) the Payment Date falling on June 2025 (included); (b) the date on which the Representative of the Noteholders has notified to the Issuer a Purchase Termination Event or a Trigger Notice; (c) the date on which the Notes Subscriber has notified the Issuer the intention of selling (other than (i) any transaction relating to the Senior Notes as eligible collateral executed pursuant to the ECB Guidelines and (i) any repurchase agreement transactions (repo) relating to the Mezzanine Notes or the Junior Notes) in whole or in part the Partly Paid Notes.
Issue Date	The Notes will be issued on 16 June 2023.
Issue Price	The Notes will be issued at 100 per cent. of their principal amount upon issue.
Use of Proceeds on the Issue Date	<p>The net proceeds from the issue of the Notes will be applied by the Issuer, on the Issue Date, to make the following payments:</p> <ul style="list-style-type: none"> (i) pay (also by way of set-off) to the Originator the Initial Portfolio Purchase Price pursuant to the Master Transfer Agreement; (ii) credit the Retention Amount into the Expenses Account; and (iii) credit the Cash Reserve Initial Amount into the Cash Reserve Account.
Interest on the Class A1/A3 Notes	<p>The Class A1 Notes and Class A3 Notes (the “Senior Floating Rate Notes”) will bear interest on their Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided for in Condition 9 (<i>Redemption, Purchase and Cancellation</i>).</p> <p>The rate of interest payable from time to time on the Senior Floating Rate Notes will be equal to the Euribor <i>plus</i> a margin of 1.00 per cent. <i>per annum</i>, floored at 0 (zero)</p>
Interest on the Class A2/A4 Notes	The Class A2 Notes and Class A4 Notes (the “ Senior Fixed Rate Notes ”) will bear a fixed interest on their

Principal Amount Outstanding from and including the Issue Date at a rate equal to 1.50 per cent. *per annum*.

Interest on the Senior Fixed Rate Notes will be payable monthly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest on the Senior Fixed Rate Notes will be due on the First Payment Date in respect of the period from (and including) the Issue Date to (but excluding) such First Payment Date.

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

In particular, interest in respect of the Senior Partly Paid Notes will start to accrue:

- a) from the Issue Date (included), in respect of the Notes Initial Instalment Amounts; and
- b) from the relevant Payment Date (included), in respect of any Notes Further Instalment Amounts.

The first payment of interest on the Senior Notes will be due on the Payment Date falling in July 2023 in respect of the period from (and including) the Issue Date up to (but excluding) such date.

Interest on the Mezzanine Notes

The Class M Notes will bear a floating interest on their Principal Amount Outstanding from and including the Issue Date at the rate equal to the Euribor plus a margin of 2.00 per cent. *per annum*, floored at 0 (zero).

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

In particular, interest in respect of Mezzanine Notes will start to accrue:

- a) from the Issue Date (included), in respect of the Notes Initial Instalment Amounts; and
- b) from the relevant Payment Date (included), in respect of any Notes Further Instalment Amounts.

The first payment of interest on the Mezzanine Notes will be due on the Payment Date falling in July 2023 in

**Mezzanine Notes Interest
Subordination Event**

respect of the period from (and including) the Issue Date up to (but excluding) such date.

means that the Cumulative Gross Default Ratio has exceeded the Mezzanine Notes Trigger Level.

**Interest and Junior Notes Variable
Return on the Junior Notes**

The rate of interest payable from time to time on the Junior Notes will be a fixed rate equal to 1.00 per cent. *per annum*.

Interest in respect of the Junior Notes will accrue on a daily basis and will be payable monthly in arrears in Euro on each Payment Date once the Rated Notes have been redeemed in full in accordance with the applicable Priority of Payments.

Interest in respect of the Junior Notes will start to accrue:

- a) from the Issue Date (included), in respect of the Notes Initial Instalment Amounts; and
- b) from the relevant Payment Date (included), in respect of any Notes Further Instalment Amounts.

The first payment of interest on Junior Notes will be due on the Payment Date falling in July 2023 in respect of the period from (and including) the Issue Date up to (but excluding) such date.

In addition, a Variable Return on the Junior Notes may or may not be payable on the Junior Notes in Euro on each Payment Date in accordance with the relevant Priority of Payments. The Junior Notes Variable Return on the Junior Notes will be equal to any Issuer Available Funds available after making all payments ranking in priority to the Variable Return on the Junior Notes and may be equal to 0 (zero).

Interest deferral

Without any prejudice to the provisions of the present Condition 8 (*Interest*), the payment of interest on the Class M Notes and on the Class J Notes will be subject to deferral to the extent that there are insufficient Issuer Available Funds on any Payment Date prior to the Final Maturity Date in accordance with the applicable Priority of Payments to pay in full the relevant interest amount which would otherwise be due on such Class of Notes. The amount by which the aggregate amount of interest paid on the Class M Notes and on the Class J Notes on any Payment Date prior to the Final Maturity Date falls short of the aggregate amount of interest which

otherwise would be due on such Class of Notes on that Payment Date shall be aggregated with the amount of, and treated as if it were, interest amount due on such Class of Notes on the immediately following Payment Date and will be payable on such Payment Date in accordance with the applicable Priority of Payments. No interest will accrue on any amount so deferred. Any interest amount due but not payable on the Most Senior Class of Notes on any Payment Date prior to the Final Maturity Date will not be deferred and any failure to pay such interest amount will constitute a Trigger Event pursuant to Condition 13 (*Trigger Events and Purchase Termination Events*).

Form and denomination

The denomination of the Senior Notes and the Mezzanine Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The denomination of the Junior Notes will be Euro 1,000.

The Notes are issued in bearer form (*al portatore*) and will be held in dematerialised form (*in forma dematerializzata*) and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act, and (ii) the Joint Regulation.

The Notes will be accepted for clearance by Euronext Securites Milan with effect from the Issue Date. The Notes will be held by Euronext Securities Milan on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Euronext Securities Milan Account Holders. No physical documents of title will be issued in respect of the Notes.

Status

The Notes constitute direct, secured and 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 Portfolios and pursuant to the exercise of the Issuer's Rights as further specified in Condition 10.2 (*Limited recourse obligations of the Issuer*).

The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the

consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

Ranking and Subordination

In respect of the obligation of the Issuer to pay interest on the Senior Notes both prior to and following (i) the service of a Trigger Notice, (ii) a mandatory redemption pursuant to Condition 9.2 (*Mandatory redemption*), (iii) an optional redemption pursuant to Condition 9.3 (*Optional redemption*), (iv) an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or (v) the Final Maturity Date:

- (a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves and in priority to (i) the payment of interest on the Mezzanine Notes and the Junior Notes, (ii) the repayment of principal on the Senior Notes, the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes;
- (b) the Mezzanine Notes rank *pari passu* and without any preference or priority among themselves and (A) before the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) the payment of interest on the Junior Notes, (ii) the repayment of principal on the Senior Notes, the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes or (B) after the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) the payment of interest on the Junior Notes, (ii) the repayment of the principal on the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes but subordinated to the payment of principal on the Senior Notes; and
- (c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves and in priority to (i) the payment of principal on the Junior Notes and (ii) the payment of the Variable Return (if any) on the Junior Notes, but subordinated to payment of interest on the Rated Notes and repayment of

principal on the Rated Notes.

In respect of the obligation of the Issuer to repay principal on the Notes both prior to and following (i) the service of a Trigger Notice, (ii) a mandatory redemption pursuant to Condition 9.2 (*Mandatory redemption*), (iii) an optional redemption pursuant to Condition 9.3 (*Optional redemption*), (iv) an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (v) the Final Maturity Date:

- (a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to payment of interest on the Senior Notes and (A) before the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) payment of interest on the Junior Notes, (ii) the repayment of principal on the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes or (B) after the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) payment of interest on the Mezzanine Notes and the Junior Note, (ii) repayment of principal on the Mezzanine Notes and the Junior Notes and (iii) payment of the Variable Return (if any) on the Junior Notes;
- (b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to (i) payment of interest on the Senior Notes and the Mezzanine Notes and (ii) repayment of principal on the Senior Notes and in priority to (a) payment of interest on the Junior Notes, (b) payment of interest on the Junior Notes and (c) payment of the Variable Return (if any) on the Junior Notes;
- (c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to (i) payment of interest on the Notes and (ii) repayment of principal on the Rated Notes and in priority to the payment of the Variable Return (if any) on

the Junior Notes.

The rights of the Noteholders in respect of the priority of payment of interest and repayment of principal on the Notes, as well as payment of the Variable Return (if any) on the Junior Notes, are set out in Condition 7.1 (*Pre-Enforcement Priority of Payments*) or Condition 7.2 (*Post-Enforcement Priority of Payments*), as the case may be, and are subject to the provisions of the Intercreditor Agreement and subordinated to certain prior ranking amounts due by the Issuer as set out therein.

Withholding on the Notes

As at the date of the Prospectus, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax (including any Decree 239 Deduction) from any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes on account of such withholding or deduction.

Final Redemption

The Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued but unpaid thereon) on the Payment Date falling in July 2060 (the “**Final Maturity Date**”).

The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 9.2 (*Mandatory Redemption*), 9.3 (*Optional Redemption*) and 9.4 (*Optional Redemption for Taxation Reasons*), but without prejudice to Condition 13 (*Trigger Events and Purchase Termination Events*).

Cancellation

The Notes will be finally and definitively cancelled:

- (a) (i) on the Final Maturity Date, or (ii) on the earlier date on which the Notes are redeemed pursuant to Condition 9.2 (*Mandatory Redemption*), 9.3 (*Optional Redemption*) and 9.4 (*Optional Redemption for Taxation Reasons*), but without prejudice to Condition 13 (*Trigger Events and Purchase Termination Events*); or
- (b) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for

application in or towards such redemption, on the later of (i) the Payment Date immediately following the end of the Collection Period during which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the end of the Collection Period during which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having certified to the Representative of the Noteholders, and the Representative of the Noteholders having notified the Noteholders in accordance with Condition 17 (*Notices*), that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the Issuer's Rights (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes,

(the applicable date of cancellation, the "**Cancellation Date**").

Crystallization of the Notes

The nominal amount of the Partly Paid Notes is not entirely paid up by the Payment Date related to the Notes Further Instalment Amounts, the lower amount paid up by the Notes Subscriber shall crystallize and, as a consequence, the Notes Subscriber shall not be required to pay any further Notes Further Instalment Amounts in respect of the Partly Paid Notes and no further amounts shall be due from the Notes Subscriber in respect of the Partly Paid Notes.

Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption *pro rata* on each Payment Date prior to the Final Maturity Date, in accordance with the provisions of the Terms and Conditions, in each case if and to the extent that, on such dates, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the Pre-Enforcement Priority of Payments, provided that the redemption of the Notes in respect of any Notes Further Instalment will be made starting from the Payment Date following the relevant Settlement Date on which such Notes Further Instalment has been paid by the

Optional Redemption

Noteholder.

Provided that no Trigger Notice has been served, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may at its option redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part), and the Junior Notes (in whole but not in part, unless the Class J Noteholders have consented to a partial redemption of the Junior Notes) at their Principal Amount Outstanding, together with interest accrued but unpaid thereon up to (and including) the date fixed for redemption, in accordance with Condition 9.3 (*Optional Redemption*) subject to the Issuer:

- (i) giving not less than 30 (thirty) calendar days' prior written notice - which shall be deemed irrevocable - in accordance with Condition 17 (*Notices*) to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders of its intention to redeem the Notes; and
- (ii) having produced, on or prior to the notice referred to in paragraph (i) above, evidence satisfactory to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of (a) the Senior Notes (in whole but not in part) and any other payment ranking in priority to or *pari passu* with the Senior Notes to be redeemed in accordance with the Post-Enforcement Priority of Payments, (b) the Mezzanine Notes (in whole but not in part) and any other payment ranking in priority to be redeemed to or *pari passu* with the Mezzanine Notes in accordance with the Post-Enforcement Priority of Payments Priority of Payments and (c) the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking in priority or *pari passu* with the Junior Notes to be redeemed in accordance with the Post-Enforcement Priority of Payments

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option,

pursuant to article 1331 of the Italian civil code (the “**Clean Up Option**”), subject to certain terms and conditions provided under the Master Transfer Agreement, to repurchase (in whole but not in part) the Portfolios then outstanding on any date falling on or after the Clean Up Option Date, in order to finance the early redemption of the Notes, in accordance with Condition 9.3 (*Optional Redemption*), (for further details, see the section entitled “*Description of the Master Transfer Agreement*”). The relevant sale proceeds shall form part of the Issuer Available Funds.

Optional Redemption for Taxation Reasons

Provided that no Trigger Notice has been served on the Issuer, if the Issuer at any time provides evidence satisfactory to the Representative of the Noteholders, immediately prior to giving the notice referred to below in this Condition 9.4, that on the following Payment Date the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the “**Affected Class**”), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative subdivision thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Aggregate Portfolio would be subject to withholding or deduction) (a “**Tax Event**”); and

the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge at least all of its outstanding liabilities in respect of the Notes of the Affected Class and any amount required to be paid, according to the applicable Priority of Payments, in priority to or *pari passu* with the Notes of the Affected Class,

then the Issuer may at its option, on any such Payment Date – having given not less than 30 (thirty) days’ prior written irrevocable notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 17 (*Notices*) – redeem the Notes of the Affected Class (if the Affected Class is the Rated Notes, in whole but not in part or, if the Affected

Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to (and including) the relevant Payment Date, in accordance with Condition 9.4 (*Optional Redemption for Taxation Reasons*).

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Aggregate Portfolio, or any part thereof, to finance the early redemption of the Notes, subject to the relevant terms and conditions of the Intercreditor Agreement. For further details, see the section entitled "*Description of the Intercreditor Agreement*".

Source of Payments of the Notes

The principal source of payment of interest and of repayment of principal on the Notes, as well as payment of the Variable Return (if any) on the Class J Notes, will be the Collections made in respect of the Receivables arising out of the Loans included in the Aggregate Portfolio, purchased by the Issuer from the Originator pursuant to the Master Transfer Agreement.

Segregation of the Aggregate Portfolio

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

The Aggregate Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders and the Other Issuer Creditors, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the

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

Limited Recourse

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

- (a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have, by operation of law or otherwise, any claim against, or recourse to, the Issuer's other assets or its contributed capital;
- (b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lower of (i) the aggregate amount of all sums due and payable to such Noteholder; and (ii) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (c) on the Cancellation Date, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

Non Petition

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

Rules of the Organisation of the Noteholders. In particular:

- (a) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
- (b) until the date falling 2 (two) years and one day after the date on which all the Previous Notes, the Notes and any other notes issued in the context of any securitisation transaction carried out by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes following the occurrence of a Trigger Event and only if the representatives of the noteholders of all Further Securitisation carried out by the Issuer, if any, have been so directed by an extraordinary resolution of their respective holders of the most senior class of notes following the occurrence of a trigger event under the relevant securitisation transaction) shall be entitled to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (c) no Noteholder (nor any person on its behalf) shall be entitled to take or join in the taking of any corporate action, legal proceeding or other procedure or step which would result in the Priority of Payments not being complied with.

The Organisation of the Noteholders and the Representative of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding,

there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of the issue of the Notes, who is appointed by the Notes Subscriber subject to and in accordance with the provisions of the Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Approval, listing and admission to trading

Application has been made for the Senior Notes and the Mezzanine Notes, to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility "ExtraMOT", which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A.

No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to the Prospectus.

Rating

The Senior Notes are expected, on the Issue Date, to be assigned the rating "A (sf)" by DBRS and "A (sf)" by S&P.

The Mezzanine Notes are expected, on the Issue Date, to be assigned the rating "BB (high) (sf)" by DBRS and "BBB (sf)" by S&P.

The Junior Notes will not be assigned any credit rating.

As of the date of the Prospectus, each of DBRS and S&P is established in the European Union and was registered on 31 October 2011 in accordance with the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, for the avoidance of doubt, such website does not constitute part of this Information Memorandum (the "**ESMA Website**").

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision,

STS–Securitisation

suspension or withdrawal at any time by the assigning rating organisation.

The Securitisation is intended to qualify as a simple, transparent and standardised non–ABCP securitisation (“**STS–Securitisation**”) within the meaning of article 18 of the Regulation (EU) No. 2402/2017 (the “**Securitisation Regulation**”). Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation (the “**STS Requirements**”) and will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the “**STS Notification**”).

No assurance can be provided that the Securitisation (i) does or continues to comply with the Securitisation Regulation, (ii) does or will at any point in time qualify as an STS–Securitisation under the Securitisation Regulation or that, if it qualifies as a STS–Securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS–Securitisation under the Securitisation Regulation in the future and (iii) will remain at all times in the future included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation. The investors in the Notes should verify the current status of the Securitisation on ESMA’s website from time to time.

Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 of the Securitisation Regulation has been complied with in the Securitisation. The STS Notification in respect of the Securitisation will be publicly available on the following ESMA website: <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>.

None of the Issuer, the Arranger or any of the parties involved in the Securitisation makes any representation or accepts any liability in that respect.

Governing Law

The Notes will be governed by Italian law.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Selling restrictions

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

For further details see the section entitled “*Subscription, Sale and Selling Restrictions*”.

3. ACCOUNTS

Collection Account

The Issuer has established with the Account Bank the Collection Account, into which the Servicer shall transfer on a daily basis all the amounts received or recovered from the Debtors.

Payments Account

The Issuer has established with the Account Bank the Payments Account, into which all amounts due to the Issuer under any of the Transaction Documents (other than the Collections) will be paid.

Cash Reserve Account

The Issuer has established with the Account Bank the Cash Reserve Account, for the deposit:

- a) on the Issue Date, an amount equal to the Initial Cash Reserve Amount, and
- b) thereafter:
 - (i) during the Ramp-Up Period, on any Payment Date which is a Settlement Date, an amount equal to the Cash Reserve Increase Amount shall be paid from the Payments Account in accordance with the Pre-Enforcement Priority of Payments; and
 - (ii) on any Payment Date, any amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount shall be paid from the Payments Account.

Securities Account

The Issuer has established with the Account Bank the Securities Account, for the deposit of all securities constituting Eligible Investments (if any) purchased with the monies from time to time standing to the credit of the Payments Account and the Cash Reserve Account (the Securities Account, together with the Collection Account, the Payments Account and the Cash Reserve Account, the “**Eligible Accounts**”).

Expenses Account

The Issuer has established with Banca FinInt the

Expenses Account, into which, on the Issue Date, the Retention Amount will be credited from the Payments Account.

On any Business Day (other than a Payment Date), the Retention Amount will be used by the Issuer to pay the Expenses.

To the extent that the amount standing to the credit of the Expenses Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expenses Account to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount in accordance with the relevant Priority of Payments.

Quota Capital Account

The Issuer has opened the Quota Capital Account with Banca FinInt, for the deposit of the Issuer's quota capital.

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

4. CREDIT STRUCTURE

Aggregate Portfolio

The Aggregate Portfolio is comprised of the Initial Portfolio and any Further Portfolio to be purchased by the Issuer during the Ramp-Up Period pursuant to the Master Transfer Agreement. The Initial Portfolio and the Further Portfolios shall constitute one sole Aggregate Portfolio.

The Initial Portfolio is composed by the Mortgage Portfolio and the Non-Mortgage Portfolio.

The Receivables, comprised in the Aggregate Portfolio, purchased by the Issuer pursuant to the Master Transfer Agreement arise out of performing (*in bonis*) Loans deriving from Loan Agreements, entered into by the Originator with its debtors.

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

Issuer Available Funds

The Issuer Available Funds will comprise, in respect of any Payment Date, the aggregate amounts (without duplication) of:

- (a) all Collections received or recovered in respect of the Receivables during the immediately

- preceding Collection Period;
- (b) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer pursuant to the Master Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Intercreditor Agreement, any amount paid by the Originator in case of renegotiation of the rate of interest applicable to the Loans pursuant to the Servicing Agreement and the proceeds of any indemnity paid by the Originator pursuant to the Warranty and Indemnity Agreement);
 - (c) all amounts standing to the credit of the Collection Account (without double counting with the amounts referred under item (a) above), the Payments Account and the Cash Reserve Account, following the relevant payments required to be made from such accounts, pursuant to the relevant Priority of Payments, on the immediately preceding Payment Date;
 - (d) any interest paid on the amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Collection Period (net of any applicable withholding or expenses);
 - (e) all amounts on account of principal, interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation Management and Payments Agreement using funds standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Collection Period;
 - (f) all amounts received from any sale of the Aggregate Portfolio (in whole or in part) pursuant to the Intercreditor Agreement;

- (g) the Aggregate Notes Further Instalment Amount to be paid by the Notes Subscriber on such Payment Date, in accordance with the Notes Subscription Agreement;
- (h) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement;
- (i) any other amount received by the Issuer from any other party to the Transaction Documents during the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice or the redemption of the Notes in Condition 9.1 (*Final Redemption*), 9.2 (*Mandatory Redemption*), 9.3 (*Optional Redemption*) or 9.4 (*Optional Redemption for Taxation Reasons*), if the Servicer fails to deliver the Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (i) (*First*) to (iii) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments will be applied in accordance with the Pre-Enforcement Priority of Payments.

Use of Notes Further Instalments

On each Payment Date up to the end of the Ramp-Up Period, the Issuer will use the net proceeds of the payment of any Notes Further Instalments made by the Noteholders in respect of the Partly Paid Notes on such Payment Date, as Issuer Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments to pay the Purchase Price – due and payable on such Payment Date – of the Further Portfolio purchased by the Issuer on the immediately preceding Transfer Date in accordance with the Master Transfer Agreement and to pay the relevant Cash Reserve Increase Amount into the Cash Reserve Account.

The proceeds of the Notes Further Instalments paid by the Noteholders will form part of the Issuer Available Funds.

Trigger Events

The occurrence of any of the following events will constitute a **Trigger Event**:

- (a) *Non-payment.*
 - (i) the Issuer defaults in the payment of the Interest Payment Amount on the Senior Notes and/or the amount of principal due and payable on the Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;
 - (ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or
- (b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Senior Notes and/or principal on the Notes pursuant to Condition 13.1.1) and (except where, in the sole opinion

of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(c) *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

(d) *Insolvency of the Issuer.*

an Insolvency Event occurs in respect of the Issuer; or

(e) *Winding up etc.*

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

(f) *Unlawfulness*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material in its sole discretion,

Upon the occurrence of a Trigger Event, the Representative of the Noteholders:

- (1) in the case of a Trigger Event under paragraphs (a), (d) or (e) above, shall; and/or
- (2) in the case of a Trigger Event under paragraph (b), (c) or (f) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 13.3 is met, shall,

serve a Trigger Notice to the Issuer (with copy to the Servicer, the Computation Agent and the Rating Agencies). Upon the service of a Trigger Notice, the Notes shall (subject to Condition 10 (*Limited Recourse and Non Petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon, without any further action, notice or formality, and the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

Following the service of a Trigger Notice, the Issuer may (subject to the prior written consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Aggregate Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement.

Pre-Enforcement Priority of Payments

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of a mandatory redemption of the Notes pursuant to Condition 9.2 (*Mandatory redemption*), or (iii) the exercise of an optional redemption of the Notes pursuant to Condition 9.3 (*Optional redemption*), or (iv) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or (v) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the “**Pre-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

- (ii) *First,*

- (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period) and
 - (b) to credit to the Expenses Account an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;
- (iii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Servicer, the Back-Up Servicer Facilitator and the Servicer;
- (iv) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Senior Notes;
- (v) *Fourth*, before the occurrence of a Mezzanine Notes Interest Subordination Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;
- (vi) *Fifth*, (A) to credit into the Cash Reserve Account any amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount and (B) during the Ramp-Up Period, if applicable, to pay any Cash Reserve Increase Amount into the Cash Reserve Account;
- (vii) *Sixth*, during the Ramp-Up Period, if applicable, to pay any amount due and payable to the Originator as Purchase Price in relation to the Further Portfolio purchased on the immediately preceding Transfer Date;

- (viii) *Seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Senior Notes Repayment Amount in respect of the Senior Notes;
- (ix) *Eighth*, following the occurrence of a Mezzanine Notes Interest Subordination Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;
- (x) *Ninth*, subject to the Senior Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Mezzanine Notes Repayment Amount in respect of the Mezzanine Notes;
- (xi) *Tenth*, to pay any amount due and payable to the Originator as adjustment of the Purchase Price or any other amount due to the Originator pursuant to the Master Transfer Agreement;
- (xii) *Eleventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under any Transaction Document which is not due and payable under the other items of this Pre-Enforcement Priority of Payments;
- (xiii) *Twelfth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Class J Notes;
- (xiv) *Thirteenth*, subject to the Rated Notes having been redeemed in full, to pay the Junior Notes Repayment Amount (on all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000); and
- (xv) *Fourteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Variable Return (if any) on the Junior Notes.

Post-Enforcement Priority of Payments

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of a mandatory

redemption of the Notes pursuant to Condition 9.2 (*Mandatory redemption*), or (iii) the exercise of an optional redemption pursuant to Condition 9.3 (*Optional redemption*), or (iv) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the “**Post-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

- (xvi) *First*,
 - (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period) and
 - (b) to credit to the Expenses Account an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;
- (xvii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Servicer, the Back-Up Servicer Facilitator and the Servicer;
- (xviii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Senior Notes;
- (xix) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount

Outstanding of the Senior Notes;

- (xx) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;
- (xxi) *Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount Outstanding of the Mezzanine Notes;
- (xxii) *Seventh*, to pay any amount due and payable to the Originator as adjustment of the Purchase Price or any other amount due to the Originator pursuant to the Master Transfer Agreement;
- (xxiii) *Eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under any Transaction Document which are not due and payable under the other items of this Post-Enforcement Priority of Payments;
- (xxiv) *Ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Class J Notes;
- (xxv) *Tenth*, subject to the Rated Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount Outstanding of the Junior Notes (on all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000);
- (xxvi) *Eleventh*, subject to the Rated Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Variable Return (if any) on the Junior Notes.

Cash Reserve

On the Issue Date, part of the proceeds of the issuance of the Notes, in an amount equal to the Initial Cash Reserve, will be transferred from the Payments Account into the Cash Reserve Account.

On each Payment Date up to (but excluding) the earlier

of (i) the Payment Date following the delivery of a Trigger Notice, and (ii) the Payment Date on which the Senior Notes will be redeemed in full or cancelled, the balance of the Cash Reserve Account will form part of the Issuer Available Funds and will be available to cover any shortfall of other Issuer Available Funds in making payments under items from (i) (*First*) to (iii) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments.

The Issuer Available Funds will be applied in accordance with the Pre-Enforcement Priority of Payments to credit to the Cash Reserve Account:

- (i) on each Payment Date up to (but excluding) the earlier of (i) the Payment Date following the delivery of a Trigger Notice, and (ii) the Payment Date on which the Senior Notes will be redeemed in full or cancelled, an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount; and/or
- (ii) on each Payment Date during the Ramp-Up Period (if applicable), of the Cash Reserve Increase Amount;

5. REPORTING

Servicer's Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on each Servicer's Report Date, the Servicer's Report setting out information on the performance of the Receivables during the relevant preceding Collection Period and sent to the Issuer, the Computation Agent, the Corporate Servicer, the Rating Agencies and the Cash Manager.

ESMA Investor Report

Under the Servicing Agreement, the Servicer has undertaken to prepare and submit to the Reporting Entity, on a quarterly basis by no later than the ESMA Report Date, the ESMA Investor Report the report setting out all the information required to comply with article 7(1)(e) of the Securitisation Regulation and the applicable Regulatory Technical Standards which, from time to time, will be in force.

Account Bank Report

Under the Cash Allocation, Management and Payment Agreement, the Account Bank has undertaken to

prepare, on each Account Bank Report Date, the Account Bank Report setting out information concerning, *inter alia*, the transfers and the balances relating to the Collection Account, the Cash Reserve Account, the Securities Account and the Payments Account.

Cash Manager Report

Under the Cash Allocation, Management and Payment Agreement, the Cash Manager has undertaken to prepare, on or prior to each Cash Manager Report Date, the Cash Manager Report setting out information relating to the Eligible Investments made during the immediately preceding Collection Period pursuant to the Cash Allocation, Management and Payment Agreement.

Payments Report and Post Trigger Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Calculation Date, the Payments Report (or the Post Trigger Report, as the case may be) setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Pre-Enforcement Priority of Payments.

Investors Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior each Investors Report Date, the Investors Report setting out certain information with respect to the Notes.

Material net economic interest in the Securitisation

Under the Intercreditor Agreement and the Notes Subscription Agreement, BPS has agreed and undertaken, with, *inter alios*, the Issuer, the Arranger, the Representative of the Noteholders that it will retain on the Issue Date and maintain on an ongoing basis at least 5 per cent. of material economic interest in accordance with paragraph (3)(a) of article 6 of the Securitisation Regulation (the "**Retention Requirement**").

As of the Issue Date such net economic interest will, in accordance with article 6, paragraph 3(a) of the Securitisation Regulation, consist of the retention by BPS of an interest of not less than 5% of the nominal value of each Class of Notes (being, as of the Issue Date, the Notes)

Reporting Entity

Under the Intercreditor Agreement, each of the Originator and the Issuer has agreed that the Originator is designated and will act as Reporting Entity, pursuant

to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information on the website of European DataWarehouse GMBH (being, as at the date of this Agreement, <https://editor.eurodw.eu/>) (for the avoidance of doubt, such website does not constitute part of the Prospectus).

For further details see the section entitled “*Regulatory Disclosure and Retention Undertakings*”.

Further securitisation transactions

The Issuer may carry out further securitization transactions pursuant to the Securitisation Law in addition to the Securitisation described in the Prospectus, provided that the Issuer confirms in writing to the Representative of the Noteholders – or the Representative of the Noteholders is otherwise satisfied – that the conditions set out in the Conditions are fully satisfied.

6. TRANSFER AND ADMINISTRATION OF THE AGGREGATE PORTFOLIO

Transfer of the Aggregate Portfolio

On 1 June 2023, the Originator and the Issuer entered into the Master Transfer Agreement, pursuant to which the Originator:

Initial Portfolio

(a) assigned and transferred to the Issuer the Initial Portfolio; and

Further Portfolio

(b) during the Ramp-Up Period, also on a revolving basis, may assign and transfer to the Issuer, Further Portfolios,

in accordance with the provisions of the Master Transfer Agreement.

Mortgage Portfolio

The Mortgage Portfolio has been transferred to the Issuer as a block (*in blocco*).

Non-Mortgage Portfolio and Further Portfolios

The Non-Mortgage Portfolio has been, and any Further Portfolios will be, transferred to the Issuer without recourse (*pro soluto*), in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, and subject to the terms and conditions of the Master

	Transfer Agreement.
Purchase Price of each Portfolio	The Purchase Price in respect of the Initial Portfolio and each Further Portfolio is or will be equal to the sum of all Individual Purchase Prices of the relevant Receivables.
<i>Purchase Price of the Initial Portfolio</i>	The Purchase Price in respect of the Initial Portfolio will be paid on the Issue Date using the net proceeds of the issue of the Notes.
<i>Purchase Price of the Further Portfolios</i>	The Purchase Price in respect of any Further Portfolio will be paid on the Payment Date immediately following the relevant Transfer Date through the Issuer Available Funds available for such purposes under the Priority of Payments (which will include the proceeds of the Notes Further Instalments paid on the Partly Paid Notes), subject to the terms and conditions of the Master Transfer Agreement and the other Transaction Documents.
Pool criteria	<p>The Receivables comprised in the Mortgage Portfolio have been selected on the basis of the Block Criteria set forth in the Master Transfer Agreement.</p> <p>The Receivables comprised in the Non-Mortgage Portfolio have been, and in any Further Portfolios will be, selected on the basis of the Selection Criteria set forth in the Master Transfer Agreement.</p>
Purchase Conditions	<p>The following conditions shall be satisfied in relation to the relevant Further Portfolio:</p> <p>(1) the Outstanding Balance of the Receivables in the Further Portfolio for which one instalment is due and unpaid should amount for no more than 0.5% of the Further Portfolio;</p> <p>(2) the Further Portfolio shall not include (a) loans due by Debtors whose rating falls on classes 11, 12 and 13 of the rating scale of the Originator (or such other equivalent classes in term of probability of default from time to time in use by the Originator) or (b) loans due by Debtors which has previously entered into any kind of derivative contract with the Originator;</p> <p>The following conditions shall be satisfied in relation to the Aggregate Portfolio including the Further Portfolio for which has been proposed the transfer:</p> <p>(3) the Weighted Average Margin of the Floating</p>

Rate Portfolio shall be equal to or higher than 1.8%;

(4) the Weighted Average Fixed Rate of the Fixed Rate Portfolio shall be equal to or higher than 1.7%;

(5) at least 75% of the Receivables pay a floating rate coupon;

(6) at least 98% of the Receivables in respect of which is provided a floating rate interest are indexed to the one, three or six months Euribor;

(7) the Outstanding Balance of Receivables owed by the same Debtor or Group of Debtors shall not be higher than 1.5% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(8) the Outstanding Balance of Receivables owed by the Top 20 Debtors or Group of Debtors shall not be higher than 8% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(9) the number of Debtors or Group of Debtors in respect of Receivables included in the Aggregate Portfolio shall not be lower than 15,000;

(10) the Outstanding Balance of Receivables owed by Debtors indicated in section I - "Attività dei servizi di alloggio e ristorazione" (Accommodation and food service activities) of the ATECO categories shall not be higher than 14% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(11) the Outstanding Balance of Receivables owed by Debtors indicated in section A - "Agricoltura, Silvicoltura e Pesca" (Agriculture, forestry and fishing) of the ATECO categories shall not be higher than 7% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(12) the Outstanding Balance of Receivables owed by Debtors indicated in section C - "Attività Manifatturiere" (Manufacturing Activities) of the ATECO categories shall not be higher than 26% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(13) the Outstanding Balance of Receivables owed by

Debtors indicated in section G - "Commercio all'Ingrosso e al Dettaglio, Riparazione di Autoveicoli e Motocicli" (Wholesale and Retail Trade, Repair of Motor vehicles and Motorcycles) of the ATECO categories shall not be higher than 20% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(14) the Outstanding Balance of Receivables owed by Debtors indicated in section F - "Costruzioni" (Constructions) of the ATECO categories shall not be higher than 11% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(15) the Outstanding Balance of Receivables owed by Debtors indicated in section L - "Attività Immobiliari" (Real Estates Activities) of the ATECO categories shall not be higher than 12% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(16) the Outstanding Balance of Receivables owed by Debtors indicated in section M - "Attività Professionali, Scientifiche e Tecniche" (Professional, Scientific and Technical Activities) of the ATECO categories shall not be higher than 15% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(17) the Outstanding Balance of Receivables owed by Debtors belonging to ATECO categories which are different from the ones mentioned above, shall not be higher than 5% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(18) the Outstanding Balance of the Receivables belonging to areas of economic activity defined by the first two figures of the 2007 ATECO code, as a percentage of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period, shall not be higher, respectively, than: (a) 13% for the first area, (b) 25% for the first two areas, (c) 32% for the first three areas, (d) 45% for the first five areas; (e) 68% for the first ten areas;

(19) the Weighted Average Residual Life of the

Aggregate Portfolio shall not be higher than 8 years during the first year of the Ramp Up Period and 6.5 years afterwards;

(20) the Set Off Risk Exposure for all the Receivables included in the Aggregate Portfolio shall be lower than 13% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(21) the Outstanding Balance of the Receivables comprised in the Non-Mortgage Portfolio which are covered by the MCC Guarantee shall not be lower than 55% of the Outstanding Balance of all the Receivables comprised in the Non-Mortgage Portfolio;

(22) the Weighted Average Guarantee of the Receivables comprised in the Aggregate Portfolio shall not be lower than 70%;

(23) the Outstanding Balance of the Receivables which benefits of an initial grace period on principal payments, shall not be higher than 11%;

(24) the Outstanding Balance of the Receivables owed by Debtors which are residents of the Lombardia region shall not be higher than 75% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(25) the Outstanding Balance of the Receivables owed by Debtors which are residents of the Veneto region shall not be higher than 15% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(26) the Outstanding Balance of the Receivables owed by Debtors which are residents of the Lazio region shall not be higher than 15% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period;

(27) the Outstanding Balance of the Receivables owed by Debtors which are residents on each region other than the ones cited on conditions 24, 25, 26 shall not be higher than 5% of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period; and

(28) the Outstanding Balance of the Receivables paying a monthly instalment shall not be lower than 70%

of the Outstanding Balance of the Aggregate Portfolio as at the end of the relevant Collection Period.

Purchase Termination Events

Pursuant to the Master Transfer Agreement and the Intercreditor Agreement if, during the Ramp-Up Period and up to the Payment Date (included) immediately following the end of the Ramp-Up Period, any of the following events (each, a “**Purchase Termination Event**”) occurs:

(a) *Breach of obligations by the Originator.*

(a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 5 calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator, declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders of the Senior Notes or (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party – other than the payment obligations under (i) above – and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders;

(b) *Breach of representations and warranties by the Originator.*

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is, or proves to have been, incorrect in any material respect which is materially prejudicial to the interest of

the Noteholders of the Rated Notes when made or repeated and such breach is not remedied within 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator;

(c) *Insolvency of the Originator:*

an Insolvency Event occurs in respect of the Originator;

(d) *Breach of ratios:*

(a) the Cumulative Gross Default Ratio of the Aggregate Portfolio, as determined by the Servicer is equal to 5%, as of the end of the immediately preceding Collection Period or (b) the Delinquency Ratio of the Aggregate Portfolio, as determined by the Servicer is equal or higher than 8%, with reference to the Collection Period immediately preceding the relevant Offer, as of the end of three consecutive Collection Period or (c) the Collateralisation Condition is not satisfied as of the immediately preceding Payment Date or (d) the Cash Reserve Amount is less than the Required Cash Reserve Amount as of the immediately preceding Payment Date;

(e) *Termination of BPS appointment as Servicer:*

the Issuer has terminated the appointment of BPS as Servicer following the occurrence of a Servicer Termination Event set forth in article 11 (*Revoca del mandato*) of the Servicing Agreement,

(f) *Occurrence of a Trigger Event:*

a Trigger Notice has been delivered by the Representative of the Noteholders.

For further details, see the sections entitled "*The Portfolios*" and "*Description of the Master Transfer Agreement*".

Purchase Termination Event Notice

Upon the occurrence of any Purchase Termination Event, the Representative of the Noteholders shall serve a Purchase Termination Notice on the Issuer, the Originator and the Rating Agencies stating that a

Purchase Termination Event has occurred.

After the service of a Purchase Termination Event Notice, the Ramp-Up Period will be terminated, the Issuer shall refrain from purchasing any Further Portfolio and, unless the delivery of a Trigger Notice occur, the Pre-Enforcement Priority of Payments shall continue to be applied.

For further details, see the sections entitled "*The Portfolios*" and "*Description of the Master Transfer Agreement*".

Warranties in relation to the Aggregate Portfolio

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

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

Servicing Agreement

Pursuant to the terms of the Servicing Agreement and in compliance with the Securitisation Law, the Servicer has agreed to administer and service the Receivables comprised in the Aggregate Portfolio on behalf of the Issuer and, in particular:

- (a) to collect and recover amounts due in respect thereof;
- (b) to administer relationships with the Debtors; and
- (c) to carry out, on behalf of the Issuer, certain activities in relation to the Receivables in accordance with the Servicing Agreement and the Credit and Collection Policies.

In particular, the Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to article 2, paragraph 3(c) of the Securitisation Law and, therefore, it has undertaken to verify that the operations comply with the law and the Prospectus, in accordance with article 2, paragraph 6-*bis*, of the Securitisation Law.

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

7. OTHER TRANSACTION DOCUMENTS

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (for itself and in the name and on behalf of the Noteholders), the Other Issuer Creditors and the Sole Quotaholder have agreed, *inter alia*, on the order of application of the Issuer Available Funds and the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio and the Transaction Documents.

Each of the Other Issuer Creditors, pursuant to articles 1723, paragraph 2, and 1726 of the Italian Civil Code, has irrevocably appointed in the interest and for the benefit of the Other Issuer Creditors, as from the date hereof and with effect from the date when a Trigger Notice is served on the Issuer, the Representative of the Noteholders (which has accepted such appointment) as its sole agent (*mandatario esclusivo*) to receive on behalf of the Other Issuer Creditors from the Issuer any and all monies payable by the Issuer to the Other Issuer Creditors pursuant to the Transaction Documents from and including the date when a Trigger Notice is served on the Issuer.

The parties to the Intercreditor Agreement have agreed that the obligations owed by the Issuer to the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds and in accordance with the applicable Priority of Payments, subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

In addition, under the Cash Allocation, Management and Payment Agreement the Back-Up Servicer Facilitator has undertaken, in the event that, following the occurrence of a Servicer Termination Event, the appointment of the Servicer is terminated in accordance with the Servicing Agreement, to reasonably assist and cooperate with the Issuer in order to identify an eligible entity which meets the requirements for the successor servicers provided by the Servicing Agreement and is available to be appointed as Servicer under the Transaction Documents.

Cash Allocation, Management and Payment Agreement

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

Pursuant to the Cash Allocation, Management and Payment Agreement, the Servicer, the Computation Agent, the Account Bank, the Paying Agent and the Cash Manager and the Back-Up Servicer Facilitator have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling, investment and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts.

Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Collection Account, the Payments Account and the Cash Reserve Account may be invested in Eligible Investments.

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

Mandate Agreement

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

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

Corporate Services Agreement

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

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

Quotaholder Agreement

Pursuant to the Quotaholder Agreement, the Sole Quotaholder has given certain undertakings in relation

Notes Subscription Agreement

to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer.

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

Pursuant to the Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Notes Subscriber and the Representative of the Noteholders, the Issuer and the Notes Subscriber has agreed the terms and conditions upon which the Issuer will issue, and the Notes Subscriber will subscribe and pay the Notes Initial Instalment Amounts as of the Issue Date.

During the Ramp-Up Period, the Issuer (also through the Computation Agent) will request the Noteholders to pay the Notes Further Instalment Amounts and the Noteholders will have the right (but not the obligation) to fund such Notes Further Instalment Amounts, in any case upon the occurrence of certain conditions precedent provided for under the Notes Subscription Agreement.

During the Ramp-Up Period, the Notes Subscriber shall not be entitled to sell, transfer, offer or solicit the Notes to any third parties.

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

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention undertaking of the Originator

Under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken to, *inter alios*, the Issuer and the Representative of the Noteholders that it will:

- (a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation as required by Article 6(1) of the Securitisation Regulation in accordance with option (a) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such material net economic interest will be represented by the retention of the nominal value of each Class of Notes;
- (b) ensure that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards;
- (c) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;
- (d) procure that any change to the manner in which such retained interest is held in accordance with paragraph (b) above will be disclosed in the ESMA Investors Report; and
- (e) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6 of the Securitisation Regulation and the applicable Regulatory Technical Standards.

Transparency requirements under the Securitisation Regulation

Under the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator as the reporting entity pursuant to article 7 of the Securitisation Regulation (the "**Reporting Entity**") and the parties had acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information to the holders of a position in the Securitisation, the competent authorities referred to under article 29 of the Securitisation Regulation and, upon request, to potential noteholders on the Securitisation Repository, in any event in accordance with the technical means that will be agreed between the Reporting Entity and European DataWarehouse GMBH, taking into account that the Securitisation is a private securitisation for the

purposes of Article 7, paragraph 2, of the Securitisation Regulation.

As to pre-pricing disclosure requirements set out:

- (a) under article 7(1) letters (a), (b), (c) and (d) of the Securitisation Regulation: (i) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of the information and documents under points (a) to (d) of the first subparagraph of article 7(1) of the Securitisation Regulation; and (ii) the Reporting Entity has represented that, before pricing, the data on each Loan Agreement and a draft of Information Memorandum (which includes a transaction summary for the purposes of point (c) of the first subparagraph of article 7(1) of the Securitisation Regulation), the Transaction Documents (for the purposes of point (b) of the first subparagraph of article 7(1) of the Securitisation Regulation) and the STS Notification (for the purposes of point (d) of the first subparagraph of article 7(1) of the Securitisation Regulation) have been made available to the potential holders of a position in the Securitisation and competent supervisory authorities pursuant to article 29 of the Securitisation Regulation by means of publication through the Securitisation Repository;
- (b) under article 22 of the Securitisation Regulation, the Originator has made available to the potential Noteholders, through the Securitisation Repository: (x) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (y) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the relevant Parties have acknowledged and agreed as follows:

- (a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the Securitisation Regulation by way of publication through the Securitisation Repository (simultaneously with the ESMA Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;
- (b) pursuant to the Cash Allocation, Management and Payments Agreement, the Computation Agent will prepare the ESMA Investors Report (which includes all the information required under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation and the events which trigger changes in the Priorities of Payments) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the Securitisation Regulation by way of publication through the Securitisation Repository (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

- (c) pursuant to the Cash Allocation, Management and Payments Agreement, the Computation Agent will prepare the Inside Information and Significant Event Report (which includes all the information required under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation including, *inter alia*, events which trigger changes in the Priorities of Payments) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the Securitisation Regulation by way of publication through the Securitisation Repository (simultaneously with the Loan by Loan Report and the ESMA Investors Report) by no later than one month after each Payment Date; *it being understood that*, in accordance with the Cash Allocation, Management and Payments Agreement, in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Computation Agent pursuant to Clause 13.2.8 of the Intercreditor Agreement or the Computation Agent is in any case aware of any such information, the Computation Agent shall promptly prepare the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available, without delay after the occurrence of the relevant event or awareness of the inside information, to the entities referred to under article 7(1) of the Securitisation Regulation through the Securitisation Repository;
- (d) pursuant to article 22 of the Securitisation Regulation (i) the Reporting Entity will make available, by means of publication through the Securitisation Repository, the STS notification, the final Information Memorandum and the other final Transaction Documents to the investor in the Notes or potential investors in the Notes or the competent authorities, pursuant to the Securitisation Regulation by no later than 15 (fifteen) days after the Issue Date; and (ii) the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the Securitisation Repository, a liability cash flow model (to be updated from time to time by or on behalf of the Originator in case of material changes in the actual or expected cash flows) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Under the Intercreditor Agreement, the Originator, in its capacity as Reporting Entity, has undertaken to the Issuer and to the Representative of the Noteholders:

- (a) to ensure that Noteholders and prospective investors (if any) have readily available access to (i) all information necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the Securitisation Regulation, which does not form part of this Information Memorandum as at the Issue Date but may be of assistance to prospective investors (if any) before investing; and (ii) any other information which is required to be disclosed to Noteholders and to prospective investors (if any) pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards;
- (b) to ensure that the competent supervisory authorities pursuant to article 29 of the Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the Securitisation Regulation.

Under the Intercreditor Agreement, each of the Issuer and the Originator (in any capacity) has undertaken to notify the Originator and the Computation Agent without undue delay any information required under point (f) of the first subparagraph of article 7(1) of the Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulation in order to allow the Computation Agent to prepare the Inside Information and Significant Event Report.

In addition, in order to ensure that the disclosure requirements set out under article 7 of the Securitisation Regulation are fulfilled by BPS (in its capacity as Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than BPS) has undertaken to provide the Reporting Entity with any further information which from time to time is required under the Securitisation Regulation and/or in its possession that is not covered under the Intercreditor Agreement.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with Chapter 2 of the Securitisation Regulation and any corresponding national measure which may be relevant and none of the Issuer, the Originator, the Servicer or any other party to the Transaction Documents or any other person makes any representation that the information described above or in this Information Memorandum is sufficient in all circumstances for such purposes.

THE PORTFOLIOS

Pursuant to the Master Transfer Agreement, the Issuer has purchased the Initial Portfolio from the Originator together with any related rights that have been granted to the Originator to secure or ensure payment of any of the Receivables comprised therein.

Pursuant to the Master Transfer Agreement and the relevant Purchase Notice, the Originator may sell to the Issuer any Further Portfolios, together with any related rights that have been granted to the Originator to secure or ensure payment of any of the Receivables comprised in such Further Portfolio in accordance with the terms and conditions set forth in the Master Transfer Agreement.

The Receivables comprised in each Portfolio arise out of loans granted to small and medium-sized enterprises which, as at the relevant Transfer Date, are existing and classified as performing by the Originator.

The Initial Portfolio comprises Receivables arising from (i) Mortgage Loan Agreements collateralized by mortgages and (ii) Non-Mortgage Loan Agreements, some of which are guaranteed by the MCC Guarantees.

Each Further Portfolio will comprise Receivables arising from Non-Mortgage Loan Agreements.

All Receivables comprised in the Initial Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the Criteria listed in the Master Transfer Agreement and repeated (following translation in English language) in this Information Memorandum (see the section headed “*The Criteria*”, below).

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

As at the First Effective Date, the Outstanding Balance of all the Receivables comprised in the Initial Portfolio amounted to Euro 1,554,038,653.28. The Outstanding Principal of the Initial Portfolio is equal to Euro 1.539.440.949,07

The following tables set out details of the Initial Portfolio derived from information provided by BPS as Originator and Servicer on behalf of the Issuer. The information in the following tables reflects the position as at the Initial Valuation Date.

Summary

Number of Loans	23824	
Outstanding Balance	1,554,038,653.28	
Mortgage portfolio	639,718,974.51	41.16%
Non-Mortgage portfolio	914,319,678.77	58.84%
Floating rate Outstanding Balance	1,036,647,623.11	66.71%
Fixed rate Outstanding Balance	517,391,030.17	33.29%
Floating rate portfolio weighted average spread	2.19%	
Floating rate portfolio weighted average rate	5.10%	
Fixed rate portfolio weighted average rate	1.90%	
Weighted average seasoning (years)	3.85	
Weighted average residual life (years)	7.73	

Breakdown by Class of Outstanding Balance

<i>Class of Outstanding Balance</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0,000 - 20,000	12808	53.76%	159,347,063.18	10.25%
02) 20,000 - 50,000	5805	24.37%	165,854,356.14	10.67%
03) 50,000 - 75,000	1203	5.05%	74,196,450.83	4.77%
04) 75,000 - 100,000	797	3.35%	69,285,924.61	4.46%
05) 100,000 - 300,000	2238	9.39%	379,655,285.47	24.43%
06) 300,000 - 500,000	514	2.16%	197,797,888.85	12.73%
07) 500,000 - 1,000,000	327	1.37%	222,244,484.03	14.30%
08) 1,000,000 - 3,000,000	113	0.47%	174,294,026.07	11.22%
09) Over 3,000,000	19	0.08%	111,363,174.10	7.17%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Class of Original Balance

<i>Class of Original Balance</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0,000 - 20,000	7164	30.07%	65,016,039.88	4.18%
02) 20,000 - 50,000	9892	41.52%	215,204,931.44	13.85%
03) 50,000 - 75,000	969	4.07%	38,600,386.69	2.48%
04) 75,000 - 100,000	1220	5.12%	69,914,463.03	4.50%
05) 100,000 - 300,000	3155	13.24%	378,245,813.59	24.34%
06) 300,000 - 500,000	741	3.11%	209,953,164.08	13.51%
07) 500,000 - 1,000,000	472	1.98%	249,642,028.95	16.06%
08) 1,000,000 - 3,000,000	179	0.75%	193,645,323.06	12.46%
09) Over 3,000,000	32	0.13%	133,816,502.56	8.61%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Type of Debtor (SAE Code)

SAE Code	Number of Loans	%	Outstanding Balance	%
430	5956	25.00%	697,312,758.16	44.87%
432	34	0.14%	16,014,912.91	1.03%
450	5	0.02%	290,843.39	0.02%
480	1539	6.46%	136,783,863.86	8.80%
481	146	0.61%	10,280,364.71	0.66%
482	1973	8.28%	120,979,203.79	7.78%
490	38	0.16%	9,704,790.67	0.62%
491	116	0.49%	18,455,845.48	1.19%
492	2042	8.57%	145,503,926.06	9.36%
614	4999	20.98%	146,270,931.20	9.41%
615	6976	29.28%	252,441,213.05	16.24%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by ATECO Classification

ATECO Sector	Number of Loans	%	Outstanding Balance	%
Accommodation and food service activities	2808	11.79%	182,222,215.07	11.73%
Administrative and support service activities	751	3.15%	33,318,466.97	2.14%
Agriculture, forestry and fishing	534	2.24%	96,771,200.67	6.23%
Arts, entertainment and recreation	260	1.09%	12,184,800.18	0.78%
Construction	2639	11.08%	153,278,272.06	9.86%
Education	114	0.48%	3,969,812.47	0.26%
Electricity, gas, steam and air conditioning supply	37	0.16%	23,862,153.17	1.54%
Financial and insurance activities	292	1.23%	32,228,391.75	2.07%
Information and communication	557	2.34%	26,808,869.80	1.73%
Manufacturing	2236	9.39%	192,742,716.20	12.40%
Mining and quarrying	7	0.03%	1,524,133.81	0.10%
Other services activities	1070	4.49%	29,902,966.13	1.92%
Professional, scientific and technical activities	4642	19.48%	190,854,923.34	12.28%
Public administration and defence; compulsory social security	984	4.13%	38,346,277.20	2.47%
Real estate activities	1383	5.81%	215,701,948.41	13.88%
Transporting and storage	608	2.55%	32,995,737.58	2.12%
Water supply; sewerage; waste management and remediation activities	38	0.16%	3,204,493.99	0.21%
Wholesale and retail trade; repair of motor vehicles and motorcycles	4854	20.37%	283,773,350.33	18.26%
Not Available	10	0.04%	347,924.15	0.02%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Type of Loan

<i>Type of Loan</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
<i>Mortgage</i>	3457	14.51%	639,718,974.51	41.16%
<i>Non Mortgage</i>	20367	85.49%	914,319,678.77	58.84%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
<i>Annually</i>	1	0.00%	25,162.34	0.00%
<i>Monthly</i>	21217	89.06%	1,123,417,707.53	72.29%
<i>Quarterly</i>	1645	6.90%	336,971,781.92	21.68%
<i>Semi Annually</i>	961	4.03%	93,624,001.49	6.02%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Interest Rate Type

<i>Interest Rate Type</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
<i>Fixed</i>	16024	67.26%	517,391,030.17	33.29%
<i>Floating</i>	7800	32.74%	1,036,647,623.11	66.71%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Class of Spread (Floating Rate Loans)

<i>Class of Spread</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0%-1.00%	412	5.28%	62,833,600.17	6.06%
02) 1.00%-1.50%	826	10.59%	183,941,947.14	17.74%
03) 1.50%-2.00%	1384	17.74%	309,348,481.41	29.84%
04) 2.00%-2.50%	1223	15.68%	225,444,013.89	21.75%
05) 2.50%-3.00%	1065	13.65%	128,172,585.01	12.36%
06) 3.00%-3.50%	819	10.50%	64,319,115.23	6.20%
07) 3.50%-4.00%	757	9.71%	33,463,768.01	3.23%
08) 4.00%-4.50%	343	4.40%	11,000,225.07	1.06%
09) 4.50%-5.00%	452	5.79%	11,620,896.74	1.12%
10) Over 5.00%	519	6.65%	6,502,990.44	0.63%
Total	7800	100.00%	1,036,647,623.11	100.00%

Breakdown by Class of Interest Rate (Fixed Rate Loans)

<i>Class of Interest Rate</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0.00%-0.50%	1506	9.40%	26,533,088.54	5.13%
02) 0.50%-1.00%	3051	19.04%	63,201,758.42	12.22%
03) 1.00%-1.50%	7707	48.10%	176,565,810.20	34.13%
04) 1.50%-2.00%	1186	7.40%	84,732,466.14	16.38%
05) 2.00%-2.50%	454	2.83%	53,746,670.43	10.39%
06) 2.50%-3.00%	393	2.45%	45,266,792.49	8.75%
07) 3.00%- 4,00%	629	3.93%	35,318,187.69	6.83%
08) 4,00%-5.00%	481	3.00%	17,966,214.78	3.47%
09) 5.00%-6.00%	329	2.05%	8,216,350.43	1.59%
10) 6.00%-7,00%	170	1.06%	3,969,918.91	0.77%
11) Over 7.00%	118	0.74%	1,873,772.14	0.36%
Total	16024	100.00%	517,391,030.17	100.00%

Breakdown by Funding Year

<i>Funding Year</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
2002	1	0.00%	4,267.93	0.00%
2003	7	0.03%	178,467.59	0.01%
2004	5	0.02%	146,974.11	0.01%
2005	17	0.07%	451,968.35	0.03%
2006	52	0.22%	2,832,716.35	0.18%
2007	76	0.32%	9,317,503.79	0.60%
2008	117	0.49%	28,303,225.67	1.82%
2009	215	0.90%	16,173,440.11	1.04%
2010	223	0.94%	26,983,784.10	1.74%
2011	233	0.98%	25,184,733.79	1.62%
2012	232	0.97%	27,017,832.23	1.74%
2013	207	0.87%	20,797,824.92	1.34%
2014	184	0.77%	19,040,452.22	1.23%
2015	239	1.00%	41,437,529.55	2.67%
2016	344	1.44%	53,754,832.82	3.46%
2017	595	2.50%	58,634,778.09	3.77%
2018	888	3.73%	76,247,092.52	4.91%
2019	1386	5.82%	85,243,560.67	5.49%
2020	13230	55.53%	425,838,384.09	27.40%
2021	3284	13.78%	324,629,617.43	20.89%
2022	1831	7.69%	247,131,981.57	15.90%
2023	458	1.92%	64,687,685.38	4.16%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Original Life

<i>Original Life (years)</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0 - 5	4933	20.71%	136,465,609.09	8.78%
02) 5 - 10	15439	64.80%	774,615,102.90	49.85%
03) 10 - 15	1601	6.72%	238,072,025.15	15.32%
04) 15 - 20	1386	5.82%	267,529,525.96	17.22%
05) 20 - 25	411	1.73%	121,362,570.04	7.81%
06) 25 - 30	42	0.18%	10,675,393.42	0.69%
07) > 30	12	0.05%	5,318,426.72	0.34%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Seasoning

<i>Seasoning (years)</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0 - 2	3704	15.55%	484,962,877.18	31.21%
02) 2 - 4	15988	67.11%	632,446,869.35	40.70%
03) 4 - 6	1764	7.40%	144,172,901.12	9.28%
04) 6 - 8	716	3.01%	107,741,774.30	6.93%
05) 8 - 10	381	1.60%	37,257,695.50	2.40%
06) 10 - 15	1072	4.50%	132,031,196.59	8.50%
07) 15 - 20	196	0.82%	15,388,159.76	0.99%
08) 20 - 25	3	0.01%	37,179.48	0.00%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Residual Life

<i>Residual Life (years)</i>	<i>Number of Loans</i>	<i>%</i>	<i>Outstanding Balance</i>	<i>%</i>
01) 0 - 5	17354	72.84%	618,734,998.93	39.81%
02) 5 - 10	5110	21.45%	568,766,533.60	36.60%
03) 10 - 15	1025	4.30%	251,088,845.43	16.16%
04) 15 - 20	306	1.28%	99,210,571.17	6.38%
05) 20 - 25	28	0.12%	15,735,467.48	1.01%
06) 25 - 30	1	0.00%	502,236.67	0.03%
Total	23824	100.00%	1,554,038,653.28	100.00%

Breakdown by Region of Borrower

<i>Macro Region</i>	<i>Region</i>	<i>Number of Loans</i>		<i>Outstanding Balance</i>	
			<i>%</i>		<i>%</i>
<i>01_Northern Italy</i>	Emilia Romagna	265	1.11%	29,011,795.33	1.87%
<i>01_Northern Italy</i>	Friuli Venezia Giulia	21	0.09%	3,214,512.39	0.21%
<i>01_Northern Italy</i>	Liguria	898	3.77%	51,155,261.91	3.29%
<i>01_Northern Italy</i>	Lombardia	16822	70.61%	1,073,820,061.56	69.10%
<i>01_Northern Italy</i>	Piemonte	960	4.03%	55,875,406.46	3.60%
<i>01_Northern Italy</i>	Trentino Alto Adige	479	2.01%	51,238,850.53	3.30%
<i>01_Northern Italy</i>	Valle d'Aosta	28	0.12%	2,869,472.32	0.18%
<i>01_Northern Italy</i>	Veneto	694	2.91%	88,674,266.87	5.71%
<i>02_Central Italy</i>	Abruzzo	33	0.14%	2,326,952.10	0.15%
<i>02_Central Italy</i>	Lazio	3233	13.57%	162,720,269.74	10.47%
<i>02_Central Italy</i>	Marche	18	0.08%	661,882.38	0.04%
<i>02_Central Italy</i>	Molise	4	0.02%	265,588.51	0.02%
<i>02_Central Italy</i>	Toscana	88	0.37%	10,037,531.09	0.65%
<i>02_Central Italy</i>	Umbria	13	0.05%	1,981,309.77	0.13%
<i>03_Southern Italy</i>	Basilicata	9	0.04%	191,497.97	0.01%
<i>03_Southern Italy</i>	Calabria	29	0.12%	1,263,879.43	0.08%
<i>03_Southern Italy</i>	Campania	93	0.39%	6,695,067.54	0.43%
<i>03_Southern Italy</i>	Puglia	45	0.19%	1,739,196.52	0.11%
<i>03_Southern Italy</i>	Sardegna	43	0.18%	8,598,550.18	0.55%
<i>03_Southern Italy</i>	Sicilia	49	0.21%	1,697,300.68	0.11%
Total		23824	100.00%	1,554,038,653.28	100.00%

The Receivables comprised in the Initial Portfolio have been transferred to the Issuer, together with the relevant Guarantees, pursuant to the terms of the Master Transfer Agreement.

The information relating to the Initial Portfolio contained in this Information Memorandum is, unless otherwise specified, a description of the Portfolio as at the relevant Effective Date.

Under the Notes Subscription Agreement, the Originator has represented and warranted that: (i) it has (a) applied and will apply, as the case may be, to the Receivables the same sound and well-defined criteria for the credit-granting which it applies to non-securitised exposures; (b) clearly established the processes for approving and, where relevant, amending, renewing and refinancing the Receivables as it applies to the exposures it holds; and (c) effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Debtors' creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Debtors meeting their obligations under the Loan Agreements; and (ii) it has not selected the

Receivables transferred to the Issuer with the aim of rendering losses on these Receivables, measured over the life of the Securitisation, higher than the losses over the same period on comparable assets held on the balance sheet of the Originator pursuant to article 6(2) of the Securitisation Regulation, and complies with any requirements set out by article 6 of the Securitisation Regulation.

The Criteria

(a) The Block Criteria

Mortgage Loans derive from Mortgages that as of the relevant Effective Date met the following cumulative criteria:

- (1) have been disbursed pursuant to loan agreements governed by the laws of the Republic of Italy and under which there are no obligations for further disbursement;
- (2) have been disbursed by Banca Popolare di Sondrio S.p.A;
- (3) are secured by a mortgage;
- (4) are not derived from the splitting of other loans;
- (5) do not benefit from any form of suspension of payment of installments;
- (6) whose interest rate is fixed or indexed (as stated in the relevant loan agreement) and there is no provision for switching from fixed to variable rate or vice versa;
- (7) whose principal debtors (including, if applicable, as a result of taking over the relevant commercial mortgage): (a) are, as of the relevant Effective Date: (i) companies having their registered office in the territory of the Republic of Italy; or (ii) natural persons having their residence in the territory of the Italian Republic who have entered into the relevant loan in the course of their professional and/or business activity, in any case classifiable as Small and Medium Enterprises within the meaning of Recommendation 2003/361 of the European Commission; (b) are not, as of the relevant Effective Date: (i) public entities or other comparable companies, publicly held enterprises, banks or financial companies, ecclesiastical or religious institutions or entities, welfare or charitable institutions or entities, or other non-profit entities; or (ii) including as co-borrowers of the relevant loan, persons who were or, as of the relevant Valuation Date, were employees or bank officers (within the meaning of Article 136 of the Consolidated Banking Act) of Banca Popolare di Sondrio S.p.A;
- (8) are denominated in Euro and the related loan agreements do not contain provisions allowing for their conversion into another currency;
- (9) in relation to which the loan agreements provide for repayment through the payment of monthly or quarterly or semiannual or annual installments;
- (10) in relation to which the amount originally disbursed to the borrower under the relevant loan agreement is less than or equal to Euro 24,300,000.00;
- (11) in respect of which the outstanding principal amount under the relevant loan agreement is more than Euro 1,000 and less than Euro 13,200,000;
- (12) have been disbursed between July 2002 and April 2023;

- (13) whose maturity date is after 29/6/2023 and before 02/05/2053;
- (14) in respect of which at least one installment is due and has been paid by the relevant debtor;
- (15) have not been entered into and concluded (as indicated in the relevant loan agreement) pursuant to any law or regulation providing for the granting of: (a) financial facilities (so-called "*mutui agevolati*"); (b) public grants of any kind; (c) other facilities or reductions in favor of the relevant debtors, mortgage givers or any other guarantors with respect to principal and/or interest;
- (16) do not contain any indication that they have been disbursed from third-party funds, including with funding made available by the European Investment Bank or the European Investment Fund or Cassa Depositi e Prestiti S.p.A;
- (17) have not been entered into or concluded pursuant to Articles 43, 44 and 45 of the Consolidated Banking Act (so-called "agrarian and fishing credit");
- (18) whose amortization plan is "French-style" (by which is meant that method of amortization under which all installments include a principal component fixed at the time of disbursement and increasing over time and a variable interest component, as detectable on the date the loan is entered into or, if there is one, the date of the latest agreement regarding the amortization system) or "Italian-style," (by which is meant that method of amortization consisting of installments of decreasing total amount with a principal component fixed at the time of disbursement and constant over time and a decreasing interest component over time), and in the case of mortgages with a French-style amortization schedule that provide for more than one repayment installment;
- (19) are not mortgages that can be classified as "defaulted" under Article 178(1) of Regulation (EU) 575/2013;
- (20) are mortgages that have at most one Installment past due and unpaid for not more than 30 days;
- (21) in relation to which each loan agreement provides for a payment by the relevant debtor by means of (a) direct debit to a current account in the debtor's name and opened with Banca Popolare di Sondrio or (b) preauthorized direct debit (i.e. "*Sepa Direct Debit*") to a current account in the debtor's name and opened with a credit institution other than Banca Popolare di Sondrio or (c) cash at the reference counter or bank transfer;
- (22) do not benefit from a guarantee (including a portfolio guarantee) provided by the European Investment Fund;
- (23) have not been disbursed in a pool;
- (24) do not benefit from a guarantee provided by a confidum;
- (25) do not benefit from a guarantee provided by SACE S.p.A;
- (26) whose principal debtors (possibly also as a result of assumption of the relevant commercial loan): are classified, in accordance with the classification criteria adopted by the Bank of Italy in Circular 140 of February 11, 1991 (as amended from time to time), with the following Economic Activity Sector (SAE) codes: 430, 432, 450, 480, 481, 482, 490, 491, 492, 614, 615.

(27) are secured by at least one "economic" first degree mortgage meaning: (a) a first mortgage; or (b) a mortgage of later than first degree with respect to which the obligations secured by the mortgage(s) of earlier degree have been fully satisfied;

(28) are not claims arising from mortgages whose "relationship code" is one of the following:

3014363540 - 3013013750 - 3011894920 - 3012863430 - 3014094700 - 3011275540 -
3014353330 - 3011131970 - 3012159320 - 3013878320 - 3014063260 - 3010950440 -
3012897370 - 3010510210 - 3012381380 - 3012893810 - 3014337440 - 3013058320 -
3010673770 - 3011308890 - 3011973650 - 3013599370 - 3013186380 - 3010561870 -
3011978800 - 3012358730 - 3011985030 - 3012943340 - 3014283010 - 3010491450 -
3012372560 - 3012435300 - 3012039050 - 3013099280 - 3014062090 - 3011771610 -
3011935780 - 3013888670 - 3012106990 - 3013501420 - 3012601150 - 3010972300 -
3013699110 - 3012776950 - 3013091060 - 3012036880 - 3014068380 - 3012094470 -
3014264890 - 3013430590 - 3012107120 - 3010127340 - 3010947270 - 3012252870 -
3004245750 - 3011256390 - 3012218790 - 3013024520 - 3014197770 - 3011044250 -
3010579430 - 3011196570 - 3012187340 - 3013193750 - 3014158470 - 3012505400 -
3012710780 - 3012910420 - 3013130120 - 3010423820 - 3014268090 - 3011717870 -
3010293370 - 3014080450 - 3012187510 - 3013536800 - 3014205010 - 3013695680 -
3010912300 - 3014080540 - 3011309660 - 3013708160 - 3014362780 - 3011745980 -
3012571810 - 3011240390 - 3012220210 - 3013102030 - 3014190140 - 3011765930 -
3013961230 - 3011513050 - 3011149510 - 3013415600 - 3014148580 - 3012409060 -
3012854630 - 3011263070 - 3010325000 - 3012661960 - 3014251340 - 3013434340 -
3010281560 - 3011260890 - 3012365730 - 3013144840 - 3011317730 - 3014146720 -
3011024030 - 3010441490 - 3012250230 - 3011611480 - 3014177470 - 3011956360 -
3010319790 - 3012756280 - 3012250740 - 3013405060 - 3014410260 - 3010290600 -
3011200680 - 3010297270 - 3012289780 - 3013549530 - 3014189810 - 3012042230 -
3013867750 - 3012222290 - 3012286110 - 3013194280 - 3014271860 - 3011891630 -
3010591940 - 3011842330 - 3010947350 - 3013699810 - 3014193640 - 3012810550 -
3010707300 - 3011314080 - 3012300910 - 3014330930 - 3014327970 - 3012746420 -
3011466280 - 3011314960 - 3012319360 - 3012644290 - 3014262700 - 3012936440 -
3012984150 - 3012704620 - 3012202370 - 3013591800 - 3014205300 - 3010236790 -
3011073470 - 3011342950 - 3013109220 - 3010781820 - 3014238140 - 3011070690 -

3011219200 - 3010692010 - 3012344390 - 3010764150 - 3014388740 - 3013474710 -
 3006182320 - 3010734710 - 3013678330 - 3013647900 - 3014292000 - 3013175760 -
 3013416560 - 3012721840 - 3012480760 - 3013771130 - 3014266630 - 3012812600 -
 3004426280 - 3011840810 - 3012421540 - 3013733760 - 3014294400 - 3012831280 -
 3014024860 - 3011408990 - 3013019450 - 3012043160 - 3014333820 - 3012817210 -
 3011954920 - 3012750440 - 3012473000 - 3013826380 - 3014268880 - 3012850520 -
 3012088370 - 3011419650 - 3013007890 - 3014009190 - 3014282660 - 3013960970 -
 3011433080 - 3011451850 - 3013007900 - 3014271580 - 3014269370 - 3014285930 -
 3013868510 - 3011492530 - 3012474310 - 3013751990 - 3014284920 - 3014102490 -
 3003464310 - 3011518550 - 3012486230 - 3012709030 - 3014436080 - 3014151990 -
 3011390710 - 3013018520 - 3012483160 - 3013763140 - 3014267850 - 3013388450 -
 3010777140 - 3011520980 - 3012479720 - 3011054480 - 3014285550 - 3014004950 -
 3010222360 - 3011162510 - 3012508390 - 3011118420 - 3014300370 - 3014110910 -
 3003391170 - 3011571900 - 3012921150 - 3013863950 - 3014284310 - 3014098890 -
 3011159730 - 3012228130 - 3012538950 - 3013770380 - 3014289540 - 3014033410 -
 3012036500 - 3012512250 - 3012573360 - 3013756360 - 3013991200 - 3014070210 -
 3011421180 - 3003846120 - 3012575190 - 3013761590 - 3014315070 - 3014042240 -
 3011721600 - 3011630040 - 3012575200 - 3013806370 - 3012810260 - 3010425600 -
 3012822860 - 3010818930 - 3012580250 - 3013790540 - 3014366800 - 3011115980 -
 3011038960 - 3012175070 - 3012750230 - 3013803110 - 3014419810 - 3014408170 -
 3012266090 - 3011618370 - 3011526620 - 3012964890 - 3014330530 - 3003772790 -
 3011000130 - 3011658730 - 3013058190 - 3013844420 - 3014340960 - 3012433770 -
 3012500520 - 3011511820 - 3013704990 - 3012367410 - 3014409730 - 3014414060 -
 3011172240 - 3012864230 - 3011932450 - 3014069510 - 3014356530 - 3013037430 -
 3011171840 - 3011671420 - 3011202110 - 3013871660 - 3011547640 - 3013860390 -
 3012880570 - 3011875560 - 3013326060 - 3012506970 - 3014419450 - 3011132670 -
 3010183360 - 3011351280 - 3013698260 - 3012351360 - 3012691500 - 3011122400 -
 3010948970 - 3014098130 - 3012734240 - 3014282270 - 3004369970 - 3012059040 -

(29) are loans arising from mortgages to the report code of which the Bank has assigned the suffix AC, (i) as communicated in writing to the relevant debtor by notice sent by the Transfer Date by ordinary mail or notice on home banking and, in any case, (ii) as resulting from the appropriate list containing the relevant report codes (identifying the loans subject to transfer)

published on the following website <https://istituzionale.popso.it/it/investor-relations/operazioni-finanziarie>.

(b) The Selection Criteria

Non-Mortgage Loans and Further Loans derive from Loans that, as of the relevant Effective Date (except where otherwise provided below), met the following cumulative criteria:

- (1) have been disbursed pursuant to loan agreements governed by the laws of the Republic of Italy and under which there are no further disbursement obligations;
- (2) have been disbursed by Banca Popolare di Sondrio S.p.A;
- (3) are not secured by a mortgage;
- (4) are not derived from the splitting of other loans;
- (5) do not benefit from any form of suspension of payment of installments;
- (6) whose interest rate is fixed or indexed (as stated in the relevant loan agreement) and there is no provision for switching from fixed to variable rate or vice versa;
- (7) whose principal debtors (including, if applicable, as a result of taking over the relevant commercial mortgage): (a) are, as of the relevant Valuation Date: (i) companies having their registered office in the territory of the Republic of Italy; or (ii) individuals having their residence in the territory of the Italian Republic who have entered into the relevant loan in the course of their professional and/or business activity, in any case classifiable as Small and Medium Enterprises within the meaning of Recommendation 2003/361 of the European Commission; (b) are not, as of the relevant Valuation Date: (i) public entities or other comparable companies, publicly held companies, banks or financial companies, ecclesiastical or religious institutions or entities, welfare or charitable institutions or entities, or other non-profit entities; or (ii) including as co-holders of the relevant loan, persons who were or, as of the relevant Valuation Date, were employees or bank officers (within the meaning of Article 136 of the Consolidated Banking Act) of the Originator;
- (8) are denominated in Euro and the related loan agreements do not contain provisions allowing for their conversion into another currency;
- (9) in relation to which the loan agreements provide for repayment through the payment of monthly or quarterly or semiannual or annual installments;
- (10) in relation to which the amount originally disbursed to the borrower under the relevant loan agreement is less than or equal to Euro 15,000,000.00;
- (11) in relation to which the outstanding principal amount under the relevant loan agreement is more than Euro 1,000;
- (12) in respect of which at least one installment is due and has been paid by the relevant debtor;
- (13) have not been entered into and concluded (as indicated in the relevant loan agreement) pursuant to any law or regulation providing for the granting of: (a) financial facilities (so-called "*mutui agevolati*"); (b) public grants of any kind; (c) other facilities or reductions in favor of the

relevant debtors, mortgage givers or any other guarantors with respect to principal and/or interest;

- (14) have not been disbursed from third-party funds, including with funding made available by the European Investment Bank or the European Investment Fund or Cassa Depositi e Prestiti S.p.A.
- (15) have not been entered into or concluded pursuant to Articles 43, 44 and 45 of the Consolidated Banking Act (so-called "agricultural and fishing credit");
- (16) whose amortization plan is in the "French" style (by which is meant that method of amortization under which all installments include a principal component fixed at the time of disbursement and increasing over time and a variable interest component, as detectable on the date of stipulation of the loan or, if any, of the last agreement regarding the amortization system) or the "Italian style," (by which is meant that method of amortization consisting of installments of decreasing total amount with a principal component fixed at the time of disbursement and constant over time and a decreasing interest component over time), and in the case of mortgages with French-style amortization plan that provide for more than one repayment installment; ;
- (17) are not mortgages that are classifiable as "in a state of default" pursuant to Article 178(1) of Regulation (EU) 575/2013;
- (18) are mortgages that have at most one Installment past due and unpaid for not more than 30 days;
- (19) in relation to which each loan agreement provides for a payment by the relevant debtor by means of (a) direct debit to a current account in the debtor's name and opened with Banca Popolare di Sondrio or (b) pre-authorized direct debit (i.e. "*Sepa Direct Debit*") to a current account in the debtor's name and opened with a credit institution other than Banca Popolare di Sondrio or (c) cash at the reference counter or bank transfer;
- (20) do not benefit from a guarantee (including a portfolio guarantee) provided by the European Investment Fund;
- (21) have not been disbursed in a pool;
- (22) do not benefit from a guarantee provided by a confidum;
- (23) do not benefit from a guarantee provided by SACE S.p.A;
- (24) whose principal debtors (possibly also as a result of assumption of the relevant commercial loan): are classified, in accordance with the classification criteria adopted by the Bank of Italy in Circular 140 of February 11, 1991 (as amended from time to time), with the following Economic Activity Sector (SAE) codes: 430, 432, 450, 480, 481, 482, 490, 491, 492, 614, 615.

(c) The Specific Criteria of the first Non-Mortgage Portfolio

The Non-Mortgage Loans that are part of the First Non-Mortgage Portfolio are derived from Mortgages that, as of the First Non-Mortgage Portfolio Effective Date, meet the Selection Criteria as well as the following Specific Criteria of the First Non-Mortgage Portfolio:

- (1) were disbursed between November 2008 and March 2023;
- (2) whose outstanding principal under the relevant loan agreement is not: (i) greater than Euro 7,408,000; and (ii) less than Euro 1,000;
- (3) are mortgages with respect to which all installments have been duly paid or mortgages with respect to which a single installment is past due and has not been paid for not more than 30 days;
- (4) for which the maturity date is after 29/6/2023 and before 02/05/2041.

(d) **The Specific Criteria of the Further Portfolios**

Non-Mortgage Loans that are part of the Further Portfolio are derived from Loans that, as of the Effective Date of that Additional Portfolio, meet the Selection Criteria as well as the following Specific Criteria of the Further Portfolios:

- (1) have been disbursed between [•] and [•];
- (2) the outstanding principal amount of which under the relevant loan agreement is not: (i) greater than Euro [•] and (ii) less than Euro [•];
- (3) are loans with respect to which all installments have been duly paid or loans with respect to which a single installment is past due and has not been paid for not more than [•] days;
- (4) for which the due date is later than [•] and earlier than [•].

[others]

Capacity to produce funds

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

Pool Audit

Pursuant to Article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification (including verification that the data disclosed in this Information Memorandum in respect of the Receivables is accurate) has been made in respect of the First Initial Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found.

The verification has confirmed:

- (a) the compliance of the data and information in respect of the Initial Portfolio, included in the loan-by-loan data tape prepared by the Servicer, with the Criteria; and
- (b) the accuracy of the tables set out above in the present section ("*The Portfolios*").

THE ORIGINATOR, THE NOTES SUBSCRIBER, THE REPORTING ENTITY, THE CASH MANAGER AND THE SERVICER

Company history

BPS is the parent company (the “**Parent Company**”) of the BPS Group and, inspired by principles of small-scale retail lending, provides savings deposit and lending services in various forms, as well as private and investment banking, asset management, leasing, bancassurance and consumer credit services to its customers. BPS focuses on the territories where its subsidiaries have historically been established, with a special focus on providing services to families and small and medium-sized businesses and cooperatives.

Within the BPS Group, the Originator, which is an operating Parent Company performing guidance, governance and control functions for the BPS Group, essentially engages in the following business operations:

- guidance, coordination and control, via its setting of the BPS Group's guidelines, of business and financial planning, organisational structure, strategic objectives, administration and accounting, credit management policies and human resources management policies. The Issuer also performs activities the purpose of which is the management and control of risks deriving from the business operations of the BPS Group's companies;
- acting as a hub for the coordination and oversight of policies for the management of the structural items comprising assets and liabilities, both its own and those of the other companies belonging to the BPS Group, with the objectives of optimising available capital, identifying transactions and funding structures for the BPS Group, through initiatives on the domestic and international markets, as well as oversight of liquidity requirements and related trends; and
- providing support, control functions and guidance services for the BPS Group's business operations, with a view to facilitating business development and allowing for effective services to be provided to customers.

In Italy, the BPS Group, as of 31/12/2022, has a market share of 2,3% based on the number of branches, 1.4% in terms of lending and 1.7% in terms of deposits.

As of 31/12/2022, the BPS Group's employees consisted of 3,456 employees.

Business overview

BPS engages in traditional retail banking services in the territories covered and offers related financial services to private individuals, businesses and institutions. As regards private individuals and businesses, the bank offers products and services in the following areas:

- products and services for families: in particular, bank accounts, mortgages, consumer credit, loans, payment instruments (credit and debit cards), insurance and pension products and on line services;
- savings/investment products and insurance: such as the offer of bonds, managed savings, life insurance and other investment instruments;
- products and services for internationalisation: the bank supports companies which operate with foreign counterparties, offering a broad range of support services, both for its traditional

commercial banking segment, and for more value-added products and services, such as products and services related to commercial exchanges with foreign counterparties or derivative products for the hedging of corporate risks; and

- home banking, remote banking, POS, mobile products and services.

(a) **Asset management**

In the context of asset management, the bank offers both traditional and innovative investment solutions to private individuals, businesses and institutional investors. The range of services includes, among other things, portfolio advisory services, wealth management services, which are provided by a qualified and experienced team of specialised professionals within the bank, derivatives trading and trading of structured products.

For asset management through mutual investment funds, the BPS Group has been party to trade agreements with Arca Fondi SGR S.p.A. since 1983. The BPS Group has also entered into trade agreements with Etica SGR S.p.A., which establishes and promotes exclusively socially responsible mutual investments in which the selection of assets is carried out on the basis of criteria of social and environmental responsibility.

In addition to the above, in 1999 the Swiss subsidiary Banca Popolare di Sondrio (SUISSE) founded Popso (Suisse) Investment Fund SICAV, a mutual investment fund organised under Luxembourg law with multiple sub-funds. Each sub-fund has its own pool of assets and liabilities and follows its own distinct investment strategy. Each sub-fund is therefore represented by one or more separate share classes. Investors currently have a choice of 14 sub-funds.

(b) **Bancassurance and supplementary pensions schemes**

In the context of bancassurance, the bank operates in the life insurance segment via a partnership with Arca Vita and the Irish company Arca Vita International. In particular, among the various products, the bank offers Insurance-Based Investment Products (IBIPs) with the aim to increase the capital and protect the savings of clients. In the non-life segment, Arca Assicurazioni's products are offered. The insurance solutions offered are aimed principally at private individuals and small/medium-sized businesses to meet such clients' insurance requirements as regards protecting their health, family and home. The bank offers a private pension scheme for those who intend to benefit from a complementary pension through the open-end pension fund Arca Previdenza of Arca Fondi SGR.

(c) **Factoring**

The bank offers its customers factoring products through its subsidiary Factorit S.p.A., which provides a complete range of solutions for the factoring of trade receivables: pro solvendo (with recourse) factoring, pro soluto (non-recourse) financial factoring without notification, pro soluto (non-recourse) factoring with notification, pro soluto (non-recourse) non-financial factoring without notification, maturity factoring and payment on a certain date, export factoring, import factoring, as well as financing products, transfers of future receivables and "indirect factoring".

(d) **Leasing**

The bank's leasing operations are conducted on the basis of trade agreements with Alba Leasing S.p.A., which offers real estate leasing and asset leasing, including auto, aircraft, ship and railway leasing services. Alba Leasing also operates in the renewables energy, nautical and public administration sectors.

During 2018, the bank, together with two important automotive partners, set up a car renting company to offer to its retail and business customers. Rent2go is able to make offers on every brand and model of vehicles, including commercial ones up to 35 quintals.

(e) **Corporate Banking**

BPS offers corporate clients a range of high value-added financial products and services in the following macro-areas: corporate lending, structured finance and related services (such as certifications of economic-financial plans for project financing, acquisition financing and hedging), corporate finance (advisory services for extraordinary financial transactions and for corporate restructurings for succession planning purposes and private equity searches for companies interested in risk capital opportunities) and capital markets (only with respect to the structuring of mini-bond issues).

(f) **Other Services**

Complementing the range of directly offered services, BPS has entered into distribution agreements with Compass Banca S.p.A. (Gruppo Mediobanca) for the offering of personal loans. The bank also offers its customers loan products through its subsidiary Banca della Nuova Terra S.p.A. in particular in support of the agriculture and agri-food sectors. Moreover, Banca della Nuova Terra offers retail customers particular loans which are reimbursable by the assignment of one fifth of the customer's salary or pension and delegation of payment.

Structure

As of the date of this Information Memorandum, the BPS Group comprises the companies listed below.

The amounts of the share capital of the Group companies reported below is based on the consolidated annual report on the BPS's operations attached to the audited consolidated financial statements at 31/12/2022.

Parent Company:

- Banca Popolare di Sondrio S.p.A. — Sondrio

Companies belonging to the BPS Group:

- Banca Popolare di Sondrio (SUISSE) SA – Lugano, Switzerland.

The Parent Company holds the entire share capital of 180,000,000 Swiss Francs.

- Factorit S.p.A. — Milan.

The Parent Company holds the entire capital of Euro 85,000,002.

- Sinergia Seconda S.r.l. — Milan.

The Parent Company holds the entire corporate capital of Euro 60,000,000.

- Banca della Nuova Terra S.p.A. — Sondrio.

The Parent Company holds the entire corporate capital of Euro 31,315,321.

- POPSO Covered Bond S.r.l. - Conegliano (TV).

The Parent Company holds 60% of the corporate capital of Euro 10,000.

Other subsidiary Companies:

- Pirovano Stelvio S.p.A. — Sondrio.

The Parent Company holds the entire share capital of Euro 2,064,000.

- Rajna Immobiliare S.r.l. — Sondrio

The Parent Company holds 50% (joint control) of the corporate capital of Euro 20,000.

- Servizi Internazionali e Strutture Integrate 2000 S.r.l. - Milan

The Parent Company holds 100% of the corporate capital of Euro 75,000.

- Rent2GO S.r.l. - Bolzano

The Parent Company holds the entire share capital of Euro 12,050,000.

In the context of the Securitisation, BPS acts as Originator and Servicer.

Further details on <https://istituzionale.popso.it/en> (for the avoidance of doubt, this website and the contents thereof do not form part of this Information Memorandum).

CREDIT AND COLLECTION POLICIES

The description of the Credit and Collection Policies set out below is an overview of certain features of the credit and collection policies adopted by Banca Popolare di Sondrio S.p.A. and is qualified by reference to the detailed contents of the Credit and Collection Policies enclosed under annex 2 to the Servicing Agreement, which is in Italian language and which represents the procedure agreed and effected by the Issuer and the Servicer for, inter alia, the collection and recovery of the receivables. Prospective noteholders may inspect copies of the Transaction Documents (including the Servicing Agreement and the annexes thereof) on the Securitisation Repository.

Activity with Debtors

The BPS's business activity is focused on the SME segment, which represents the main one in terms of exposure. The objective is to provide all-round support, not only at a credit level, for the needs expressed by companies operating in this specific sector. The main financing products are those classically deriving from banking credit activities.

The SME segment represents the BPS's main segment in terms of credit exposure. Credit support takes the form of granting short-term credit lines (typically self-liquidating facilities, current account overdrafts and lines for issuing guarantees) and medium/long-term lines (mainly unsecured loans and mortgages).

Unsecured Loans: Loans typically without real guarantees to support needs linked to working capital or investments in machinery/plants, as well as to support the company liquidity. In relation to unsecured loans, no specific guidelines are imposed on the commercial network: life of the loan normally ranges from 12 months (e.g. payment of thirteen monthly salary) up to 84 months, fixed and floating rates are offered, repayment in monthly/quarterly/semiannual or annual capital instalments with a french or italian amortisation plan and a possible pre-amortisation period, normally of a maximum of 12 months.

Mortgages: The "Regulation of mortgage loans to companies", which is the reference regulation for this specific technical form, provides a list of purposes for which mortgage loans may be granted to companies. The most common ones are "Purchase, construction and restructuring", "Consolidation", "Liquidity", "Capitalization" and "Productive investments". The maximum life of such loans is normally set at 20 years for floating rate transactions and 15 years for fixed rate transactions; however, it is recommended that the length of the loans is correlated to their purpose (e.g. restructuring for sale 5 years, purchase for lease 15 years, liquidity 7/10 years, etc.).

Maximum values of LTV are defined according to the loan's purpose (from 50% for start-up and capitalisation to 70% for purchase) which generally do not exceed 80%.

Both fixed and floating rates are offered, with the latter to be preferred considering the medium-long term of the interventions. Repayment in monthly/quarterly/semiannual or annual capital installments with a french or italian amortisation plan and a possible pre-amortisation period.

Rating Model

On 27 May 2019, the European Central Bank (ECB) authorised BPS to adopt its internal models for the purpose of measuring the capital requirements for credit risk (Advanced IRB Approach – AIRB) relating

to “Corporate” and “Retail” regulatory portfolios, with effects starting from the supervisory reporting at 30 June 2019.

More specifically, the Group has been authorised by the ECB to use its own internal models to estimate the following risk parameters:

- PD (Probability of Default), the probability that a borrower will not be able to meet his credit commitments;
- LGD (Loss Given Default), the estimated loss rate associated with a position at the time of default of a borrower;
- EAD (Exposure at Default), an estimate of a borrower's expected credit exposure at the time of default.

The PD models are composed of elementary modules, distinguished by information source, integrated statistically or by means of correction mechanisms (notching) with respect to previously identified summary values. The differentiation in the number and method of integration of the various modules is a function of both the segment to which the counterparty belongs and the phase of the credit process in which they are applied, namely the initial request for financing (“acceptance model”) or its continuous monitoring (“internal behaviour model”).

The “internal behaviour model” is based primarily on a series of explanatory variables from different information sources (Internal and External Monitoring, Qualitative Questionnaires, Financial Statements). Additional information is considered from internal databases rather than from a Credit Bureau or relating to known prejudicial events, which lead to a mechanism of automatic deterioration. Lastly, further adjustments are foreseen deriving from the specific sector of the counterparty or if it belongs to a specific legal and/or economic group.

The “acceptance models” follow the general scheme for determining the rating, net of the absence of the “Internal monitoring” module and of a different way of integrating the component relating to information acquired from external sources. The PD values derived from this are recalibrated to align the average PD of the estimate sample to the population default rate of reference (c.d. “anchor point”). The probability of default, divided into specific ranges of values, therefore determines the rating class.

The rating scales are specific for homogeneous cluster segments and consist of 13 classes for performing positions and 1 class for “default” positions (i.e. in a Past due, Unlikely-to-pay or Bad loans/sofferenza status).

On 19 October 2021 the ECB authorized the BPS’s credit risk models (incl. PDs) regarding the new Definition of Default (New DoD). Consequently, new parameters entered in force from 30.11.2021.

The design of the PD models is characterized by a typically “modular” approach. This phase aims at defining the different components to be estimated and how to combine them (e.g. by means of integrated modules or automatic notching mechanisms) up to the different expected interim or final ratings and associated PD quantifications. The specific cases of counterparties within the management segments (e.g. business segments or customer segments relevant to the bank’s business) or different valuation instants of the counterparty are then identified (e.g. first acceptance assessment vs. monitoring assessment; assessment of new enterprises) requiring situations specific management. In general, it is possible to define recurrent elements, which will characterize the evaluation models. For

example:

- For private retail individuals: internal and external behaviour modules, modules based on qualitative information, credit bureau, detrimental events.
- For individual firms, professionals, companies: internal and external behaviour modules, modules based on qualitative information, financial information forms, adverse events, sectoral influences, influences linked to the connections of legal and economic groups.

The structure of the evaluation modules is characterized by a first statistical component, fed by the areas of greatest importance and availability of information (typically: financial statement, internal trends, external behaviour and/or qualitative questionnaire), which is subsequently supplemented by a further statistical component relating to the assessment of detrimental and other negative events on the perimeter.

Follow-up possible consideration of the effects of detrimental events, the sector module and, where present, integration to consider the impact of the economic/legal group's counterpart.

With reference to the LGD, there are two different models: Companies and Households (private individual), based on the different logic (e.g. types of procedures performed) that characterise the recovery in the event of insolvency. Different internal managerial segments are connected to each of the two types of models.

LGD models are developed following a "structured" approach that involves the identification of different modules making up each model, each of which is parameterised independently and then included in the final LGD calculation. This approach allows the bank to directly isolate the link between the individual modules and the drivers of risks that characterise them, preserving their consistency with the different stages of the recovery of non-performing loans in a state of pre-litigation and litigation. In this sense the approach is configured as being attributable to two macro-phases:

- LGS ("Loss Given Sofferenza") component, relating to the estimate of possible recoveries and losses that might occur if the loan is transferred to litigation phase (sofferenza status);
- Danger Rate component, relating to the estimate of losses in the pre-litigation phase (pre-sofferenza), envisaging the probability of returning to performing (cure rate).

The first component is based on a workout approach on historical data of recovery. The model considers information about the counterparty, the product and the guarantees/collaterals. The second component (Danger rate models) combines a series of parameters estimates. Finally, other components are considered in the estimation of the LGD.

Collateral Policy

The guarantees securing medium/long-term loans to SMEs consist mainly of personal guarantees and real estate collaterals that assist mortgages. Personal guarantees are generally represented by sureties granted by the shareholders of the SME (i.e. the owner of the enterprise) or by associated companies, typically for the entire amount and life of the loan. With regard to real estate collaterals assisting mortgages, having already mentioned the purposes and the LTV foreseen by the specific regulation, it is specified that they are typically granted for commercial and/or operating properties. With regard

to loans backed by real estate collaterals, BPS entrusts the execution of property valuation activities exclusively to external, specialised and independent appraisal companies, on the basis of specific agreements and precise instructions. The entire portfolio of loans backed by real estate collaterals is subject to constant monitoring, carried out centrally by the offices in charge, and to an annual revaluation of the value of the assets. These activities, which are carried out on the basis of different criteria depending on the management classification of the loan (i.e. Bonis/NPE), aim to highlight exposures and the relative expert evaluations which present risk characteristics to determine the need for detailed controls and, according to the results of the controls, the preparation of any corrective measures, including the updating of the value.

Other types of guarantees, with residual cases, are represented by financial collaterals such as pledges on cash or securities, special liens on plants or machineries or the assignment of (future) receivables deriving from leases or other types of contracts. Over the last years due to the pandemic, there has been a marked increase in the use of guarantees provided by the SME Guarantee Fund (managed by Mediocredito Centrale on behalf of the Ministry of Economic Development) on medium-term loans granted in accordance with the provisions of the so-called "Decreto Liquidità" (Decree Law no. 23 of April 8, 2020) and subsequent amendments and additions.

Underwriting Process

The BPS's credit policy is developed in line with the risk objectives established in the Risk Appetite Framework (RAF) and aims to define a development strategy for the loan portfolio with the aim of optimising the relationship between the risk profile that can be assumed and the return levels, reconciling the need to monitor the quality of the portfolio and the prospective cost of credit. In particular, it aims at satisfying the financial needs of families, medium-sized companies and small economic operators; however, the needs expressed by larger counterparties are not disregarded.

The evaluation of the attractiveness of economic sectors is also of particular importance. Specifically, the process to assess the attractiveness of the sector is defined, typically on an annual basis through the integration of information regarding the riskiness of the portfolio, also from a prospective viewpoint, the risk-adjusted profitability observed on the various positions and the concentration detected at the level of the individual economic sector. This makes it possible to sort the sectors by level of attractiveness ("Attractive", "Neutral" and "Not Attractive"). The level of attractiveness, together with the credit risk expressed by the rating, contributes to define the positioning of the individual counterparty within a matrix, with the aim of assigning a specific credit strategy to the counterparty.

The credit approval process, which is similar for any management segment, is summarised below:

- appraisal by the branch and, if necessary, the intermediate, peripheral and central structures, which evaluate the practice in support of the deliberating body;
- resolution;
- disbursement;
- review of credit lines;
- monitoring and recovery.

Each macro-phase of the process is in turn made up of specific components that can be traced to rules, activities, procedures and organizational structures.

The granting of credit is supported by adequate analysis of the creditworthiness of borrowers as well as continuous and dynamic monitoring the risk assumed, taking into account the factors that reduce, or could in the future reduce, the ability of borrowers to fulfil their contractual obligations.

All lending operations carried out by BPS require prior assessment of the creditworthiness prerequisites by evaluating the creditworthiness of the borrowers, examining the consistency of the characteristics of the operation with respect to the destination of the funds or the project to be financed, verifying the suitability of any additional guarantees to cover the risk of non-repayment, and ascertaining the congruity of the expected remuneration in relation to the risk assumed and/or employable.

In particular, the current and prospective capacity of the subjects to produce adequate income and cash flows to support the reasons for the credit must be ascertained. The assessment of the reliability of borrowers must primarily take into account the possibility of meeting their obligations, regardless of the guarantees provided.

The analyses are based on clear and complete information regarding the economic and financial situation of the debtors; this can be acquired from reliable and independent sources or provided by the borrowers themselves and appropriately verified. The reasons for the request for credit and the actual use of the funds by the borrowers must always be ascertained; transactions whose economic purpose is neither clear nor verifiable are not permitted.

The information stemming from the internal rating system, where available, is taken into the utmost consideration as it is an essential element for a full assessment of the riskiness of the borrower and/or of the transaction.

The "Regulations governing the powers and functioning of the bodies responsible for granting credit" envisage that the Board of Directors' allocation of decision-making powers on credit matters to the various bodies within the corporate structure is carried out on the basis of the overall weighted risk attributable to the main party requesting the granting or renewal of the loan. The Overall Weighted Risk is defined as the sum of the nominal risks (so-called Overall Nominal Risk) falling within the reference perimeter of the principal, to which weightings are applied according to i) the validated rating attributable to the borrower, ii) its LGD and iii) the guarantees that support the individual risks. With reference to the first component, different weighting factors are applied by rating class, LGD level and segment to which the borrower belongs; as regards the second component, the weighting mechanism discriminates both on the basis of the segments to which the parties that make up the reference perimeter belong and on the basis of the guarantees that support the various risks included in this perimeter. In particular, with regard to mortgage guarantees and pledges, the coefficients are differentiated according to the Loan to Value. There is also a more favorable risk weight of loans backed by surety compared to loans without guarantee and, within the latter, a different treatment between risks relating to Associations / Partnerships and those relating to Corporate customers.

Collection Process and Monitoring

BPS uses a devoted bank's procedure ("Elise" – *Extended Loans Integrated System*) in order to manage

medium/long-term loans with instalment repayment scheme, as long as the position is not classified as "sofferenza". The process is placed under the responsibility of the "*Crediti speciali e medio termine*" Office. The procedure is also in charge of scheduling instalments and sending data/flows to the relevant offices and others bank's procedures for the arrangement and drafting of the "Instalment due date notice" letters, both for operations under regular amortisation and for those with unpaid instalments, and communications related to unpaid instalments, as detailed below.

If an instalment is not paid within 15 days since the instalment's due date a communication is automatically sent to the defaulting debtor as well as to the co-debtors and guarantors; the communication, in line with regulation, also indicates the start of notifications to the Credit register database managed by CRIF and to the Central Credit Register database managed by the Bank of Italy in the event of non-payment within 30 days from the instalment's due date.

If the failure to pay persists and as long as the position is classified as performing, the "Instalment due date notice", in addition to the information related to the instalment due, provides a summary of the outstanding instalments and interest on arrears to be paid.

The *Elise* procedure checks, with a daily frequency and for each loan with unpaid instalments, whether on the current account linked to the loan there are sufficient funds to pay the instalments; if so, it charges the unpaid instalments, starting with the oldest ones.

The procedure also communicates with the other bank's IT systems, procedures and platforms to share necessary information in order to:

- update daily the information systems supporting the back and front offices' operations. At any time, operators can consult and operate on the current account to which loans are linked, having evidence of the outstanding amount in arrears or accessing to a report in the OTE procedure with the updated situation of the defaulting customer;
- provide the branches, area and head offices with detailed and updated lists and tables of all the customers with outstanding instalments under their oversight;
- update and share information (according to the different qualifications and competences) in order to initiate quickly and effectively all the necessary actions.

BPS has adopted a method of classifying counterparties by increasing degree of risk in order to support the identification of differentiated management approaches and the adoption of coherent strategies for regularization or recovery of credit.

The activity of monitoring and management of problematic credit has the following main objectives:

- to detect anomalies and signs of deterioration in credit reports in good time;
- to take the most appropriate actions to contain the deterioration of credit and promptly bring relations back to regular conditions, recovering, where possible, any defaults of counterparties;
- to correctly classify the related exposures by identifying the appropriate provisions in the face of evidence of deterioration, thereto relating to the process of administrative classification of receivables.

The specific characteristics of the different management classes are given below:

- Classification of positions in "Bonis Regular / Medium Low Risk" which includes all regular positions or those that show the first signs of anomaly:
 - o credits in Bonis without arrears (1);
 - o credits in Bonis without arrears but with the presence of Early Warning anomaly indicators (2);
 - o credits in Bonis with arrears between 1 and 15 days; (3)
 - o credits in Bonis with arrears between 16 and 30 days (4).
- Classification of counterparties "High Risk" which includes all those positions still in bonis and which have one of the following anomalies:
 - o attribute "Forborne" (5);
 - o number of days of arrears from 1 to 30 in stage 2 (5);
 - o presence of Early Warning indicators that lead to a forcing into High Risk management (5);
 - o number of days of arrears from 31 to 60 (6);
 - o number of days of arrears from 61 to 90 (7);
 - o number of days of arrears > 90 days (8).
- In the classification of positions in "Past Due / UTP" fall all those positions that are:
 - o Past Due (9);
 - o Unlikely to Pay (10).
- Classification of Bad Loans (*Sofferenze*) (11)

The positions without anomalies, which are most of the Bank's assets, are managed independently by the branches without the intervention of the competent structures of the NPE Unit.

The Early Warning system aims to recognize in advance signs of deterioration of the riskiness of customers characterized by elements of potential financial criticality even in the absence of arrears; it is equipped with a robust set of predictive indicators: the E.W. indicators currently in use are as many as 40 and refer to aspects related to:

- internal dynamics (use of loans with the bank)
- external dynamics (use of loans with other banks – external databases)
- balance sheets.

BPS has structured itself by dedicating a specific unit to this activity ("*Monitoraggio e Early Warning*" Office) allocated at the Headquarters that constantly monitors the counterparties on which these indicators of potential financial difficulty are detected. The activity of the Early Warning Managers is carried out through the Peg procedure (*Pratica Elettronica di Gestione*) and consists in the constant monitoring of the positions detected by the triggers in order to verify which of these can be scheduled for a subsequent verification and how many instead must be managed promptly because they are

characterized by more serious criticalities: in this case the Early Warning Managers characterize these counterparties as "high risk" and assign them to the NPL Territorial Managers, so that they can manage promptly avoiding the deterioration.

The NPL Retail and Corporate Territorial Managers are directly dependent on the Headquarters, despite being allocated to the Territorial Areas; they deal with the management of positions characterized by objective critical elements already established (not only presumed) belonging to the management of high risk, arrears from 30 to 60 days, arrears from 61 to 90 days, past due below threshold, past due and UTP. The Bad loans are, instead, managed by the appropriate structure.

The application used by NPL Territorial Managers is named "Peg" (*Pratica Elettronica di Gestione*).

The analysis of the positions provides, at least, the verification of

- internal dynamics,
- quality of the advanced credit,
- presence of prejudicials,
- external dynamics,
- balance sheets,
- considerations carried out in the latest assignment practices.

The activity is carried out by the NPL Territorial Managers in close contact with the branches and, where necessary, meetings are held with the counterparties to jointly define the management methods.

BPS makes use of external outsourcers for the recovery of certain positions, while remaining the holder of the credits. Positions suitable to be outsourced are identified according to specific criteria.

Finally, it should be noted that the deliberative process varies according to the belonging of the counterparties to the different management class:

- 1) ordinary commercial management: for the performing positions belonging to the 1, 2 and 3 management states, it is expected to maintain the main activities (for example: meeting with the customer, resolution on new assignments, etc.) in charge of the branches and structures of the ordinary credit chain;
- 2) restricted commercial management: for performing positions belonging to the 5, 6, 7 and 8 management states, "co-management" between branches and NPE Unit is envisaged. More precisely, among the activities of the NPL Managers for these types of practices include:
 - the validation of the return strategy proposed by the branch,
 - the issuing of opinions on proposals for concessions or renewals of awards,
 - the authorizations in the field of current account overruns according to the individual competences assigned,
 - the supervision of the positions assigned to the outsourced management;
- 3) specialized credit management: for non-performing positions belonging to the 9 and 10

management states (i.e. administrative states “past due” and “unlikely to pay”) the attribution of the main management activities and decision-making direction is expected to be assigned to the structures of the anomalous chain. However, since these positions are still alive and active (unlike those classified among “bad loans”), it is necessary to adopt a close collaboration between the central offices of the anomalous credit and the Bank’s branches (network). The latter, however, are entrusted with the administrative management of relations.

The NPE Unit periodically reports to the Board of Directors in relation to the stock of NPL and constantly updates the internal regulations and procedures according to both operational needs and to comply with regulatory requirements.

Work Out Strategy

Within the NPE Unit Area (Non-Performing Exposure Unit Area) the *Recupero crediti giudiziale e stragiudiziale a sofferenza* Office is responsible for the debt collection on bad loans.

The main objectives of the Office are aimed at taking the most appropriate actions in order to:

- hold new warranties solely on Bad loans (sofferenze),
- arrange deals: when a customer is bankrupted, all debt collection actions are prevented and is necessary to take a legal solution by using an external Lawyer.

The main functions of the Office are the following:

- to carry out, for credit positions classified as bad loans, the legal actions necessary for the recovery of the receivables and to carry out extrajudicial lawsuits;
- to prepare the necessary actions for the management of non-performing credit positions in dispute and to allow a recovery directly and/or through external lawyers;
- to take care of the Bank’s relations with external law firms and identify the actions to strengthen external law firms’ operational and management performances. In doing so the Office relies on the results from the monitoring activities carried out by the *Monitoraggio andamentale e supporto NPE* department;
- to periodically update provisions and the time to recovery for positions classified as bad loans;
- to take care of the bad loans administrative and accounting fulfilments;
- to manage disputes, proceedings, active and passive lawsuits, connected with credit recovery;
- to implement the write-off accounting entries following approval of the shortlist by the deliberating body, in line with the processes and methods provided for by the internal regulations;
- to keep relation with *Amministrazione e contabilità generale* department.

Bad loans (“sofferenze”) are handled by different Position Managers according to the following classification:

- Big Ticket loans (over € 1 million);

- Corporate loans (over € 0,50 million);
- Retail Secured loans (small amount, covered loans);
- Retail Unsecured loans (small amount and not covered loans);
- Non-accounted credits.

The more experienced Position Managers are dedicated to Big Ticket loans.

Before a loan is classified as "sofferenza", the *Monitoraggio e Early Warning* Office can decide whether to manage it in outsourcing (in compliance with the Policy of Outsourcing and only for small and unsecured exposure) or to allocate it to the *Recupero crediti giudiziale e stragiudiziale a sofferenza* Office.

For Bad loans whose recovery is outsourced, on a quarterly basis the external outsourcer provides to BPS a Portfolio Management report on the progress of the work and the results achieved.

The Office Manager analyzes thoroughly each position and the linked guarantees and then send it to the Position Manager. The Position Manager calls debtor/debtors and if they do not find an agreement on a replacement plan or a gentlemen agreement, the manager takes a legal action to hold judicial mortgage or other guarantees.

Finally, an accounting officer shall be responsible for the collection of revenues and the payments of expenditures, to be registered in the procedure "*Syges*", software specialized in the accounting, the administration and the balance sheet activities (including Collective Impairment and Fair Value) of the impaired loans.

The Position Manager, in compliance with the internal dedicated policy (*Linee Guida per la Valutazione dei Crediti*), at least once a year, or whenever he receives any updated information (e.g. updated appraisals, technical evaluation, etc.), submits a proposal for adjustment of the loss forecasts and the time to recovery to the Head of the Office and propose him a new provision.

The initial determination and subsequent revision of loss estimates *i)* are carried out on an analytical basis, considering, with the utmost prudence, the debtor quality and capacity to repay as well as the quality of the guarantees in place, *ii)* and must be prepared for each relationship forming part of the position.

The length of the enforcement procedures varies according to the tribunal and these territorial differentiations are taken into account in the formula for calculating recovery forecasts. On average, an enforcement procedure in Italy lasts between 3.5 and 8 years.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 15/05/2023 as a *società a responsabilità limitata unipersonale* for the purpose of carrying out this securitisation transaction and issuing asset backed securities. The Issuer's by-laws provides for termination of the same on 31/12/2100. The registered office of the Issuer is in Via V. Alfieri 1, Italy, 31015 Conegliano (TV). The fiscal code and enrolment number with the companies register of Treviso-Belluno is 05416660263. The Issuer's telephone number is +39 0438 360926. The Issuer's website is www.securitisation-services.com (for the avoidance of doubt, such websites does not constitute part of this Information Memorandum). The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration No. 48431.1.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is for the amount of Euro 10,000.00 fully paid-up by Stichting Fenchurch.

The Issuer has not declared or paid any dividends or, save as otherwise described in this Information Memorandum, incurred any indebtedness.

Issuer's principal activities

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

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Sole Director

Gianluca Bubola

The Quotaholder Agreement

On or about the Issue Date 2023, the Issuer and the Sole Quotaholder entered into the Quotaholder Agreement pursuant to which the Sole Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The Quotaholder Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

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

Accounts of the Issuer and accounting treatment of the Portfolio

Pursuant to the applicable accounting principles, 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 with the sole quotaholder (*società a responsabilità limitata unipersonale*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year starting on 15 May 2023 and ending on 31/12/2023.

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Information Memorandum, adjusted for the issue of the Notes, is as follows:

Quota capital	Euro
Issued, authorised and fully paid up capital	10,000.00
Loan Capital (Securitisation)	
	Euro
Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060	941,600,000
Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060	73,000,000
Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060	1,182,000,000
Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060	91,600,000
Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060	288,000,000
Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060	623,773,000

Subject to the above, as at the date of this Information Memorandum, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. The first financial year will end on 31 December 2023.

As long as any of the Notes remains outstanding, the annual financial statements of the Issuer will be audited, on a voluntary basis, by an auditing company appointed by the Issuer and copies of the Issuer's annual financial statements shall be made available, upon publication, on the Securitisation Repository (for further details, see the section headed "*General Information*").

As at the date of this Information Memorandum, no financial statements have been drawn up and no auditors have been appointed.

Following the issue of the Notes, the Issuer will appoint an auditing company in accordance with the provisions of Italian Legislative Decree no. 39 of 27 January 2010. Notice of such appointment will be given to the Noteholders.

THE ARRANGER, THE COMPUTATION AGENT, THE REPRESENTATIVE OF THE NOTEHOLDERS, THE CORPORATE SERVICER AND THE BACK-UP SERVICER FACILITATOR

Banca Finanziaria Internazionale S.p.A., breviter Banca Finint S.p.A., is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered in the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

Under the Securitisation, Banca Finanziaria Internazionale S.p.A. will act as Back-up Servicer Facilitator, Computation Agent, Corporate Servicer and Representative of the Noteholders.

The information contained in this section of this Information Memorandum relates to and has been obtained from Banca Finanziaria Internazionale S.p.A. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Banca Finanziaria Internazionale S.p.A., no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of Banca Finanziaria Internazionale S.p.A. since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

THE ACCOUNT BANK AND THE PAYING AGENT

About Securities Services at BNP Paribas

The Securities Services business of BNP Paribas is a multi-asset servicing specialist with local expertise in 35 markets around the world and a global reach covering 90+ markets. This extensive network enables us to provide our institutional investor clients with the connectivity and local knowledge they need to navigate change in a fast-moving world.

As of 31 December 2022, Securities Services had USD 11.9 trillion in assets under custody, USD 2.5 trillion in assets under administration and 9,382 funds administered.

BNP Paribas currently has long-term senior debt ratings of “A+” (stable) from S&P’s, “Aa3 (stable) from Moody’s, “AA (low)” (stable) from DBRS and “ AA-” (stable) from Fitch.

Fitch	Moody’s	DBRS	S&P
Short term F1+	Short term Prime-1	Short term R-1 (middle)	Short-term A-1
Long term senior debt AA-	Long term senior debt Aa3	Long term senior debt AA (low)	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook Stable	Outlook Stable

The information contained in this section of this Information Memorandum relates to and has been obtained from BNP Paribas, Italian Branch. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by BNP Paribas, Italian Branch, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of BNP Paribas, Italian Branch since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

THE SOLE QUOTAHOLDER

Stichting Fenchurch, a company duly incorporated and validly existing under the laws of The Netherlands, with registered office in Locatellikade 1, Amsterdam 1076AZ, The Netherlands, enrolment with the Chamber of Commerce in Amsterdam under no. 55593364 (the “**Foundation**”).

The information contained in this section of this Information Memorandum relates to and has been obtained from Stichting Fenchurch. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Stichting Fenchurch, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of Stichting Fenchurch since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

THE STICHTING CORPORATE SERVICER

M&G TRUSTEE COMPANY LIMITED (“MTCL”) a company duly incorporated and validly existing under the laws of England and Wales, with registered office in 10 Fenchurch Avenue, London, EC enrolment with Companies House under no. 01863305 (the “**Stichting Corporate Servicer**”)

The information contained in this section of this Information Memorandum relates to and has been obtained from M&G Trustee Company Limited. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by M&G Trustee Company Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of M&G Trustee Company Limited since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 1,576,516,000 and will be applied by the Issuer to:

- (a) pay to the Originator the Purchase Price for the Initial Portfolio in accordance with the Master Transfer Agreement and the Notes Subscription Agreement;
- (b) finance the Cash Reserve for an amount equal to the Cash Reserve Initial Amount and
- (c) finance the Retention Amount for an amount equal to Euro 30,000.

Any remaining amount (deriving from any rounding adjustment) will be credited to the Payment Account.

COMPLIANCE WITH STS REQUIREMENTS

The Securitisation meets the STS Requirements and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation.

The Originator will notify ESMA that the Securitisation meets the STS Requirements in accordance with article 27 of the Securitisation Regulation on or about the Issue Date.

No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on STS Register. None of the Issuer, BPS (in any capacity), the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is an overview of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request at the specified office of each of the Issuer, the Representative of the Noteholders and the Paying Agent or through the Securitisation Repository.

1. THE MASTER TRANSFER AGREEMENT

On 1 June 2023, the Originator and the Issuer entered into the Master Transfer Agreement, pursuant to which (i) the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Initial Portfolio and (ii) the Originator has agreed with the Issuer that, during the Ramp-Up Period, provided that a Purchase Termination Notice has not been delivered to the Issuer and subject to the satisfaction of certain conditions precedent set out in article 5.3 of the Master Transfer Agreement, may, at its option, sell to the Issuer, and the Issuer shall purchase, Further Portfolios of Receivables which shall satisfy the Criteria set forth in the Master Transfer Agreement.

Purchase Price

The Initial Portfolio's purchase price payable pursuant to the Master Transfer Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Initial Portfolio. The Individual Purchase Price for each Receivable is equal to the relevant amount set out under the List of Receivables. Under the Master Transfer Agreement, the Initial Portfolio's purchase price is payable by the Issuer to the Originator on the Issue Date, provided that, *inter alia*, the formalities set out in clauses 11.1, 13.1 and 13.2 of the Master Transfer Agreement have been completed.

The Purchase Price of each Further Portfolio will be paid by the Issuer, provided that, with reference to such Further Portfolio, the formalities set out in clauses 11.1, 13.1 and 13.2 of the Master Transfer Agreement have been completed, out of the Issuer Available Funds and in accordance with the applicable Priority of Payments. The purchase price of the Further Portfolios will be financed through further instalments of the subscription price of the Partly Paid Notes, to be paid by the Notes Subscriber during the Ramp-Up Period, in accordance with the Conditions and the Notes Subscription Agreement.

Transfer of the Initial Portfolio

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator (i) the Mortgage Receivables, which meet the Block Criteria described in detail in the section entitled "*The Portfolios – The Block Criteria*", and (ii) the Non-Mortgage Receivables, which meet the Selection Criteria and the Specific Criteria of the first Non-Mortgage Portfolio described in detail in the section entitled "*The Portfolios – Selection Criteria and the Specific Criteria of the first Non-Mortgage Portfolio*".

The sale of the Mortgage Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer of the Mortgage Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 68 of 10 June 2023 and was registered in the

companies register of Treviso – Belluno on 14 June 2023.

The sale of the Non-Mortgage Portfolio was made in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of the Factoring Law referred to therein. Notice of the transfer of the Non-Mortgage Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 68 of 10 June 2023 and was registered in the companies register of Treviso – Belluno on 14 June 2023; further to the notice above, the Originator will notify the Debtors of the sale of the relevant Receivables comprised in the Non-Mortgage Portfolio pursuant to article 1264 of the Italian civil code.

The Master Transfer Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables and the relevant Guarantees. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables and the relevant Guarantees which may prejudice the validity or recoverability of any Receivable or Guarantees or adversely affect the benefit which the Issuer may derive from the Receivables or the Guarantees and, in particular, not to assign or transfer the Receivables to any third party or to create any Security Interest in favour of any third party in respect of the Receivables.

Further, under the Master Transfer Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase the Portfolios (in whole but not in part) from the Issuer, without recourse (*pro soluto*) and in accordance with article 58 of the Consolidated Banking Act, on the Clean Up Option Date (included) and on any Payment Date thereafter, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Notes, and (b) any accrued but unpaid interest due in respect of the Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by the Originator, and (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura – Ufficio del Registro delle Imprese – Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator. The above certificates must be dated not earlier than 10 (ten) Business Days before the date of the exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to the Master Transfer Agreement).

In addition, under the Master Transfer Agreement, in order to allow the Originator to maintain good relationships with its customers and for other commercial needs of the Originator and with a view at avoiding, to the extent possible, discriminations between the Debtors and the other borrowers of the Originator, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolios as described above, within the limit of 10% of the aggregate Individual Purchase Price of the Receivables as at the relevant Effective Date, with reference to the entire Securitisation. In addition, such option right may be exercised subject to the Originator delivering to the Issuer (with copy to Representative of the Noteholders and the Rating Agencies) (a) a solvency certificate issued by the Originator, and (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura – Ufficio del Registro delle Imprese – Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator, in each case dated

not earlier than 10 (ten) Business Days before the date of the relevant exercise of such repurchase right (i.e. the date on which the Originator repurchases the Receivable pursuant to the Master Transfer Agreement).

It is understood that the repurchase of the Receivables pursuant to the Master Transfer Agreement shall be made (i) with respect to Defaulted Receivables, in order to facilitate the recovery and liquidation process of such Defaulted Receivables, (ii) with respect to Receivables other than Defaulted Receivables, only for extraordinary circumstances and without causing any prejudice to the Noteholders, and (iii) in any case in accordance with prevailing market conditions, within the limits provided under the Master Transfer Agreement and not for speculative purposes aimed at improving the performance of the Securitisation to article 20(7) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

Undertakings of the Originator

The Master Transfer Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables and the relevant Guarantees. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables and the relevant Guarantees which may prejudice the validity or recoverability of any Receivable or Guarantees or adversely affect the benefit that may arise for the Issuer from the Receivables or the Guarantees and, in particular, not to assign or transfer the Receivables to any third party or to create any Security Interest in favour of any third party in respect of the Receivables.

Governing Law

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

2. THE SERVICING AGREEMENT

On 1 June 2023, the Originator and the Issuer entered into the Servicing Agreement pursuant to which the Issuer has appointed Banca Popolare di Sondrio S.p.A as Servicer of the Receivables included in the Portfolios. The receipt of the Collections related to the Portfolios is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit to the Collection Account any amounts collected from the Receivables included in the Portfolios, within 2 (two) Business Days following the date on which such amounts have been so collected or reconciled. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law.

Activities of the Servicer

In accordance with the Servicing Agreement, the Servicer will be responsible for ensuring that such operations comply with the applicable law and this Information Memorandum, pursuant to article 2, paragraph 6-*bis* of the Securitisation Law. In such capacity, Banca Popolare di Sondrio S.p.A- will also, *inter alia*:

- (a) classify as Defaulted Receivables the Receivables which meet the requirement set out in

the Transaction Documents;

- (b) carry out, on behalf of the Issuer, and, if necessary, to cooperate with the Originator, to carry out all the activities necessary to, *inter alia* (a) ensure that the transfer of the relevant Guarantee is valid and effective and enforceable towards the relevant Guarantor, in accordance with the applicable laws and regulations and the Guarantee's Documentation; (b) maintain the validity, effectiveness and enforceability of the relevant Guarantee towards the relevant Guarantor; and (c) ensure the enforcement of the Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the Guarantee's Documentation;
- (c) prepare and deliver:
 - (i) to the Issuer, the Rating Agencies, the Back-Up Servicer Facilitator and the Corporate Servicer, the Accounting Report;
 - (ii) to the Issuer, the Account Bank, the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Corporate Servicer, the Rating Agencies, the Reporting Entity, the Back-up Servicer Facilitator and the independent auditor from time to time appointed by the Issuer, the Servicer's Report (also with a view to include the further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the Securitisation Regulation and the applicable Regulatory Technical Standards); and
 - (iii) to the Issuer and the Reporting Entity, the Loan by Loan Report in compliance with article 7, paragraph 1, first sub-paragraph, lett. (a) of the Securitisation Regulation and the Regulatory Technical Standards,

each of the report under paragraphs (ii) and (iii) above containing a summary of the performance of the Portfolios, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolios. In addition, the Servicer has undertaken to provide for and to insert into the, Servicer's Report or the Loan by Loan Report (or to prepare and deliver specific reports) the information from time to time requested by the Bank of Italy, the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, the Servicer has undertaken to provide, without delay, the Issuer, the Reporting Entity, the Rating Agencies and the Computation Agent, with the information required under article 7, paragraph 1, letter (f) and (g) of the Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards.

Furthermore, under the Servicing Agreement, the Servicer will be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement, any activities related to the management, enforcement and recovery of the Receivables which, in accordance with the Servicing Agreement and with the Bank of Italy's supervisory regulations, may be sub-delegated by the Servicer to a third party, provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The

Servicer has represented to the Issuer that they have all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicing Agreement further provides for the possibility for the Servicer to renegotiate, subject to certain limitations and conditions specified in the Servicing Agreement and in accordance with the Credit and Collection Policies, the Loan Agreements.

The Servicer has represented to the Issuer, *inter alia*, that it has expertise in servicing exposures of a similar nature to those securitised and has adopted well-documented and adequate policies, procedures and risk-management controls relating to the servicing of such exposures, in accordance with article 21(8) of the Securitisation Regulation and in compliance with the EBA Guidelines on STS Criteria.

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

Servicer's fees

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

- (a) for the activity of administration, management and collection of the Receivables which are not Defaulted Receivables, an annual fee to be calculated as 0.45% (including VAT, if applicable) of the Outstanding Principal of the Receivables which are not Defaulted Receivables included in the Portfolio, as at the end of the Collection Period immediately preceding the relevant Payment Date;
- (b) for the activity of administration, management, collection and recovery of the Defaulted Receivables, an annual fee to be calculated as 0.05% (including VAT, if applicable) of the Outstanding Principal of the Defaulted Receivables included in the Portfolio, as at the end of the Collection Period immediately preceding the relevant Payment Date;
- (c) for the activity of monitoring, information and reporting, an annual fee equal to Euro 500.00 (including VAT if applicable) payable on a quarterly basis on each Payment Date.

Termination of the Servicer

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

- (a) an Insolvency Event occurs with respect to the Servicer;
- (b) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and/or the other

Transaction Documents to which it is, or will be, a party, and such default is not remedied within 7 Business Days after receipt of written notice by the Issuer to the Servicer and the Representative of the Noteholders stating that such default is materially prejudicial to the interests of the Noteholders and requesting that such default be remedied, unless, in the reasonable opinion of the Representative of the Securityholders, such default cannot be remedied;

- (c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, has been proved to be untrue, false or deceptive in any material respect and such event (in the sole opinion of the Representative of the Noteholders acting in accordance with the provisions of the Conditions) may materially prejudice the interests of the Issuer or the Noteholders and such breach of representations and warranties is not remedied within 10 Business Days after receipt of the first written allegation of breach of such representations and warranties, unless, in the reasonable opinion of the Representative of the Noteholders, such breach of representations and warranties cannot be remedied;
- (d) failure by the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 5 Business Days after the relevant due date thereof and cannot be attributed to force majeure;
- (e) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is, or will be, a party;
- (f) failure by the Servicer to fulfil its obligation to deliver (i) the Servicer's Report by the relevant Servicer's Report Date or (ii) of the Loan by Loan Report by 15 days from the relevant Servicer's Report Date, or (iii) of the Accounting Report by the relevant Accounting Report Date, and such failure is not remedied within 10 Business Days from (i) its occurrence or (ii) the receipt of written notice by the Issuer to the Servicer and the Representative of the Noteholders requesting that such failure be remedied, unless the delay or failure is due to force majeure; or
- (g) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicer in the context of a securitisation transaction.

The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the obligations arising from the Servicing Agreement until the completion of the takeover by the Substitute appointed by the Issuer and the full operation of the Substitute appointed by the Issuer.

The Servicer has undertaken to take all actions in order to enable the relevant successor servicer to perform its duties as Servicer pursuant to its appointment and to assist and cooperate with it for such purpose.

Promptly after the date on which the revocation of the Servicer produces its effects, the Servicer shall, *inter alia*, (i) make available, at its costs and expenses, to the Issuer and the relevant

successor servicer, all the Documentation as well as all the data and information required for the step in of the substitute, (ii) transfer to the Collection Account, any and all amounts received in respect of the Receivables but not already credited on it, and (iii) promptly deliver to the successor servicer any bill of exchange, promissory notes and cheques not presented for collection. In addition, the Servicer shall cooperate with the relevant successor servicer in order to allow this latter to communicate to each of the Debtors and Guarantors the appointment of the successor servicer and the details of the Collection Account.

Following the occurrence of a Servicer Termination Event, the Issuer is entitled to appoint as successor servicer, any entity which fulfill the following requirements:

- (a) be an entity meeting the requirements set out under the Securitisation Law, the Securitisation Regulation, the Regulatory Technical Standards, the EBA Guidelines on STS Criteria and the Bank of Italy applicable regulation to act as a servicer in a securitisation transaction;
- (b) be an entity having experience in managing exposures of a similar nature to Receivables (and therefore able to ensure adequate management, collection and recovery of the Receivables secured by the MCC Guarantees, pursuant to the related Guarantee's Documentation and the applicable regulations) and having in place well-documented and adequate policies, procedures and risk-management controls relating to the servicing of such exposures, in accordance with article 21(8) of the Securitisation Regulation and in compliance with the EBA Guidelines on STS Criteria;
- (c) be an entity who has and/or is able to use, in the performance of the management of the loans, a software compatible with the one used up to that moment by the replaced Servicer;
- (d) be an entity that has sufficient assets to ensure continuity and effectiveness in the performance of its functions as servicer of the Securitisation;
- (e) be an entity that has established and maintains its own single computerised archive required by Italian anti-money laundering legislation; and
- (f) be an entity who is able to ensure, directly or indirectly, the efficient and professional maintenance of a single computer database (*archivio unico informatico*) provided for by Italian anti-money laundering law and, if required to the Issuer by such law, the production of the information necessary for the reports required by the Bank of Italy and the performance of the activities required by the applicable privacy law or by any other Italian governmental authority.

Governing Law

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

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 1 June 2023, the Issuer and the Originator entered into the Warranty and Indemnity Agreement pursuant to which the Originator gives certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolios and certain other

matters and agrees to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables or, as an alternative to such indemnity obligation in case of breach of any representation and warranties given by the Originator to the Issuer under the Warranty and Indemnity Agreement, to repurchase the relevant Receivable in relation to which the relevant representation and warranty has been breached.

Representation and warranties given by the Originator

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator in respect of the following categories:

- (a) status and power to execute the relevant Transaction Documents;
- (b) existence and legal ownership of the Receivables;
- (c) transfer of the Receivables and Transaction Documents;
- (d) Loan Agreements;
- (e) Loans;
- (f) Guarantees;
- (g) compliance with the applicable privacy law; and
- (h) other representation and warranties.

Under the Warranty and Indemnity Agreement the Originator represents and warrants as at the relevant Transfer Date, *inter alia*, as follows:

Existence and legal ownership of the Receivables:

- the Receivables are existing and constitute valid, legitimate, enforceable obligations for the full nominal amount assigned (as indicated in the List of the Receivables (*Prospetto dei Crediti*), binding and enforceable with full right of recourse against the Debtors;
- as at the relevant Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Master Transfer Agreement, and is therefore freely transferable to the Issuer;
- the Originator has not assigned, participated, charged, transferred (whether absolutely or by way of security) or otherwise disposed of any of the Loan Agreements or terminated or waived any of the Loan Agreements or otherwise created or allowed creation or constitution of any further lien, pledge, encumbrance, security interest, arrangement or other right, claim or beneficial interest of any third party on any of the Loan Agreements other than those provided in the Transaction Documents to which it is a party;
- the Receivables arise from Loan Agreements which, as at the relevant Cut-Off Date did not present arrears due and not paid for any reason (including default interest and expenses)

by the relevant Debtor, on the basis of the accounting findings of the Originator;

- all permits, concessions, approvals and authorisations, consents, licences, exemptions, deposits, certifications, registrations or declarations with each competent authority necessary for the transfer of credits have been obtained, made or lent and are fully effective;

Transfer of the Receivables and Transaction Documents:

- the transfer of the Receivables included in the Portfolio to the Issuer is in accordance with the Securitisation Law. In particular, the Receivables included in the Portfolio possess specific objective common elements such as to constitute a portfolio of homogenous monetary rights identifiable as a pool within the meaning and for the purposes of Securitisation Law;
- the Originator has selected the Receivables in compliance with the relevant Criteria;
- all the Receivables transferred by the Originator are accurately listed and described in the List of the Receivables (*Prospetto dei Crediti*);
- all the information supplied by the Originator to the Issuer and/or their respective affiliates, representative agents and consultants for the purpose or in connection with the Warranty and Indemnity Agreement and the Master Transfer Agreement and/or the other Transaction Documents or, otherwise concerning the Securitisation, including, without limitation, with respect the Loan Agreements, the Receivables, as well as the application of the relevant Criteria, is true and accurate and no material information available to the Originator which may adversely impact on the Issuer has been omitted;
- there are no clauses or provisions in the Loan Agreements and in the other agreements, deeds, agreements or documents connected to them (i) by virtue of which it is prohibited for the Originator, even partially, to transfer, assign or otherwise dispose of the relative Receivables, or (ii) which are in any case in conflict with certain provisions of the Warranty and Indemnity Agreement, the Master Transfer Agreement or the other Transaction Documents. The assignment of the Receivables to the Issuer under the terms of the Transfer Agreement does not in any way affect or invalidate the obligations of the Debtors and any other person otherwise obliged to the Originator by virtue of a contract, deed, agreement entered into in relation to the Loan Agreement, concerning the payment of the amounts due in respect of the Receivables;
- the payment obligations assumed by the Originator under the Warranty and Indemnity Agreement and under all the other Transaction Documents of which it is or will become a party, constitute claims against it at least equal in rank to the claims of all its other creditors not subordinated or guaranteed under Italian law, with the exception of those whose claims are privileged by virtue of applicable laws and to the extent that such laws provide;

Loan Agreements

- the authorizations, approvals, approvals, licenses, registrations, annotations, presentations, authorizations and any other fulfillment that may be reasonably necessary to ensure the validity, legality or enforceability of the rights and obligations of the parties

to each Loan Agreement or any act, agreement or document relating thereto, have been obtained, carried out and put into effect, regularly and unconditionally, respectively, by the date of signature of each Loan Agreement and other act, agreement or document relating thereto, or within the time otherwise provided for by law or deemed appropriate for such purpose. The obligations assumed by the parties to each Loan Agreement constitute legitimate, valid and binding obligations towards each party, enforceable under the terms of the respective contracts and acts;

- to the Originator's knowledge, each Loan Agreement and each related document (including the relevant Guarantees' Documentation) is valid, existing and enforceable according to their provisions (except for the application of insolvency code and other similar laws generally affecting the rights of creditors) and complies in all respects with the Italian laws and regulations in force as at the relevant Transfer Date;
- all the Loan Agreements have been signed: (i) in compliance with the standard form agreements used from time to time by the Originator; (ii) with counterparties selected on the basis of credit procedures adopted in full compliance with the applicable supervisory regulations and instructions which has been regularly applied; (iii) in compliance with the internal criteria adopted by the Originator for the disbursement of Loans. After the date on which each Loan Agreement was entered into, no Loan Agreement was amended, even if only potentially, in such a way as to prejudice the rights and claims of the Originator;
- each tax, duty or commission of any kind due up to the relevant Transfer Date and necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Loan Agreement has been diligently and promptly paid. In relation to each Loan Agreement, each Debtor is contractually obliged to make all payments without deduction for or by way of taxes and/or duties, except in cases required by law. Where a fee and/or tax is to be deducted from amounts paid or payable under a Loan Agreement (unless such obligation arises from a voluntary action by the Originator), the Debtor is contractually obliged to pay additional amounts to the Originator so that it receives a net amount equal to the total amount it would have received if payment had not been subject to the fee and/or tax;
- each Loan Agreement and any other agreement, act, agreement or document related to it, has been entered into, complies in all respects with, and has been performed in compliance with all applicable laws, rules and regulations, such as, but not limited to, the rules and regulations on usury, confidentiality of personal data, compound interest and the provisions of the Consolidated Banking Act, relating, *inter alia*, to bank transparency and money laundering;
- the management, collection and recovery procedures adopted by or on behalf of the Originator in relation to each Loan Agreement, each Receivable have been conducted in all respects in compliance with all applicable laws and regulations and with care, professionalism and diligence, and in accordance with the prudential rules and procedures for the management and collection of credits adopted from time to time by or on behalf of the Originator, as well as in compliance with the guidelines of the Bank of Italy and all the usual precautions and practices followed in the performance of lending activities;

- all Loans and Receivables are denominated in Euro and do not contain any provisions allowing the conversion of the relevant Loan into another currency;
- each Loan Agreement and each contract, deed and agreement relating to it is governed by Italian law and is subject to the jurisdiction of the Italian courts;
- Debtors are not entitled to any refund of amounts paid or owed to the Originator under the Loan Agreements and all duties, taxes and fees payable from time to time in respect of the advancement and preservation of the Receivables and the performance of any other instrument or document or the performance of any deed or formality relating thereto, have been diligently and promptly paid by the Originator;

Loans

- all Loan Agreements have been entered into by the Originator and the Debtors and none of the Loan Agreements or Receivables have been sold, transferred or assigned to third parties other than the Originator;
- none of the Debtors is a public entity, public administration nor a company belonging to the Banca Popolare di Sondrio Group;
- no loan qualifies as a structured loan, syndicated loan or leveraged loan;
- the Portfolio does not include, in whole or in part, derivative financial instruments (including, but not limited to, credit-linked securities, swaps, synthetic securities or similar assets);
- all the Debtors that are legal entities are incorporated under the laws of Italy and have their registered office in Italy;
- all the asset pledged as collateral in order to guarantee the satisfaction of the Receivables arising from the Mortgage Loans, are located in Italy;
- each amount related to the Loans has been entirely disbursed to the relevant Debtor and there is no obligation against the Originator to disburse, pay or make available further amounts under the same title;
- as of the relevant Transfer Date, none of the Receivables have been repaid in full;
- in approving the granting of the Loans to the relevant Debtors, the Originator relied on the economic and financial conditions of the relevant Debtors;
- as of the relevant Cut-Off Date and as of the relevant Transfer Date none of the Loans is classified as “non performing” or “unlikely to pay”, “past due and/or impaired exposure” (as defined in the Circular of the Bank of Italy No. 272 of 30 July 2008, as integrated by update No. 7 of 20 January 2015 and as amended from time to time - *Matrice dei Conti*);
- no Loan falls within the definition of agricultural loan (*credito agrario*) within the meaning of Article 43 of the Consolidated Banking Act.
- the information used to determine the relevant Purchase Price (as set out in articles 4 and 6 of the Master Transfer Agreement) and the relevant Individual Purchase Price (as set out in the List of Receivables) was and is true, accurate and correct in all respects as to the

relevant Effective Date;

- as of the relevant Cut-Off Date, the payment of the instalments of each Loan was made on a monthly, quarterly, semi-annual or annual basis, as provided for in the relevant Loan Agreement;
- no Receivable provides for full repayment of the principal at the expiration date of the relevant Loan Agreement;
- each Loan Agreement, as may be supplemented and amended, and any other agreement, deed or document related thereto (including the relevant Guarantees' Documentation), is valid and effective and constitutes for the relevant parties a source of valid, legitimate and binding obligations, validly enforceable in court against such parties under their respective terms and conditions;
- all the Guarantees has been duly granted and created in favour of the Originator in accordance with the terms on which it was granted and relied upon by the Originator and, to the best knowledge of the Originator, is valid, effective and enforceable in accordance with the terms of its constitutive documents and satisfies all requirements under applicable law;
- the interest rates applicable on the relevant Effective Date are true and correct pursuant to the relevant Loan Agreement and, subject to the provisions of the Usury Law, the criteria on the basis of which they are calculated are not subject to reduction or variation for the entire duration of the Loan Agreement except as provided for in the relevant agreement;
- on the relevant Cut-Off Date, payment of the Instalments due under the relevant Loan is made by direct debit to the current account;
- there are no existing agreements between the Originator and the relevant Debtor that gives the Debtor the right to set off against the Issuer any claims it may have against the Originator in excess of the limits provided for in the Securitisation Law;

Compliance with the Applicable Privacy Law

- in the administration and management of the Loans and the Loan Agreements, the Originator has operated and operates in full with the provisions of the Applicable Privacy Law;
- the Receivables have been assigned by the Originator in full compliance with the Applicable Privacy Law.

Indemnity obligations of the Originator

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations

under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Loan Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated Banking Act; (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreements; or (f) the failure by the Issuer to collect or recover any Receivables as a result of a declaration by the relevant Guarantor of the ineffectiveness, revocation or unenforceability (including as a result of the assignment of the relevant Receivables to the Issuer) of a Guarantee or of any dispute of the Guarantor in relation to the relevant Guarantee; (g) without prejudice to the provisions of the Transfer Agreement concerning the repurchase of Receivables, the failure of BPS (for as long as it remains Servicer of the Securitisation) to initiate, within 6 months from the classification of a Receivable as a Defaulted Receivable, the procedures for the enforcement of the relevant Guarantee in accordance with the applicable Guarantees' Documentation.

Repurchase of Receivables by the Originator

Under the Warranty and Indemnity Agreement the Originator may – as an alternative to the payment of the relevant indemnification to the Issuer – upon receipt of any indemnity request by the Issuer pursuant to the Warranty and Indemnity Agreement as a consequence of any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect, repurchase the relevant Receivable in respect to which the relevant representations and/or warranties of the Originator have been breached, in compliance with the terms and conditions provided for the repurchase of individual Receivables pursuant to the Master Transfer Agreement.

Governing Law

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

4. THE CORPORATE SERVICES AGREEMENT

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

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

5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Computation Agent, the Representative of the Noteholders, the Corporate Servicer, the Back-up Servicer Facilitator, the Account and the Paying Agent entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

- (a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Cash Reserve Account, the Collection Account, the Payment Account and the Expenses Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the above mentioned Accounts;
- (b) the Computation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report and the Investors Report and to provide the Issuer with certain calculation services in relation to the Notes; and
- (c) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Senior Notes Interest Rate on each Interest Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

The Accounts shall be opened in the name of the Issuer and shall be operated by the Account Bank and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement is in English. The Cash Allocation, Management and Payments Agreement and all non-contractual obligations arising out or in connection with the Cash Allocation, Management and Payments Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Cash Allocation, Management and Payments Agreement including all non-contractual obligations thereof, the parties to the Cash Allocation, Management and Payments Agreement have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

6. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolios. Subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, all the Issuer Available Funds will be applied in or towards satisfaction of the Issuer's payment obligations towards the Noteholders as well as the Other Issuer Creditors, in accordance with the Post Enforcement Priority of Payments provided in the Intercreditor Agreement.

The Intercreditor Agreement is in English. The Intercreditor Agreement and all non-contractual obligations arising out or in connection with the Intercreditor Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Intercreditor Agreement including all non-contractual obligations thereof, the parties to the Intercreditor Agreement have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

7. THE MANDATE AGREEMENT

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

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

8. THE STICHTING CORPORATE SERVICES AGREEMENT

Under a stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Sole Quotaholder and the Stichting Corporate Servicer (the "**Stichting Corporate Services Agreement**"), the Stichting Corporate Servicer shall provide the Sole Quotaholder with certain corporate administration and management services.

The Stichting Corporate Services Agreement and all non-contractual obligations arising out of or in connection with Stichting the Corporate Services Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Stichting Corporate Services Agreement including all non-contractual obligations thereof, the parties to the Stichting Corporate Services Agreement have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

9. THE QUOTAHOLDER AGREEMENT

On or about the Issue Date, the Issuer and the Sole Quotaholder entered into the Quotaholder Agreement pursuant to which the Sole Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The Quotaholder Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts. The Issuer undertakes to pay to or deposit, or cause to be paid to or deposited the following amounts in and out of such accounts:

- (1) *Collection Account*
- (2) *Payment Account*
- (3) *Cash Reserve Account*
- (4) *Expenses Account*
- (5) *Securities Account*

The Issuer has also already opened with Banca Finanziaria Internazionale S.p.A. a euro-denominated account (the "**Quota Capital Account**") into which the sum representing 100 per cent. of the Issuer's equity capital (equal to Euro 10,000) has been deposited and will remain deposited therein for so long as all the Notes have been paid in full.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes. In these Conditions, references to the “holder” of a Note and to the “Noteholders” are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Euronext Securities Milan in accordance with the provisions of (i) article 83-bis of the Consolidated Financial Act, and (ii) the Joint Regulation. 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 as an Exhibit to, and forming part of, these Conditions.

In these Conditions, references to (i) any agreement or other document shall include such agreement or other document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060 (the “**Class A1 Notes**”), Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060 (the “**Class A2 Notes**”), Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060 (the “**Class A3 Notes**”), Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060 (the “**Class A4 Notes**” and together with the Class A1 Notes, Class A2 Notes and Class A3 Notes, the “**Class A Notes**” or “**Senior Notes**” and together with the Class A3 Notes, the “**Senior Partly Paid Notes**”), the Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060 (the “**Class M Notes**” or the “**Mezzanine Notes**” and, together with the Senior Notes, the “**Rated Notes**”) and the Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060 (the “**Class J Notes**” or the “**Junior Notes**” and, together with the Senior Partly Paid Notes and the Class M Notes, the “**Partly Paid Notes**”) are issued by Centro delle Alpi SME S.r.l. (the “**Issuer**”) on 16 June 2023 (the “**Issue Date**”) pursuant to article 1 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**”), to finance the purchase by the Issuer from Banca Popolare di Sondrio S.p.A. (“**BPS**” or the “**Originator**”) of (i) a portfolio of monetary claims – classified as “*in bonis*” pursuant to the relevant and current supervisory regulations – and connected rights arising under loans granted to small and medium-sized enterprises secured by Mortgages (as defined below) (the “**Mortgage Portfolio**”) and (ii) of a portfolio of monetary claims – classified as “*in bonis*” pursuant to the relevant and current supervisory regulations – and connected rights arising under unsecured loans granted to small and medium-sized enterprises (the “**Non-Mortgage Portfolio**” and, together with the Mortgage Portfolio, the “**Initial Portfolio**”). Many of the loans included in the Non-Mortgage Portfolio benefit from the guarantee granted by the CGFS Fund (as defined below) managed by MedioCredito Centrale S.p.A. and established under Italian Law 662/1996, as amended and supplemented from time to time (“**MCC**” or the “**CGFS Manager**”) pursuant to article 13, paragraph 1 of Italian Law Decree 23/2020, converted with amendments into Italian Law 40/2020 (as amended and supplemented from time to time, the “**Liquidity Decree**”). The loan agreements comprised in the Initial Portfolio have been entered into by and between BPS and the relevant Debtors (as defined below) and have been transferred to the Issuer pursuant to the terms of a receivables purchase agreement entered into on 1 June 2023 (the “**Master Transfer Agreement**”).

The Master Transfer Agreement provides that the Originator may sell to the Issuer further portfolios

of monetary claims – classified as “*in bonis*” pursuant to the relevant and current supervisory regulations – and connected rights arising under unsecured loans granted by BPS to small and medium-sized enterprises (the “**Further Portfolios**” and each a “**Further Portfolio**” and, together with the Initial Portfolio, the “**Aggregate Portfolio**” and each a “**Portfolio**”) pursuant to a transfer scheme to be carried out on a revolving basis during the Ramp-Up Period (as defined below) in accordance with the terms and conditions set out in the Master Transfer Agreement.

The Partly Paid Notes will be issued by the Issuer on a partly paid basis, pursuant to the terms provided in Condition 3 (*Partly Paid Notes*). On the Issue Date, the full nominal amount of each Class of Partly Paid Notes (the “**Partly Paid Notes Nominal Amount**”) will be issued. Subject to these Conditions, the Notes Subscription Agreement and the terms of the other relevant Transaction Documents, an aggregate initial instalment in respect of the Partly Paid Notes (the “**Notes Initial Instalment Amount**”) equal to the sum of the Class A3 Notes Initial Instalment Amount, the Class A4 Notes Initial Instalment Amount, the Mezzanine Notes Initial Instalment Amount and the Junior Notes Initial Instalment Amount (each term as defined below) will be paid on the Issue Date by the Notes Subscriber in respect of the Notes. Upon issuance, the Principal Amount Outstanding of each Class of Partly Paid Notes will be equal to the relevant Notes Initial Instalment Amount paid in relation to such Class of Partly Paid Notes. Subject to and in accordance with the procedures set forth in Condition 3 (*Partly Paid Notes*), the Issuer will, during the Ramp-Up Period, request the Noteholder(s) to effect payments in relation to further instalment amounts in respect of each Class of Partly Paid Notes (each such amount, respectively, the “**Class A3 Notes Further Instalment Amount**”, the “**Class A4 Notes Further Instalment Amount**”, the “**Mezzanine Notes Further Instalment Amount**” and the “**Junior Notes Further Instalment Amount**” and together the “**Aggregate Notes Further Instalment Amount**”), and thereby increase the relevant Principal Amount Outstanding of each Class of Notes by the relevant Class A3 Notes Further Instalment Amount or Class A4 Notes Further Instalment Amount or Mezzanine Notes Further Instalment Amount or Junior Notes Further Instalment Amount, as applicable (the “**Notes Further Instalment Request**”). The Notes Further Instalment Request shall include the information specified in Condition 3 (*Partly Paid Notes*).

The principal source of payment of interest and Variable Return (if any) and repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolios and the other Transaction Documents from the relevant Effective Date (excluded). By operation of Italian Law and the Transaction Documents (as defined below), the Issuer’s Rights (as defined below), title and interest in and to the Portfolios and the other Segregated Assets (as defined below) are segregated from all other assets of the Issuer (including any other portfolios of monetary receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Accounts (as defined below) under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined below) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Transaction. Amounts derived from the Portfolios will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 7 (*Priority of Payments*) and the Intercreditor

Agreement (as defined below) (the “**Priority of Payments**”).

Any reference below to a “**Class**” of Notes or a “**Class**” of Noteholders shall be a reference to the Senior Notes, the Mezzanine Notes or the Junior Notes, as the case may be, or to the respective ultimate owners thereof. Any reference below to the “**Class A Noteholders**” or “**Senior Noteholders**” are to the beneficial owners of the Senior Notes, references to the “**Class M Noteholders**” or “**Mezzanine Noteholders**” are to the beneficial owners of the Mezzanine Notes and references to the “**Class J Noteholders**” or “**Junior Noteholders**” are to the beneficial owners of the Junior Notes and references to the “**Noteholders**” are to the beneficial owners of the Senior Notes, the Mezzanine Notes and the Junior Notes.

1. INTRODUCTION

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

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 (described below).

1.2. *Provisions of Conditions subject to Transaction Documents*

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

1.3. *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents are available for inspection by the Noteholders:

- (a) during normal business hours at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri 1, 31015 Conegliano (TV), Italy; (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Piazza Lina Bo Bardi 3 20124 Milan, Italy; and
- (b) at the Securitisation Repository (being, as at the date hereof, <https://editor.eurowdw.eu>).

1.4. *Description of Transaction Documents*

1.1.1. Pursuant to the Master Transfer Agreement, the Originator (i) has assigned and transferred to the Issuer, without recourse (*pro soluto*), the Initial Portfolio and (ii) may assign and transfer to the Issuer, without recourse (*pro soluto*), the Further Portfolios.

1.1.2. Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Initial Portfolio assigned and will give certain representations and warranties in favour of the Issuer in relation to any Further Portfolio that will be assigned to the Issuer pursuant to the terms of the Master Transfer Agreement and certain other matters and (i) has agreed to indemnify the Issuer in respect of certain costs, liabilities and expenses of the Issuer incurred in connection with the purchase and ownership of the Portfolios and/or (ii) may repurchase the Receivables in respect of which certain representations and warranties detailed in the Warranty and Indemnity Agreement have been breached.

- 1.1.3. Pursuant to the Servicing Agreement, the Servicer (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6–*bis*, of the Securitisation Law, and (ii) has agreed to (x) administer and service the Receivables and to carry out the collection activity relating to the Receivables; (y) administer and service the Collateral Guarantees and to carry out the collection activity relating to the Receivables, on behalf of the Issuer in compliance with the Securitisation Law.
- 1.1.4. Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Computation Agent, the Corporate Servicer, the Cash Manager and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains certain provisions relating to, *inter alia*, the calculation (by the Computation Agent) and the payment (by the Paying Agent) of any amounts in respect of the Notes of each Class.
- 1.1.5. Pursuant to the Intercreditor Agreement, provision is made as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolios and the Transaction Documents.
- 1.1.6. Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.
- 1.1.7. Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide certain corporate and administrative services to the Issuer in relation to the Securitisation.
- 1.1.8. Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Servicer undertook to provide the Sole Quotaholder with certain services as set out thereunder.
- 1.1.9. Pursuant to the Quotaholder Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.
- 1.1.10. Pursuant to the Notes Subscription Agreement, the Notes Subscriber has agreed to subscribe for the Notes and appointed the Representative of the Noteholders to perform the activities described therein, these Conditions, the Rules of the Organisation of the Noteholders attached as an exhibit hereto and the other Transaction Documents to which the Representative of the Noteholders is a party.

1.5. *Acknowledgement*

Each holder of the Notes, by reason of holding of such Notes acknowledges and agrees that the Notes Subscriber shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the such Noteholders as a result of the performance by Banca Finanziaria Internazionale S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1. *Definitions*

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

“Accounting Report” means the report to be prepared by the Servicer on each Accounting Report Date pursuant to the Servicing Agreement, setting out loan-by-loan information on the performance of the Receivables during the relevant preceding Collection Period and sent to the Issuer, the Computation Agent, the Corporate Servicer, the Rating Agencies and the Cash Manager.

“Accounting Report Date” means the 10th (tenth) calendar day of each month of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Accounting Report Date shall fall in July 2023.

“Accounts” means, collectively, the Eligible Accounts, the Expenses Account and the Quota Capital Account and **“Account”** means any of them.

“Account Bank” means BNP Paribas, Italian Branch or any other person acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement from time to time.

“Account Bank Report” means the relevant report to be prepared and delivered by the Account Bank to the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Computation Agent, the Cash Manager and the Servicer, pursuant to the Cash Allocation, Management and Payments Agreement.

“Account Bank Report Date” means the 10th (tenth) day of each month or, if such day is not a Business Day, the immediately following Business Day.

“Accrued Interest” means, as of any relevant date and in relation to any Receivable, the portion of the Interest Instalment falling due on the next Scheduled Instalment Date which has accrued as at such date.

“Additional Screen Rate” shall have the meaning ascribed to it in the definition of **“Euribor”** in the present Condition 2.1 (*Definitions*).

“Affected Class” shall have the meaning ascribed to it in Condition 9.4 (*Redemption for taxation reasons*).

“Agents” means, collectively, the Cash Manager, the Paying Agent, the Account Bank, the Computation Agent and the Back-Up Servicer Facilitator and **“Agent”** means each of them.

“Aggregate Portfolio” means the aggregate of the Initial Portfolio and any Further Portfolio purchased by the Issuer pursuant to the Master Transfer Agreement.

“Acceleration Event” means the event triggered by one or more of the following:

- (a) the Collateralisation Condition is not satisfied on the immediately preceding Payment Date; or
- (b) a Purchase Termination Event Notice has been served by the Representative of the Noteholders; or

- (c) the Issuer has terminated the appointment of BPS as Servicer following the occurrence of a Servicer Termination Event set forth in clause 11 (*Revoca del mandato*) of the Servicing Agreement; or
- (d) the Cumulative Gross Default Ratio exceeds 7.00% as of the end of the immediately preceding Collection Period.

“**Arranger**” means Banca FinInt.

“**Back-up Servicer Facilitator**” means Banca FinInt, acting as back-up servicer facilitator pursuant to the Cash Allocation Management and Payments Agreement or any person from time to time acting as back-up servicer facilitator.

“**Banca FinInt**” means Banca Finanziaria Internazionale S.p.A., *breviter* “BANCA FININT S.P.A.”, a bank incorporated under the laws of Italy as a “*società per azioni*”, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the Companies’ Register of Treviso-Belluno number 04040580963, VAT Group “Gruppo IVA FININT S.P.A.” – VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the “Fondo Interbancario di Tutela dei Depositi” and of the “*Fondo Nazionale di Garanzia*”.

“**Base Rate**” means the interest rate that shall accrue on the Eligible Accounts as per clause 3.2 (*Interest on the Eligible Accounts*) of the Cash Allocation, Management and Payment Agreement.

“**BPS**” means Banca Popolare di Sondrio S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza Garibaldi 16, 23100 Sondrio, Italy, share capital of Euro 1.360.157.331, 00 fully paid up, tax code and enrolment with the companies register of Sondrio No. 00053810149, enrolled (i) under No. 842 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and (ii) under No. 5696.0 in the register of the banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

“**Bankruptcy Law**” means Italian Royal Decree number 267 of 16 March 1942, as the same may be amended, modified or supplemented from time to time.

“**BNP Paribas, Italian Branch**” means BNP Paribas, a company incorporated under the laws of France licensed to conduct banking operations, having its registered office at Boulevard des Italiens No. 16, Paris, France, registered with the Chamber of Commerce of Paris under number B662 042 449, with a fully paid-up share capital of Euro 2,468,663,292, which acts for the purposes hereof through its Italian branch, whose offices are located in Piazza Lina Bo Bardi 3, 20124 Milan, Italy, enrolled in the register of the banks held by the Bank of Italy under no. 5482, Fiscal code and VAT code no. 04449690157, REA n. 731270.

“**Borsa Italiana**” means Borsa Italiana S.p.A., with registered office at Piazza degli Affari 6, 20123 Milano, (MI) Italy.

“**Business Day**” means any day on which the Real Time Gross Transfer System operated by

Eurosystem (T2) (or any successor thereto) is operative.

“Calculation Date” means the 4th (fourth) Business Day before each Payment Date, provided that the first Calculation Date will fall in July 2023.

“Cancellation Date” means the date of cancellation of the Notes, being:

- (i) (a) the Final Maturity Date or (b) the earlier date on which the Notes are redeemed pursuant to Condition 9.2 (*Mandatory Redemption*), 9.3 (*Optional Redemption*) or 9.4 (*Optional Redemption for Taxation Reasons*) or following the delivery of a Trigger Notice pursuant to Condition 13 (*Trigger Events and Purchase Termination Events*); or
- (ii) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, on the later of (a) the Payment Date immediately following the end of the Collection Period during which all the Receivables will have been paid in full and (b) the Payment Date immediately following the end of the "Collection Period during which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having certified to the Representative of the Noteholders, and the Representative of the Noteholders having notified the Noteholders in accordance with Condition 17 (*Notices*), that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the Issuer's Rights (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes.

“Cash Allocation, Management and Payments Agreement” means the cash allocation, management and payments agreement entered into on or about the Issue Date by and between the Issuer, the Account Bank, the Computation Agent, the Corporate Servicer, the Cash Manager, the Representative of the Noteholders, the Back-up Servicer Facilitator, the Servicer and the Paying Agent, 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, as from time to time modified.

“Cash Manager” means BPS or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

“Cash Manager Report Date” means the date falling (two) Business Days before each Calculation Date.

“Cash Reserve Account” means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT46M0347901600000802643002), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

“Cash Reserve Amount” means, on each Payment Date, the amount credited to the Cash Reserve Account.

“Cash Reserve Increase Amount” means in relation to each Settlement Date an amount equal to: 1.44% of the Outstanding Principal of the Collateral Portfolio (considering also the Further Portfolio to be transferred on or upon the relevant Payment Date) reduced by the amount credited on the Cash Reserve Account as of the preceding Payment Date, being understood that should such amount be negative it shall be deemed to be equal to 0 (zero).

“Cash Reserve Initial Amount” means Euro 22,446,542.32.

“CGFS Fund” means the Central Guarantee Fund for SME managed by Mediocredito Centrale S.p.A., established under Italian Law 662/1996 (as the same may be amended, modified or supplemented from time to time).

“Class” shall be a reference to a class of Notes, being the Class A Notes, the Class M Notes or the Class J Notes and **“Classes”** shall be construed accordingly.

“Class A Noteholders” or **“Senior Noteholders”** means the persons who are, from time to time, the holders of the Class A Notes.

“Class A Notes” means, together, the Class A1 Notes, the Class A2 Notes, the Class A3 Notes and the Class A4 Notes.

“Class A1 Notes” means the Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060.

“Class A1 Notes Redemption Amount” means an amount equal to the Senior Notes Redemption Amount multiplied by the ratio between (a) the Principal Amount Outstanding of the Class A1 Notes and (b) the Principal Amount Outstanding of the Senior Notes (both calculated as of the immediately preceding Payment Date).

“Class A2 Notes” means the Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060.

“Class A2 Notes Redemption Amount” means an amount equal to the Senior Notes Redemption Amount multiplied by the ratio between (a) the Principal Amount Outstanding of the Class A2 Notes and (b) the Principal Amount Outstanding of the Senior Notes (both calculated as of the immediately preceding Payment Date).

“Class A3 Notes” means Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060.

“Class A3 Notes Redemption Amount” means an amount equal to the Senior Notes Redemption Amount multiplied by the ratio between (a) the Principal Amount Outstanding of the Class A3 Notes and (b) the Principal Amount Outstanding of the Senior Notes (both calculated as of the immediately preceding Payment Date).

“Class A3 Notes Initial Instalment Amount” means Euro 104,611,990..

“Class A3 Notes Further Instalment Amount” means each amount to be paid, in accordance with these Conditions and the other relevant Transaction Documents, by the holders from time to time of the Class A3 Notes as further payment in respect of the Class A3 Notes and equal to the Senior Notes Further Instalment Amount multiplied by Class A3 Notes Share.

“Class A3 Notes Nominal Amount” means Euro 1,182,000,000 or the lower amount equal to the Principal Amount Outstanding of the Class A3 Notes as at the Ramp-Up Period Final Date in accordance with Condition 3.6 (*Crystallization of the Partly Paid Notes*).

“Class A3 Notes Share” means the ratio between (a) the Principal Outstanding Amount of the Class A3 Notes and (b) the Principal Outstanding Amount of the Senior Partly Paid Notes, both with reference to the immediately preceding Payment Date.

“Class A4 Notes” means Euro 91,600,000 Class A4 Asset Backed Fixed Rate Partly Paid Notes due July 2060.

“Class A4 Notes Redemption Amount” means an amount equal to the Senior Notes Redemption Amount multiplied by the ratio between (a) the Principal Amount Outstanding of the Class A4 Notes and (b) the Principal Amount Outstanding of the Senior Notes (both calculated as of the immediately preceding Payment Date).

“Class A4 Notes Further Instalment Amount” means each amount to be paid, in accordance with these Conditions and the other Transaction Documents, by the holders from time to time of the Class A4 Notes as further payments to be made in respect of the Class A4 Notes and equal to the Senior Notes Further Instalment Amount multiplied by Class A4 Notes Share.

“Class A4 Notes Initial Instalment Amount” means Euro 8,108,905.

“Class A4 Notes Nominal Amount” means Euro 91,600,000 or the lower amount equal to the Principal Amount Outstanding of the Class A4 Notes as at the Ramp-Up Period Final Date in accordance with Condition 3.6 (*Crystallization of the Partly Paid Notes*).

“Class A4 Notes Share” means the ratio between (a) the Principal Outstanding Amount of the Class A4 Notes and (b) the Principal Outstanding Amount of the Senior Partly Paid Notes, both with reference to the immediately preceding Payment Date.

“Class J Noteholders” or **“Junior Noteholders”** means the persons who are, from time to time, the holders of the Class J Notes.

“Class J Notes” or **“Junior Notes”** means the Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060.

“Class M Noteholders” or **“Mezzanine Noteholders”** means the persons who are, from time to time, the holders of the Class M Notes.

“Class M Notes” or **“Mezzanine Notes”** means the Euro 288,000,000 Class M Asset Backed Floating Rate Partly Paid Notes due July 2060.

“Clean Up Option Date” means any date on which the aggregate Outstanding Principal of the Aggregate Portfolio is equal to or lower than 10 per cent. of the highest amount of the Outstanding Principal of the Aggregate Portfolio at any time during the Securitisation.

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

“Collateral Portfolio” means, on any given date, the aggregate of all outstanding Receivables comprised in the Aggregate Portfolio which are not Defaulted Receivables as of that date.

“Collateralisation Condition” means the condition that will be deemed to be satisfied on any Payment Date if the sum of:

- (i) the Outstanding Principal of the Collateral Portfolio as of the end of the immediately preceding Collection Period, including any Further Portfolio transferred to the Issuer on or about such Payment Date; and
- (ii) the Cash Reserve Amount credited to the Cash Reserve Account,

is equal to or higher than 95% (ninety-five per cent.) of the Principal Amount Outstanding of the Notes on the relevant Payment Date (taking into account any repayment of principal and any further instalment made to/by the Noteholders on such Payment Date).

“Collection Account” means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT69L0347901600000802643001) or any substitute account opened in accordance with the Cash Allocation, Management and Payment Agreement.

“Collections” means all amounts received by the Servicer in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables, including any amount paid by the CGFS in respect of the MCC Guarantees.

“Computation Agent” means Banca Finint or any other person for the time being acting as Computation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

“Conditions” means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

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

“Consolidated Banking Act” means Italian Legislative Decree number 385 of 1 September 1993, as the same may be amended, modified or supplemented from time to time.

“Consolidated Financial Act” means the Italian Legislative Decree number 58 of 24 February 1998, as the same may be amended, modified or supplemented from time to time.

“Corporate Servicer” means Banca FinInt or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time.

“Corporate Services Agreement” means the corporate services agreement entered into on or about the Issue Date by and between, *inter alios*, the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

“CRA Regulation” means Regulation (EC) no. 1060/2009 on credit rating agencies, as the same may be amended, modified or supplemented from time to time.

“Credit and Collection Policies” means the credit and collection policies attached as schedule 2 (*Collection Policies*) to the Servicing Agreement.

“**Cumulative Gross Default Ratio**” means at each Determination Date, the ratio between:

- (a) the sum of the Outstanding Principal, as at the Default Date, of the Defaulted Receivables which have been classified as such from the relevant Valuation Date up to such Determination Date; and
- (b) the sum of the Outstanding Principal of the Initial Portfolio as at the relevant Valuation Date and the Outstanding Principal of the Further Portfolios as at each relevant Valuation Date.

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

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

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

CC	Ca	CC	CC
C	C	D	D

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

“Debtor” means any borrower and any other person who entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to the Originator or the relevant lending bank or having assumed the borrower’s obligation under an assumption (*accollo*), or otherwise.

“Debt Securities” means, in relation to each Debtor:

- (a) in the case of the assignment of a Further Portfolio comprising Receivables related to such Debtor has been proposed, the sum of the nominal value (as resulting on the Valuation Date of such Further Portfolio) of any debt securities issued by BPS and owned by such Debtor; or, in other cases,
- (b) the lowest of the sum of the nominal value (as resulting on each Valuation Date) of any debt securities issued by BPS and held by such Debtor.

“Decree 239 Deduction” means any withholding or deduction for or on account of “*imposta sostitutiva*” under Decree number 239.

“Decree number 239” means Italian Legislative Decree number 239 of 1 April 1996, as the same may be amended, modified or supplemented from time to time, and any related regulations.

“Default Date” means the date on which the conditions for the classification of a Receivables as Defaulted Receivable has occurred.

“Defaulted Receivables” means (a) the Receivables which have at least 1 (one) due and unpaid instalment for more than 180 (one hundred and eighty) calendar days or (b) the Receivables which have been classified as *“credito in sofferenza”* pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*).

“Delinquency Ratio” means, with reference to each Servicer Report Date, the ratio calculated by dividing: (a) the aggregate amount of the Outstanding Principal in relation to all the Receivables that are Delinquent Receivables as at the last day of the immediately preceding Collection Period by (b) the aggregate amount of the Collateral Portfolio Outstanding Principal as at the last day of the immediately preceding Collection Period.

“Delinquent Instalment” means an Instalment which remains unpaid by the Debtor in respect thereof for 30 (thirty) calendar days or more after the Scheduled Instalment Date.

“Delinquent Receivables” means any Receivable which is not a Defaulted Receivable and with respect to which there is at least one Delinquent Instalment.

“Deposit” means, in relation to each Debtor the higher amount between:

- (a) in case of the assignment of a Further Portfolio comprising Receivables related to such Debtor has been proposed, the balance (as resulting on the Valuation Date of such Further Portfolio) of any current accounts and deposit certificates opened at BPS by such Debtor; and
- (b) all the amounts calculated as per point (a) above as at the preceding Valuation Date.

“Determination Date” means in respect of any Payment Date, the last day of the immediately preceding Collection Period.

“Drawdown Amount” means on any Calculation Date prior to a Settlement Date an amount equal to the sum of the Principal Amount Outstanding of the Notes and the Notes Further Instalment Amount.

“EBA Guidelines on STS Criteria” means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named *“Guidelines on the STS criteria for non-ABCP securitisation”*, as the same may be amended, modified or supplemented from time to time.

“ECB Guidelines” means the guidelines issued by the European Central Bank (ECB/2014/31), as the same may be amended, modified or supplemented from time to time.

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

“Eligible Institution” means (a) a depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and S&P criteria, by a depository institution organized under the laws of any state which is a member of the

European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with DBRS and S&P published criteria applicable from time to time):

- (i) (i) in case the institution has a Critical Obligations Rating (“COR”) rating by DBRS, the higher of (A) a rating one notch below the institution’s long-term COR; (B) the institution’s issuer rating or long-term senior unsecured debt rating; and (C) the institution’s long-term deposit rating being at least “BBB”; (ii) if a long-term Critical Obligations Rating (COR) is not available from DBRS on the institution, the higher of (A) the institution’s issuer rating (if available), (B) the institution’s long-term senior unsecured debt rating, and (C) its deposit rating being at least “BBB”; or (iii) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least “BBB”
- (ii) whose issuer credit rating (ICR), with respect to S&P, is at least “BBB”.

“Eligible Investments” means any Euro denominated senior (unsubordinated) dematerialised debt security, bank account deposit (including, for the avoidance of doubt, time deposit) or other debt instrument with the following characteristics:

- (a) with respect to DBRS:
 - i. the securities or other debt instruments shall be issued or guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee) by an institution rated at least as follows by DBRS: (1) “BBB (low)” in respect of long-term senior unsecured debt rating or “R-2 (middle)” in respect of Short-Term senior unsecured debt rating, with regard to investments having a maturity of less than or equal to 30 (thirty) days or, if the issuer or the guarantor is not rated by DBRS, a DBRS minimum Rating of at least “BBB (low)”, or (2) “A (low)” in respect of long-term senior unsecured debt rating or “R-1 (low)” in respect of short-term senior unsecured debt rating, with regard to investments having a maturity between 31 (thirty-one) and 90 (ninety) days or, if the issuer or the guarantor is not rated by DBRS, a DBRS minimum Rating of at least “A(low)”; or
 - ii. the bank account deposits shall be held with an Eligible Institution; or
 - iii. instruments having such other lower rating being compliant with the DBRS’s published criteria applicable from time to time; and
- (b) with respect to S&P:
 - (i) the securities or other debt instruments shall be issued or guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee being compliant with the S&P’s published criteria applicable from time to time) by an institution rated at least as follows by S&P: (i) “A” in respect of long-term debt or “A-1” by S&P in respect of short-term debt, with regard to investments having a maturity of less than or equal to 365 days, or (ii) “A-2” by S&P in respect of short-term debt, with regard to investments having a maturity equal to 60 days or less; or

- (ii) the bank account deposits shall be held with an Eligible Institution; or
- (iii) instruments having such other lower rating being compliant with the S&P's published criteria applicable from time to time;

It remains understood that in the case of clauses (a) and (b) above, such Euro denominated senior (unsubordinated) debt security, bank account deposit (including, for the avoidance of doubt, time deposit) or other debt instrument or repurchase transactions on such debt instruments:

- (i) shall be immediately repayable on demand, disposable without penalty, cost or loss or have a maturity not later than its Eligible Investments Maturity Date;
- (ii) shall provide a fixed principal amount at maturity (provided that such amount could be lower than the amount invested only in the case on which the rate of return of the relevant investment is equal or higher than the Base Rate);

provided that,

- a. in no case such investment above shall be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Senior Notes as eligible collateral;
- b. in case of downgrade below the rating allowed with respect to DBRS or S&P, as the case may be, the Issuer shall:
- c. in case of Eligible Investments being securities or time deposits, sell the securities or terminate in advance the time deposit, if it could be achieved without a loss, otherwise the relevant security or time deposit shall be allowed to mature; or
- d. in case of Eligible Investments being bank deposits, transfer within 30 calendar days the deposits to another account opened in the name of the Issuer with an Eligible Institution;

in any case, if such investments above consisting of repurchase transactions, shall be made only on Euro denominated debt securities or other debt instruments, provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer and the obligations of the relevant counterparty are not related to the performance of the underlying securities, (ii) such repurchase transactions have a maturity date falling not later than the next following Eligible Investments Maturity Date and in any case shorter than 60 days, (iii) within 30 calendar days from the date on which the institution ceases to be an Eligible Institution, such investment has to be transferred to another Eligible Institution at no costs for the Issuer, and (iv) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount).

"Eligible Investments Maturity Date" means each day falling the fifth Business Day immediately preceding each Payment Date.

“ESMA” means the European Securities and Market Authority.

“ESMA Investor Report” means the report setting out all the information required to comply with article 7(1)(e) of the Securitisation Regulation and the applicable Regulatory Technical Standards which, from time to time, will be in force.

“Euribor” means:

- (i) the Euro-Zone Inter-Bank offered rate for one month Euro deposits which appears on Bloomberg Page EUR001M index; or
- (ii) such other page as may replace the relevant Bloomberg Page on that service for the purpose of displaying such information; or
- (iii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the relevant Bloomberg Page, at or about 11.00 a.m. (Brussels time) on the Interest Determination Date (the “Screen Rate” or, in the case of the First Interest Period, the “Additional Screen Rate”); or
- (iv) if the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-Bank market at or about 11.00 a.m. (Brussels time) on that date; or
- (v) if, on any Interest Determination Date, the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable and if only two of the Reference Banks provide such offered quotations to the Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (vi) if, on any Interest Determination Date, the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable and if only one of the Reference Banks provides the Paying Agent with such an offered quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the immediately preceding Interest Period which one of sub-paragraph (i) or (ii) above shall have been applied to.

“Euro”, “euro” and “€” refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) number 974 of 3 May 1998 on the introduction of the euro, as amended.

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

“Euronext Securities Milan” means Monte Titoli S.p.A., a *società per azioni* having its registered

office at Piazza degli Affari, 6, 20123 Milan (MI), Italy.

“Euronext Securities Milan Account Holder” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan (*as intermediari aderenti*) in accordance with article 83-*quater* of the Consolidated Financial Act and includes any depositary banks approved by Clearstream and Euroclear.

“Euro-Zone” means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by, inter alia, the Treaty on European Union (signed in Maastricht on 7 February 1992).

“Expenses Account” means the Euro denominated account established in the name of the Issuer with Banca Finint (IBAN: IT71A0326661620000014116107), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

“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 Creditors) arising in connection with the Securitisation, and any other documented costs and expenses 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.

“ExtraMOT PRO” means the professional segment of the multilateral trading facility “ExtraMOT”, which is a multilateral system for the purposes of the Directive 2014/65/EC (as the same may be amended, modified or supplemented from time to time) managed by Borsa Italiana.

“Extraordinary Resolution” has the meaning ascribed to it in the Rules of Organisation of the Noteholders.

“Floating Rate Senior Notes” means, collectively, the Class A1 Notes and the Class A3 Notes.

“Final Maturity Date” means the Payment Date falling in July 2060.

“First Payment Date” means 25 July 2023.

“Fixed Rate Senior Note” means, collectively, the Class A2 Notes and the Class A4 Notes.

“Further Portfolio” means each further portfolio of Receivables that may be purchased during the Ramp-Up Period by the Issuer from the Originator pursuant to and in accordance with the terms and conditions of the Master Transfer Agreement.

“Further Valuation Date” means, in relation to each Further Portfolio, 23:59 of the last day comprised in the immediately preceding Collection Period, as identified from time to time in each relevant Offer.

“Further Securitisation” means any further securitisation transaction which may be carried out by the Issuer pursuant to Securitisation Law and in accordance with Condition 6.12 (*Further Securitisations*) and the other Transaction Documents.

“**Group of Debtors**” means Debtors belonging to the same economic group of companies.

“**Guarantee**” means any guarantee (other than a Mortgage) and any MCC Guarantees issued in favour of the Originator and guaranteeing the repayment of the Receivables.

“**Holder**” of a Note means the beneficial owner of a Note.

“**Information Memorandum**” means this information memorandum.

“**Individual Purchase Price**” means the price of each Receivables relating to each Loan, as indicated (i) in schedule C (*Prospetto dei Crediti*) of the Master Transfer Agreement, with respect to each Receivable comprised in the Initial Portfolio; and (ii) in each Offer with respect to each Receivable of each Further Portfolio.

“**Initial Portfolio**” means, collectively, the Mortgage Portfolio and the Non-Mortgage Portfolio transferred by the Originator to the Issuer on 1 June 2023 pursuant to the terms and conditions of the Master Transfer Agreement.

“**Initial Valuation Date**” means, with reference to the Initial Portfolio, hours 23:59 of 31st May 2023.

“**Insolvency Code**” means Legislative Decree No. 14 of 12 January 2019 published on the Official Gazette of the Republic of Italy on 14 February 2019, as amended and supplemented from time to time.

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

- (a) such company or corporation has become subject to any applicable judicial liquidation (*liquidazione giudiziale*), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*), bankruptcy (*fallimento*) (as far as applicable pursuant to the Bankruptcy Law), voluntary liquidation, extraordinary administration (*amministrazione straordinaria*), extraordinary administration of the insolvent companies (*Amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory winding up (*liquidazione coatta amministrativa*) insolvency proceedings (*procedure concorsuali*) (including the insolvency proceedings and the further tools providing for the composition of the crisis and insolvency under the Bankruptcy Law, as far as applicable), reorganisation, tools for the composition of business crisis/insolvency provided under the Insolvency Code and Bankruptcy Law (as far as applicable), including, *inter alia*, the debt restructuring agreements (also simplified debt restructuring agreements and those with “extended effects” as well as the standstill agreements (*convenzioni di moratoria*), the certified restructuring plan as well as the related agreement, the restructuring plan subject to homologation, the filing of any petition under articles 40 and followings of the Insolvency Code (including the simplified petitions under article 44 of the Insolvency Code), the appointment of an independent expert pursuant to the Insolvency Code, the negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*), the simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*), as well as any other proceedings and/or tools qualified as an “insolvency proceeding” (*procedura concorsuale*), a “restructuring proceeding” (*procedura di risanamento*) or a

“liquidation proceeding” (*procedura di liquidazione*) under the relevant legislation, as amended from time to time (in particular Insolvency Code, Italian Banking Act, Legislative Decree no. 170 of 21 May 2004, Regulation EU 2015/848 related to insolvency procedure and Directive 2014/59/EU and the relevant implementing laws, including, without limitation the procedures for the resolution of the over-indebtedness crisis (*procedure per la composizione della crisi da sovraindebitamento*), any of the situations provided for under articles 2446, 2447, 2482-bis or 2482-ter of the Italian Civil Code or any similar situation), as well as any similar proceedings in any jurisdiction or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or
- (e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

“**Insolvency Proceedings**” means judicial liquidation (*liquidazione giudiziale*), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*), dissolution, bankruptcy (*fallimento*) (as far as applicable pursuant to the Bankruptcy Law), extraordinary administration (*amministrazione straordinaria*), extraordinary administration of the insolvent companies (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*),

compulsory, compulsory winding up (*liquidazione coatta amministrativa*), insolvency proceedings (*procedure concorsuali*) (including the insolvency proceedings and the further tools providing for the composition of the crisis and insolvency under the Bankruptcy Law and the Law Decree no. 118 of 24 August 2021, as far as applicable), the tools for the composition of business crisis/insolvency provided under the Insolvency Code, including, *inter alia*, the debt restructuring agreements (also simplified debt restructuring agreements and those with “extended effects” as well as the standstill agreements (*convenzioni di moratoria*), the certified restructuring plan as well as the related agreement, the restructuring plan subject to homologation, the composition with creditors proceeding (*concordato preventivo*), the filing of any petition under articles 40 and followings of the Insolvency Code (including the simplified petitions under article 44 of the Insolvency Code), the appointment of an independent expert pursuant to the Insolvency Code, the assignment of assets to creditors (*cessione di beni ai creditori*) pursuant to Article 1977 of Italian Civil Code, the negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*), the simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) as well as any other proceedings and/or tools qualified as an “insolvency proceeding” (*procedura concorsuale*), a “restructuring proceeding” (*procedura di risanamento*) or a “liquidation proceeding” (*procedura di liquidazione*) under the relevant legislation, as amended from time to time (in particular Insolvency Code, Italian Banking Act, Legislative Decree no. 170 of 21 May 2004, Regulation EU 2015/848 related to insolvency procedure and Directive 2014/59/EU and the relevant implementing laws, including, without limitation the procedures for the resolution of the over-indebtedness crisis (*procedure per la composizione della crisi da sovraindebitamento*), any of the situations provided for under articles 2446, 2447, 2482-bis or 2482-ter of the Italian Civil Code or any similar situation), as well as any similar proceedings in any jurisdiction.

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

“**Intercreditor Agreement**” means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator, the Servicer, the Account Bank, the Cash Manager, the Corporate Servicer, the Paying Agent, the Reporting Entity, the Computation Agent as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

“**Interest Determination Date**” means (a) with respect to the First Interest Period, the date falling 2 (two) Business Days prior to the Issue Date and (b) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

“**Interest Instalment**” means the interest component of each Instalment.

“**Interest Payment Amount**” has the meaning given to it in Condition 8.6.2.

“**Interest Period**” means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the “**First Interest**

Period” shall commence on the Issue Date (included) and shall end on the First Payment Date (excluded).

“Issue Date” means 16 June 2023 or such other date on which the Notes are issued.

“Issuer” means Centro delle Alpi SME S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso – Belluno No. 05416660263, enrolled in the register of the special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 (*“Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione”*) under no. 48431.1 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

“Issuer Available Funds” means, on each Calculation Date, the available funds of the Issuer in respect of the immediately following Payment Date, constituted by the aggregate amount (without double counting) of:

- (a) all Collections received or recovered in respect of the Receivables during the immediately preceding Collection Period;
- (b) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer pursuant to the Master Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Intercreditor Agreement, any amount paid by the Originator in case of renegotiation of the rate of interest applicable to the Loans pursuant to the Servicing Agreement and the proceeds of any indemnity paid by the Originator pursuant to the Warranty and Indemnity Agreement);
- (c) all amounts standing to the credit of the Collection Account (without double counting with the amounts referred under item (a) above), the Payments Account and the Cash Reserve Account, following the relevant payments required to be made from such accounts, pursuant to the relevant Priority of Payments, on the immediately preceding Payment Date;
- (d) any interest paid on the amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Collection Period (net of any applicable withholding or expenses);
- (e) all amounts on account of principal, interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation Management and Payments Agreement using funds standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Collection Period;
- (f) all amounts received from any sale of the Aggregate Portfolio (in whole or in part) pursuant to the Intercreditor Agreement;

- (g) the Aggregate Notes Further Instalment Amount to be paid by the Notes Subscriber on such Payment Date, in accordance with the Notes Subscription Agreement;
- (h) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement;
- (i) any other amount received by the Issuer from any other party to the Transaction Documents during the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice or the redemption of the Notes in Condition 9.1 (*Final Redemption*), 9.2 (*Mandatory Redemption*), 9.3 (*Optional Redemption*) or 9.4 (*Optional Redemption for Taxation Reasons*), if the Servicer fails to deliver the Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (i) (*First*) to (iii) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments will be applied in accordance with the Pre-Enforcement Priority of Payments.

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

"Investors Report" means the investors report to be prepared and delivered by the Computation Agent pursuant to the Cash Allocation, Management and Payment Agreement.

"Investors Report Date" means the 3rd (third) Business Day after each Payment Date.

"Joint Regulation" means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazette number 201 of 30 August 2018, as amended and supplemented from time to time.

"Junior Noteholders" means the Class J Noteholders.

"Junior Notes" means the Class J Notes.

"Junior Notes Further Instalment Amount" means each amount to be paid, in accordance with these Conditions and the other Transaction Documents, by the Junior Noteholders as further payment to be made in respect of the Junior Notes and equal to the Drawdown Amount multiplied by the Junior Notes Ratio and then reduced by the Principal Amount Outstanding of the Junior Notes. Should such amount be negative, it shall be deemed to be equal to 0 (zero).

"Junior Notes Initial Instalment Amount" means Euro307,308,665.

"Junior Notes Nominal Amount" means Euro 623,773,000 or the lower amount equal to the Principal Amount Outstanding of the Junior Notes as at the Ramp-Up Period Final Date in accordance with Condition 3.6 (*Crystallization of the Partly Paid Notes*).

"Junior Notes Ratio" means 19.49%.

“Junior Notes Repayment Amount” means, as of the relevant Payment Date:

- (a) in the event that no Acceleration Event has occurred, an amount equal to the lower of:
 - (i) the Principal Amount Outstanding of the Junior Notes on the day following the immediately preceding Payment Date; and
 - (ii) the higher between (x) and (y) where (x) is any amount equal to the Principal Allocation Amount less: (i) the Outstanding Balance of the Further Portfolio; (ii) the Senior Notes Repayment Amount and (iii) the Mezzanine Notes Repayment Amount and (y) is zero; or
- (b) in the event that an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Junior Notes.

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

“Liquidity Decree” means Italian law decree 8 April 2020, No. 23, converted with amendments into law 5 June 2020, No. 40, as the same may be amended, modified or supplemented from time to time.

“Loan” means any performing Non-Mortgage Loan and Mortgage Loan granted by the Originator or by other lending banks to a Debtor, whose Receivables have been transferred by the Originator to the Issuer pursuant to the Master Transfer Agreement, and **“Loans”** means each of them.

“Loan-by-Loan Report” means the report setting out certain loan level data information in compliance with article 7(1)(a) and 22(5) of the Securitisation Regulation, the applicable Regulatory Technical Standards and any applicable or binding guidance of any regulatory, tax or governmental authority, to be prepared by the Servicer pursuant to the Servicing Agreement.

“Loan Agreements” means the unsecured loan agreements or mortgage loan agreements from which each Receivable arises and **“Loan Agreement”** means each of them.

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

“Master Transfer Agreement” means the transfer agreement entered into on 1 June 2023 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

“MCC Guarantees” means the direct guarantees assisting certain Receivables granted by the

CGFS Fund, including the guarantees granted in accordance with article 13, paragraph 1, letter (m) of the Liquidity Decree.

“MCC Guarantee Ratio” means the MCC Guarantee coverage of each loan for which an MCC Guarantee has been established.

“Meeting” means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

“Mezzanine Noteholders” means the holders from time to time of the Mezzanine Notes.

“Mezzanine Notes Further Instalment Amount” means each amount to be paid, in accordance with these Conditions and the other Transaction Documents, by the Mezzanine Noteholders as further payment in respect of the Mezzanine Notes and equal to the Drawdown Amount multiplied by the Mezzanine Notes Ratio and then reduced by the Principal Amount Outstanding of the Mezzanine Notes. Should such amount be negative, it shall be deemed to be equal to 0 (zero).

“Mezzanine Notes Initial Instalment Amount” means Euro 141,886,440.

“Mezzanine Notes Interest Subordination Event” means that the Cumulative Gross Default Ratio has exceeded the Mezzanine Notes Trigger Level.

“Mezzanine Notes Nominal Amount” means Euro 288,000,000 or the lower amount equal to the Principal Amount Outstanding of the Mezzanine Notes as at the Ramp-Up Period Final Date in accordance with Condition 3.6 (*Crystallization of the Partly Paid Notes*).

“Mezzanine Notes Ratio” means 9%.

“Mezzanine Notes Repayment Amount” means, as of the relevant Payment Date:

- (a) in the event that no Acceleration Event has occurred, an amount equal to the lower of:
 - (i) the Principal Amount Outstanding of the Mezzanine Notes on the day following the immediately preceding Payment Date; and
 - (ii) the difference, if positive, between the Principal Allocation Amount and the Outstanding Balance of the Further Portfolio less the Senior Notes Repayment Amount; or
- (b) in the event that an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Mezzanine Notes.

“Mezzanine Notes Trigger Level” means 5.00%.

“Collection Period” means each period of one month, commencing on (and including) the first calendar day of each month and ending respectively on (and including) the last calendar day of each month, provided that the first Collection Period will commence on the Valuation Date (excluded) and will end on 30 June 2023 (included).

“Mortgages” means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of certain Receivables included in

the Mortgage Portfolio.

“Mortgage Loans” means the Loans which are secured by a Mortgage and **“Mortgage Loan”** means each of them.

“Mortgage Portfolio” means all the Receivables comprised in the Initial Portfolio deriving from Mortgage Loans.

“Most Senior Class of Noteholders” means, at any Payment Date (i) the Senior Noteholders, or (ii) at any date following the date of full repayment of all the Senior Notes, the Mezzanine Noteholders, or (ii) at any date following the date of full repayment of all the Senior Notes and the Mezzanine Notes, the Junior Noteholders.

“Most Senior Class of Notes” means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Mezzanine Notes, or (iii) following the full repayment of the Senior Notes and the Mezzanine Notes, the Junior Notes.

“Non-Mortgage Loans” means the Loans which are not secured by a Mortgage, and **“Non-Mortgage Loan”** means each of them.

“Non-Mortgage Portfolio” means all the Receivables comprised in the Initial Portfolio deriving from Non-Mortgage Loans.

“Noteholders” means, collectively, the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders.

“Notes” means, collectively, the Senior Notes, the Mezzanine Notes and the Junior Notes.

“Notes Further Instalment Amount” means the further instalment amounts of the subscription price of the Partly Paid Notes to be paid by the Notes Subscriber during the Ramp-Up Period and equal to the sum of the Portfolio Further Instalment Amount and the Cash Reserve Increase Amount.

“Notes Further Instalment Request” has the meaning ascribed to such term in Condition 3.2 (*Notes Further Instalment Request*).

“Notes Further Instalment Request Date” means the date falling 1 Business Day following the Calculation Date on which the Notes Further Instalment Amount is calculated.

“Notes Initial Instalment Amounts” means the initial instalments of the subscription price for the Partly Paid Notes paid by the Notes Subscriber on the Issue Date, pursuant to the Notes Subscription Agreement and **“Notes Initial Instalment Amount”** means each of them.

“Notes Subscriber” means, collectively, BPS in its capacity as initial subscriber of the Notes pursuant to the terms and conditions of the Notes Subscription Agreement.

“Notes Subscription Agreement” means the subscription agreement in relation to the Notes entered into by and between, *inter alios*, the Issuer, the Notes Subscriber and the Representative of the Noteholders on or about the Issue Date.

“Notes Repayment Amount” means the Senior Notes Repayment Amount, the Mezzanine Notes Repayment Amount and the Junior Notes Repayment Amount, as the case may be.

“Obligations” means all the obligations of the Issuer created by or arising under the Notes and

the Transaction Documents.

“Offer” (*Offerta di Cessione*) means each purchase offer made by the Originator to the Issuer for the sale of a Further Portfolio, in accordance with the Master Transfer Agreement.

“Offer Date” means each date on which the Originator sends the relevant Offer to the Issuer, in accordance with the Master Transfer Agreement.

“Official Gazette” means the *Gazzetta Ufficiale della Repubblica Italiana*.

“Organisation of the Noteholders” means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders’ rights and, more generally, any action for the protection of their rights.

“Originator” means BPS.

“Other Issuer Creditors” means collectively the Originator, the Servicer, the Representative of the Noteholders, the Back-up Servicer Facilitator, the Computation Agent, the Corporate Servicer, the Paying Agent, the Stichting Corporate Servicer, the Cash Manager, the Notes Subscriber, the Account Bank and any party who at any time accedes to the Intercreditor Agreement.

“Outstanding Balance” means, on any given date and in relation to any Receivable, the sum of the Outstanding Principal and the Interest Instalments due but unpaid as at that day and any outstanding penalties for accrued and unpaid Instalments with respect thereto.

“Outstanding Principal” means, on any given date and in relation to any Receivable, the sum of (i) all Principal Instalments due on any subsequent Scheduled Instalment Date; (ii) any Principal Instalments due but unpaid as at that date plus (iii) the Accrued Interest as at that date.

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

“Paying Agent” means BNP Paribas, Italian Branch or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

“Payment Date” means (i) prior to the delivery of a Trigger Notice, the 25th calendar day of each calendar month (or, if such day is not a Business Day, the immediately following Business Day), provided that the First Payment Date will fall on 25 July 2023; or (ii) following the delivery of a Trigger Notice, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Transaction.

“Payments Account” means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT92K0347901600000802643000), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

“Payments Report” means the report to be prepared by the Computation Agent on or prior to

each Calculation Date before or following the delivery of a Trigger Notice, setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Pre-Enforcement Priority of Payments.

“Partly Paid Notes” means, collectively, the Senior Partly Paid Notes, the Mezzanine Notes and the Junior Notes.

“Partly Paid Notes Nominal Amount” means the sum of the Senior Partly Paid Notes Nominal Amount, the Mezzanine Notes Nominal Amount and the Junior Notes Nominal Amount.

“Portfolio” means each portfolio of Receivables purchased by the Issuer pursuant to the Master Transfer Agreement.

“Portfolio Further Instalment Amount” means an amount equal to the difference, if positive, between:

- (i) the Purchase Price of the Further Portfolio to be paid in accordance with the relevant Offer; and
- (ii) the Principal Allocation Amount.

“Post-Enforcement Priority of Payments” means the order of priority of payments set out in Condition 7.2 (*Post-Enforcement Priority of Payments*).

“Post Trigger Report” means the report to be prepared and delivered by the Computation Agent following the delivery of a Trigger Notice pursuant to the Cash Allocation, Management and Payments Agreement.

“Pre-Enforcement Priority of Payments” means the order of priority of payments set out in Condition 7.1 (*Pre-Enforcement Priority of Payments*).

“Principal Allocation Amount” means the amount, as calculated by the Computation Agent on each Calculation Date immediately preceding a Payment Date, equal to the difference, if positive, between (i) the Principal Amount Outstanding of the Notes (without taking into account the Notes Further Instalments to be made on such Payment Date) and (ii) the sum of the Outstanding Principal of the Collateral Portfolio on the last day of the immediately preceding Collection Period (for avoidance of doubt, without taking into account the relevant Further Portfolio to be transferred on or upon the relevant Payment Date) and the Required Cash Reserve Amount on such Payment Date (for avoidance of doubt, without taking into account the Cash Reserve Increase Amount to be paid on such Payment Date).

“Principal Amount Outstanding” means, with respect to any Note on any date, the principal amount thereof upon issue, plus the aggregate amount of any Notes Further Instalment Amount paid in respect of that Note, less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

“Principal Instalment” means the principal component of each Instalment.

“Priority of Payments” means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

“Purchase Price” means the Purchase Price of the Initial Portfolio and each Purchase Price of the Further Portfolios, as the case may be.

“Purchase Price of the Initial Portfolio” means the Purchase Price of the Initial Portfolio, owed by the Issuer to the Originator, equal to the algebraic sum of the Individual Purchase Price of each Receivable included in the Initial Portfolio, it being Euro 1,554,038,653.28.

“Purchase Price of the Further Portfolio” means the Purchase Price of each Further Portfolios, owed by the Issuer to the Originator, equal to the algebraic sum of the Individual Purchase Price of each Receivable included in the relevant Further Portfolio.

“Purchase Termination Event” means any event preventing the Issuer from purchasing Further Portfolios provided for under schedule F (*Condizioni risolutive del diritto di cessione*) of the Master Transfer Agreement.

“Purchase Termination Event Notice” means the written notice of a Purchase Termination Event pursuant to clause 9 (*Condizioni risolutive del diritto di cessione*) of the Master Transfer Agreement and clause 9 (*Purchase Termination Events*) of the Intercreditor Agreement following the occurrence of a Purchase Termination Event.

“Quota Capital Account” means the Euro denominated account established in the name of the Issuer with Banca FinInt (IBAN: IT80V0326661620000014116099), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

“Quotaholder Agreement” means the quotaholder’s agreement entered into on or about the Issue Date between the Sole Quotaholder and the Issuer as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

- (i) the Payment Date falling on June 2025 (included);
- (ii) the date on which the Representative of the Noteholders has notified to the Issuer a Purchase Termination Event or a Trigger Notice;
- (iii) the date on which the Notes Subscriber has notified the Issuer the intention of selling (other than (i) any transaction relating to the Senior Notes as eligible collateral executed pursuant to the ECB Guidelines and (i) any repurchase agreement transactions (repo) relating to the Mezzanine Notes or the Junior Notes) in whole or in part the Partly Paid Notes.

“Ramp-Up Period Final Date” means the last Business Day of the Ramp-Up Period.

“Rate of Interest” shall have the meaning ascribed to it in Condition 8 (*Interest*).

“Rated Notes” means, collectively, the Class A Notes and the Class M Notes.

“Rating Agency” means each of DBRS and S&P that has given a rating to the Rated Notes and

“Rating Agencies” means DBRS and S&P collectively.

“Receivables” means any and all current, future or potential monetary claims which have arisen or will arise in connection with any Loan Agreements whose receivables have been transferred by the Originator to the Issuer pursuant to the Master Transfer Agreement.

“Reference Banks” means 3 (three) major banks in the Euro-Zone Inter-Bank market selected by the Paying Agent after consultation with the Issuer and with the prior approval of the Representative of the Noteholders.

“Reference Rate” means Euribor or any such alternative rate determined according to Condition 8.18 (*Fallback Provisions*) which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities.

“Regulatory Technical Standards” means:

- (i) the regulatory technical standards adopted by the Commission on the basis of the drafts developed by the European Securities and Markets Authority (ESMA), by the European Banking Authority (EBA) and/or by European Insurance and Occupational Pensions Authority (EIOPA), pursuant to the Securitisation Regulation and entered into force in the European Union; or
- (ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

“Reporting Entity” means BPS.

“Representative of the Noteholders” means Banca FinInt or such other person or persons acting from time to time as representative of the Noteholders in accordance the Notes Subscription Agreement and the Rules of the Organisation of the Noteholders.

“Required Cash Reserve Amount” means in relation to each relevant Payment Date, an amount equal to the greater of:

- a) 2.00% of the Principal Amount Outstanding of the /Senior Notes as of the preceding Payment Date (for the avoidance of doubt after the application of the relevant Priority of Payments); and
- b) 1.44% of the Outstanding Principal of the Collateral Portfolio (not considering the Further Portfolio transferred on or upon the relevant Payment Date);

provided that:

- c) in any case, the Required Cash Reserve Amount shall not be lower than Euro 5,636,604.48; and
- d) on the earlier of (1) the Payment Date on which the Rated Notes have been redeemed in full or cancelled (also by applying the amounts standing to the credit of the Cash Reserve Account), and (2) the Payment Date following the service of a Trigger Notice; the Required Cash Reserve Amount will be equal to 0 (zero).

“Retention Amount” means an amount equal to Euro 30.000, provided that on the Final

Maturity Date of, if earlier, the Payment Date on which the Notes will be redeemed in full, it will be equal to Euro 30.000.

“Rules of the Organisation of the Noteholders” means the rules governing the Organisation of the Noteholders, attached to these Conditions.

“S&P” means S&P Global Ratings Europe Limited and any successor or successors thereto.

“Scheduled Instalment Date” means the date on which an Instalment is due under each Loan Agreement.

“Screen Rate” shall have the meaning ascribed to it in the definition of **“Euribor”** in the present Condition 2.1 (*Definitions*).

“Securities Act” means the U.S. Securities Act of 1933, as the same may be amended, modified or supplemented from time to time.

“Securitisation” or **“Transaction”** means the securitisation transaction made by the Issuer through the issuance of the Notes pursuant to the articles 1 and 5 of Securitisation Law.

“Securitisation Law” means the Italian law No. 130 dated 30 April 1999, as the same may be amended, modified or supplemented from time to time.

“Securitisation Regulation” means the Regulation (EU) No. 2402 of 12 December 2017, together with any relevant Regulatory Technical Standards and/or any relevant implementing measures or official guidance in relation thereto, in each case, as the same may be amended, modified or supplemented from time to time.

“Securitisation Repository” means the website of European DataWarehouse (being, as at the date hereof, www.eurodw.eu) and/or any other platform meeting the requirements to store the relevant information on private securitisations pursuant to the Securitisation Regulation as notified by the Originator to the investors in the Notes.

“Securities Account” means the securities account opened with the Account Bank and operated by the Cash Manager pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

“Security Interest” means:

- (i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (ii) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (iii) any other type of preferential arrangement having a similar effect.

“Segregated Assets” means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

“Senior Notes Further Instalment Amount” means on any Calculation Date prior to a Settlement Date an amount equal to the difference between the Notes Further Instalment Amount and the Subordinated Notes Further Instalment Amount.

“Senior Notes Repayment Amount” means, as of the relevant Payment Date:

- (a) in the event that no Acceleration Event has occurred, an amount equal to the lower of:
 - (i) the Principal Amount Outstanding of the Senior Notes on the day following the immediately preceding Payment Date; and
 - (ii) the difference, if positive, between the Principal Allocation Amount and the Outstanding Balance of the Further Portfolio; or
- (b) in the event that an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Senior Notes.

“Senior Notes Interest Rate” shall have the meaning ascribed to it in Condition 8 (*Interest*).

“Senior Partly Paid Notes” means, collectively, the Class A3 Notes and the Class A4 Notes.

“Senior Partly Paid Notes Nominal Amount” means the sum of the Class A3 Notes Nominal Amount and the Class A4 Notes Nominal Amount.

“Servicer” means BPS.

“Servicer’s Report” means the report to be prepared by the Servicer on each Servicer’s Report Date pursuant to the Servicing Agreement, setting out information on the performance of the Receivables during the relevant preceding Collection Period and sent to the Issuer, the Computation Agent, the Corporate Servicer, the Rating Agencies and the Cash Manager.

“Servicer’s Report Date” means the 7th (seventh) Business Day before each Payment Date, provided that the first Servicer’s Report Date shall fall in July 2023.

“Servicer Termination Event” means any event referred to in clause 11 (*Revoca del mandato*) of the Servicing Agreement.

“Servicing Agreement” means the servicing agreement entered into on 1 June 2023 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

“Set-off Amount” means, in respect of each Debtor and each relevant Transfer Date of the Receivables owed by such Debtor, the lower of:

- (a) the Outstanding Balance of the Receivables owed by such Debtor; and
- (b) the difference, if positive, between the Deposits of such Debtor and Euro 100,000, plus the principal outstanding amount of the Debt Securities owned by such Debtor.

“Set-off Risk Exposure” means, at any given date, the aggregate of the Set-off Amount in respect of all Debtors of the Receivables included in the Aggregate Portfolio.

“Settlement Date” means each Payment Date during the Ramp-Up Period and on which a Notes Further Instalment Amount is paid on the Notes in accordance with the Transaction Documents.

“Sole Quotaholder” means Stichting Fenchurch, a company duly incorporated and validly

existing under the laws of The Netherlands, with registered office in Locatellikade 1, Amsterdam 1076AZ, The Netherlands, enrolment with the Chamber of Commerce in Amsterdam under no. 55593364.

“**Stichting Corporate Services Agreement**” means the stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Stichting Corporate Servicer and the Sole Quotaholder, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

“**Stock Exchange**” means Borsa Italiana.

“**Stichting Corporate Servicer**” means M&G Trustee Company Limited.

“**Subordinated Notes**” means, collectively, the Mezzanine Notes and the Junior Notes.

“**Subordinated Notes Further Instalment Amount**” means an amount equal to the sum of (i) the Mezzanine Notes Further Instalment Amount and (ii) the Junior Notes Further Instalment Amount.

“**T2**” means the real time gross settlement system operated by the Eurosystem (T2) combining the functionalities of a Real Time Gross Settlement (RTGS) system with those of a Central Liquidity Management (CLM) system and which was launched on 20 March 2023.

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

“**Tax Deduction**” means any deduction or withholding on account of Tax.

“**Tax Event**” shall have the meaning ascribed to it in Condition 9.4 (*Optional Redemption for Taxation Reasons*).

“**Top 20 Debtors**” means the first 20 Debtors with the higher Outstanding Principal of the Receivables.

“**Transaction Documents**” means the Master Transfer Agreement; the Servicing Agreement; the Warranty and Indemnity Agreement; the Cash Allocation, Management and Payment Agreement; the Notes Subscription Agreement; the Intercreditor Agreement; the Corporate Services Agreement; the Quotaholder Agreement; the Stichting Corporate Services Agreement; the Mandate Agreement; the Conditions; the Information Memorandum and any other agreement, act or document entered into as part of the Transaction.

“**Transaction Party**” means any party to any of the Transaction Documents.

“**Transfer Date**” means (a) in relation to the Initial Portfolio, 1 June 2023 and, (b) in relation to each Further Portfolio, the subsequent from (i) the date of the relevant Offer and (ii) the date on which the Originator has received the acceptance of the relevant Offer from the Issuer.

“**Trigger Event**” means any of the events described in Condition 13.1 (*Trigger Events and Purchase Termination Events*).

“**Trigger Notice**” means the notice served by the Representative of the Noteholders on the

Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Condition 13.2 (*Delivery of a Trigger Notice*).

"Usury Law" means Law number 108 of 7 March 1996 and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000, each as may be amended, modified or supplemented from time to time.

"Variable Return" means the amount that may or may not be payable on the Junior Notes in Euro on each Payment Date in accordance with the relevant Priority of Payments, which will be equal to any Issuer Available Funds available after making all payments ranking in priority to the Variable Return and may be equal to 0 (zero).

"Valuation Date" means, as the case may be, with respect to the Initial Portfolio, the Initial Valuation Date and with respect to each Further Portfolio, the Further Valuation Date.

"VAT" means *Imposta sul Valore Aggiunto (IVA)* as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into on or about 1 June 2023 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Weighted Average Fixed Rate" means, in respect of the Aggregate Portfolio which pays a fixed rate, the average of the interest rate payable on each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"Weighted Average Guarantee" means in respect of the Non-Mortgage Portfolio which is covered by a MCC Guarantee, the average of the MCC Guarantee Ratio of each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"Weighted Average Margin" means, in respect of the Aggregate Portfolio which pays a floating rate, the average of the interest rate spread payable over the relevant Euribor on each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"Weighted Average Residual Life" means, in respect of the Aggregate Portfolio, the average of the Residual Life of each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

2.2. *Interpretation*

2.2.1. *References in Condition*

Any reference in these Conditions to:

- **"holder"** and **"Holder"** mean the ultimate holder of a Note and the words **"holder"**, **"Noteholder"** and related expressions shall be construed accordingly;
- a **"law"** shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other

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

- “**person**” shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;
- a “**successor**” of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2. *Transaction Documents and other agreements*

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

2.2.3. *Transaction parties*

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

3. **PARTLY PAID NOTES**

3.1. *Partly Paid Notes*

3.1.1. The Partly Paid Notes are issued on a partially paid basis, therefore on the Issue Date the relevant full Partly Paid Notes Nominal Amount of the Partly Paid Notes will be issued. The Partly Paid Notes are issued *at par* therefore on the Issue Date and on each Settlement Date the issue price of the Class A3 Notes, the Class A4 Notes, the Mezzanine Notes and the Junior Notes will be equal to 100% of, respectively, the Class A3 Notes Nominal Amount, the Class A4 Notes Nominal Amount, the Mezzanine Notes Nominal Amount and the Junior Notes Nominal Amount.

3.1.2. On the Issue Date:

- (a) with respect to the Class A3 Notes, the Notes Subscriber will pay Euro 104,611,990 as Class A3 Notes Initial Instalment Amount;
- (b) with respect to the Class A4 Notes, the Notes Subscriber will pay Euro 8,108,905 as Class A4 Notes Initial Instalment Amount;

- (c) with respect to the Mezzanine Notes, the Notes Subscriber will pay Euro 141,886,440 as Mezzanine Notes Initial Instalment Amount; and
- (d) with respect to the Junior Notes, the Notes Subscriber will pay Euro 307,308,665 as Junior Notes Initial Instalment Amount.

3.1.3. Subject to the conditions set forth in these Conditions and in the Notes Subscription Agreement, following the Issue Date, during the Ramp-Up Period, the relevant Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders will be requested by the Issuer to pay, respectively, the relevant Class A3 Notes Further Instalment Amount, the Class A4 Further Instalment Amount, the Mezzanine Notes Further Instalment Amount and the Junior Notes Further Instalment Amount by sending a Notes Further Instalment Request (as defined below) in accordance with Condition 3.2 (*Notes Further Instalment Request*) below. The proceeds of each of the Class A3 Notes Further Instalment Amount, the Class A4 Further Instalment Amount, the Mezzanine Notes Further Instalment Amount and the Junior Notes Further Instalment Amount (each such sum, an “**Aggregate Notes Further Instalment Amount**”) will be applied by the Issuer to fund on each Settlement Date during the Ramp-Up Period, the payment of the relevant Purchase Price of the Further Portfolio and the Cash Reserve Increase Amount.

3.2. *Notes Further Instalment Request*

The request by the Issuer for each Aggregate Notes Further Instalment Amount (the “**Notes Further Instalment Request**”) shall be made by way of an irrevocable order of payment and shall be sent by the Issuer to the Noteholders via e-mail on each Notes Further Instalment Request Date, by including the following information:

- (a) the relevant Purchase Price of the Further Portfolio to be financed through the relevant Aggregate Notes Further Instalment Amount;
- (b) the relevant Cash Reserve Increase Amount;
- (c) (i) the Class A3 Notes Further Instalment Amount to be paid by the holders of the Class A3 Notes, (ii) the Class A4 Notes Further Instalment Amount to be paid by the holders of the Class A4 Notes, (iii) the Mezzanine Notes Further Instalment Amount to be paid by the Mezzanine Noteholders and (iv) the Junior Notes Further Instalment Amount to be paid by the Junior Noteholders as calculated by the Computation Agent pursuant to the Cash Allocation, Management and Payments Agreement and these Conditions;
- (d) confirmation that no Trigger Notice has been delivered;
- (e) confirmation that no Purchase Termination Event Notice has been delivered;
- (f) the request to credit the relevant Aggregate Notes Further Instalment Amount on the Payments Account on the relevant Settlement Date.

3.3. *Conditions to send a Notes Further Instalment Request*

The Issuer shall not send a Notes Further Instalment Request:

- (a) which would result in the Principal Amount Outstanding of the Class A3 Notes being greater than the Class A3 Notes Nominal Amount;
- (b) which would result in the Principal Amount Outstanding of the Class A4 Notes being greater than the Class A4 Notes Nominal Amount;
- (c) which would result in the Principal Amount Outstanding of the Mezzanine Notes being greater than the Mezzanine Notes Nominal Amount;
- (d) which would result in the Principal Amount Outstanding of the Junior Notes being greater than the Junior Notes Nominal Amount;
- (e) if a Trigger Notice or a Purchase Termination Event Notice has been delivered; or
- (f) after the end of the Ramp-Up Period.

3.4. *Partly Paid Notes Increase*

3.4.1. Following receipt by the Noteholders of the relevant Notes Further Instalment Request delivered by the Issuer in accordance with the provisions of Condition 3.2 (*Notes Further Instalment Request*) above, each Noteholder shall (if the conditions set out in these Conditions have been satisfied), on the relevant Settlement Date, pay the Class A3 Notes Further Instalment Amount, the Class A4 Further Instalment Amount, the Mezzanine Notes Further Instalment Amount and the Junior Notes Further Instalment Amount by bank transfer to the Payments Account and outside the systems of Euronext Securities Milan. The payment made by the Noteholders in accordance with this Condition 3.4 (*Partly Paid Notes Increase*) constitutes confirmation from the Noteholders that all the conditions precedent to the payment of the relevant Class A3 Notes Further Instalment Amount, the Class A4 Further Instalment Amount, the Mezzanine Notes Further Instalment Amount and the Junior Notes Further Instalment Amount indicated under the Notes Subscription Agreement are satisfied or waived (and such confirmation shall be final and irrevocable evidence in such respect).

3.4.2. In the event of non-payment, by any relevant holder of a Partly Paid Note, on a Settlement Date, of the entire relevant Class A3 Notes Further Instalment Amount or Class A4 Notes Further Instalment Amount or Mezzanine Notes Further Instalment Amount or Junior Notes Further Instalment Amount, as the case may be (a “**Non-Paying Noteholder**”), clause 17.5 of the Master Transfer Agreement shall apply and, consequently, the Notes Further Instalment Amount paid (if any) by the relevant holder(s) of the Partly Paid Notes – including the Non-Paying Noteholder(s) in case the latter paid only part of the relevant Notes Further Instalment Amount on such Settlement Date but excluding the Non-Paying Noteholder(s) in case the latter did not pay any amount as Notes Further Instalment Amount on such Settlement Date – on such Settlement Date, shall be returned by the Issuer by bank transfer to the relevant holder(s) of the Partly Paid Notes from the Payments Account within 1 (one) Business Day from such Settlement Date.

3.5. *Registration of the Partly Paid Notes Increase*

Upon receiving the Class A3 Notes Further Instalment Amount, the Class A4 Notes Further Instalment Amount, the Mezzanine Notes Further Instalment Amount and the Junior Notes

Further Instalment Amount in accordance with these Conditions, the Issuer shall promptly give instruction to the Paying Agent and the Account Bank to send relevant communication to Euronext Securities Milan and the relevant Euronext Securities Account Holders are responsible for registering the account respectively of the relevant Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders:

- (a) with respect to the Class A3 Notes, the Principal Amount Outstanding of the Class A3 Notes and the Class A3 Notes *pool factor*;
- (b) with respect to the Class A4 Notes, the Principal Amount Outstanding of the Class A4 Notes and the Class A4 Notes *pool factor*;
- (c) with respect to the Mezzanine Notes, the Principal Amount Outstanding of the Mezzanine Notes and the Mezzanine Notes *pool factor*; and
- (d) with respect to the Junior Notes, the Principal Amount Outstanding of the Junior Notes and the Junior Notes *pool factor*.

3.6. *Crystallization of the Partly Paid Notes*

- (a) If the Class A3 Notes Nominal Amount is not entirely paid up within the end of the Ramp-Up Period, then the Class A3 Notes Nominal Amount as at such date shall crystallize and, as a consequence, the amount of the Class A3 Notes which is not paid up by the relevant Senior Noteholders up to such date shall be cancelled, and no further amounts shall be due in respect of the Class A3 Notes by the relevant Senior Noteholders;
- (b) If the Class A4 Notes Nominal Amount is not entirely paid up within the end of the Ramp-Up Period, then the Class A4 Notes Nominal Amount as at such date shall crystallize and, as a consequence, the amount of the Class A4 Notes which is not paid up by the relevant Senior Noteholders up to such date shall be cancelled, and no further amounts shall be due in respect of the Class A4 Notes by the relevant Senior Noteholders;
- (c) If the Mezzanine Notes Nominal Amount is not entirely paid up within the end of the Ramp-Up Period, then the Mezzanine Notes Nominal Amount as at such date shall crystallize and, as a consequence, the amount of the Mezzanine Notes which is not paid up by the Mezzanine Noteholders up to such date shall be cancelled, and no further amounts shall be due in respect of the Mezzanine Notes by the Mezzanine Noteholders;
- (d) If the Junior Notes Nominal Amount is not entirely paid up within the end of the Ramp-Up Period, then the Junior Notes Nominal Amount as at such date shall crystallize and, as a consequence, the amount of the Junior Notes which is not paid up by the Junior Noteholders up to such date shall be cancelled, and no further amounts shall be due in respect of the Junior Notes by the Junior Noteholders;
- (e) It remains understood that no payment of Notes Further Instalment Amount may be made by the relevant Noteholders after the date on which the relevant Partly Paid Notes Nominal Amount crystallizes in accordance with paragraphs from (a) or (b) or

(c) or (d) above, as the case may be.

4. DENOMINATION, FORM AND TITLE

4.1. *Denomination*

The denomination of the Senior Notes and the Mezzanine Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The denomination of the Junior Notes will be Euro 1,000.

4.2. *Form*

The Notes are issued in bearer form (*al portatore*) and will be held in dematerialised form (*in forma dematerializzata*) and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act, and (ii) the Joint Regulation.

4.3. *Title and Euronext Securities Milan*

The Notes will be accepted for clearance by Euronext Securites Milan with effect from the Issue Date. The Notes will be held by Euronext Securities Milan on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Euronext Securities Milan Account Holders. No physical documents of title will be issued in respect of the Notes.

4.4. *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Euronext Securities Milan Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

4.5. *The Rules*

The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders attached to these Conditions as exhibit 1 (*Rules of the Organisation of the Noteholders*) which shall constitute an integral and essential part of these Conditions.

5. STATUS, SEGREGATION AND RANKING

5.1. *Status*

The Notes constitute direct, secured and 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 Portfolios and pursuant to the exercise of the Issuer's Rights as further specified in Condition 10.2 (*Limited recourse obligations of the Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to

accept the consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

5.2. *Segregation by law*

By virtue of the Securitisation Law, the Issuer's Rights, title and interest in and to the Portfolios and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation.

5.3. *Ranking and subordination*

5.3.1. In respect of the obligation of the Issuer to pay interest on the Senior Notes both prior to and following (i) the service of a Trigger Notice, (ii) a mandatory redemption pursuant to Condition 9.2 (*Mandatory redemption*), (iii) an optional redemption pursuant to Condition 9.3 (*Optional redemption*), (iv) an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or (v) the Final Maturity Date:

- (a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves and in priority to (i) the payment of interest on the Mezzanine Notes and the Junior Notes, (ii) the repayment of principal on the Senior Notes, the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes;
- (b) the Mezzanine Notes rank *pari passu* and without any preference or priority among themselves and (A) before the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) the payment of interest on the Junior Notes, (ii) the repayment of principal on the Senior Notes, the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes or (B) after the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) the payment of interest on the Junior Notes, (ii) the repayment of the principal on the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes but subordinated to the payment of principal on the Senior Notes; and
- (c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves and in priority to (i) the payment of principal on the Junior Notes and (ii) the payment of the Variable Return (if any) on the Junior Notes, but subordinated to payment of interest on the Rated Notes and repayment of principal on the Rated Notes.

In respect of the obligation of the Issuer to repay principal on the Notes both prior to

and following (i) the service of a Trigger Notice, (ii) a mandatory redemption pursuant to Condition 9.2 (*Mandatory redemption*), (iii) an optional redemption pursuant to Condition 9.3 (*Optional redemption*), (iv) an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (v) the Final Maturity Date:

- (a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to payment of interest on the Senior Notes and (A) before the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) payment of interest on the Junior Notes, (ii) the repayment of principal on the Mezzanine Notes and the Junior Notes and (iii) the payment of the Variable Return (if any) on the Junior Notes or (B) after the occurrence of a Mezzanine Notes Interest Subordination Event, in priority to (i) payment of interest on the Mezzanine Notes and the Junior Note, (ii) repayment of principal on the Mezzanine Notes and the Junior Notes and (iii) payment of the Variable Return (if any) on the Junior Notes.;
- (b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to (i) payment of interest on the Senior Notes and the Mezzanine Notes and (ii) repayment of principal on the Senior Notes and in priority to (a) payment of interest on the Junior Notes, (b) payment of interest on the Junior Notes and (c) payment of the Variable Return (if any) on the Junior Notes.
- (c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to (i) payment of interest on the Notes and (ii) repayment of principal on the Rated Notes and in priority to the payment of the Variable Return (if any) on the Junior Notes.

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

- 5.3.2. The Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

5.4. *Obligations of Issuer only*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person, including the Originator, the Sole Quotaholder or any Other Issuer Creditor. Furthermore, no person and none of such Transaction Parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

6. COVENANTS

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

6.1. *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Portfolios or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisation transactions permitted pursuant to Condition 6.12 (*Further securitisations*) below; or

6.2. *Restrictions on activities*

6.2.1. Engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation transaction complying with Condition 6.12 (*Further Securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

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

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

6.2.4. become the owner of any real estate asset (including in the context of a foreclosure proceeding over the assets of the Debtors); or

6.2.5. become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

6.3. *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Sole Quotaholder (or successor quotaholder(s)), or increase its capital, save as required by applicable law; or

6.4. *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia*

di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione”), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

6.5. *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisation transaction permitted pursuant to Condition 6.12 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

6.6. *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

6.7. *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolios, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

6.8. *Bank accounts*

open or have an interest in any bank account other than the Accounts or any bank account opened in relation to any further securitisation transaction permitted pursuant to Condition 6.12 (*Further securitisations*) below; or

6.9. *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

6.10. *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity, or, in general, cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

6.11. *Derivatives*

enter into derivative contracts, save as expressly permitted by article 21, paragraph 2, of the Securitisation Regulation.

6.12. *Further securitisations*

carry out any other securitisation transaction pursuant to the Securitisation Law or, without

limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Rated Notes and the eligibility of the Senior Notes as eligible collateral pursuant to the ECB Guidelines, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

7. PRIORITY OF PAYMENTS

7.1. *Pre-Enforcement Priority of Payments*

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of a mandatory redemption of the Notes pursuant to Condition 9.2 (*Mandatory redemption*), or (iii) the exercise of an optional redemption of the Notes pursuant to Condition 9.3 (*Optional redemption*), or (iv) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or (v) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the “**Pre-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period) and (b) to credit to the Expenses Account an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Servicer, the Back-Up Servicer Facilitator and the Servicer;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Senior Notes;

Fourth, before the occurrence of a Mezzanine Notes Interest Subordination Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;

Fifth, (A) to credit into the Cash Reserve Account any amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount and (B) during the Ramp-Up Period, if applicable, to pay any Cash Reserve Increase Amount into the Cash Reserve Account;

Sixth, during the Ramp-Up Period, if applicable, to pay any amount due and payable to the Originator as Purchase Price in relation to the Further Portfolio purchased on the immediately preceding Transfer Date;

Seventh, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Senior Notes Repayment Amount in respect of the Senior Notes;

Eighth, following the occurrence of a Mezzanine Notes Interest Subordination Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;

Ninth, subject to the Senior Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Mezzanine Notes Repayment Amount in respect of the Mezzanine Notes;

Tenth, to pay any amount due and payable to the Originator as adjustment of the Purchase Price or any other amount due to the Originator pursuant to the Master Transfer Agreement;

Eleventh, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under any Transaction Document which is not due and payable under the other items of this Pre-Enforcement Priority of Payments;

Twelfth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Class J Notes;

Thirteenth, subject to the Rated Notes having been redeemed in full, to pay the Junior Notes Repayment Amount (on all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000); and;

Fourteenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Variable Return (if any) on the Junior Notes.

7.2. *Post-Enforcement Priority of Payments*

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of a mandatory redemption of the Notes pursuant to Condition 9.2 (*Mandatory redemption*), or (iii) the exercise of an optional redemption pursuant to Condition 9.3 (*Optional redemption*), or (iv) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 9.4 (*Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period) and (b) to credit to the Expenses Account an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Servicer, the Back-Up Servicer Facilitator and

the Servicer;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Senior Notes;

Fourth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount Outstanding of the Senior Notes;

Fifth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Mezzanine Notes;

Sixth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount Outstanding of the Mezzanine Notes;

Seventh, to pay any amount due and payable to the Originator as adjustment of the Purchase Price or any other amount due to the Originator pursuant to the Master Transfer Agreement;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under any Transaction Document which are not due and payable under the other items of this Post-Enforcement Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Class J Notes;

Tenth, subject to the Rated Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable as Principal Amount Outstanding of the Junior Notes (on all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000);

Eleventh, subject to the Rated Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Variable Return (if any) on the Junior Notes.

8. INTEREST

8.1. *Accrual of interest*

8.1.1. Each Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date.

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

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

8.2. *Payment Dates and Interest Periods*

Interest on each Note will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling on 25 July in respect of the First Interest Period.

8.3. *Termination of interest accrual*

Each Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

8.4. *Calculation of interest*

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

8.5. *Rate of Interest*

8.5.1. *Floating Rate Senior Notes Interest Rate*

The rate of interest applicable from time to time in respect of the Floating Rate Senior Notes (the "**Floating Rate Senior Notes Interest Rate**") will be equal to the Euribor *plus* a margin of 1.00 per cent. *per annum*, floored at 0 (zero). The Euribor applicable to the Floating Rate Senior Notes for each Interest Period will be determined on the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the First Interest Period, where the applicable Euribor will be determined 2 (two) Business Days prior to the Issue Date).

8.5.2. *Fixed Rate Senior Notes Interest Rate*

The Fixed Rate Senior Notes will bear interest on their Principal Amount Outstanding from the Issue Date (included) at a rate equal to 1.50 per cent. *per annum* (the "**Fixed Rate Senior Notes Interest Rate**" and, together with the Floating Rate Senior Notes Interest Rate, the "**Senior Notes Interest Rate**").

8.5.3. *Mezzanine Notes Interest Rate*

The rate of interest applicable from time to time in respect of the Mezzanine Notes (the "**Mezzanine Notes Interest Rate**") will be equal to the Euribor plus a margin of 2.00 per cent. *per annum*, floored at 0 (zero). The Euribor applicable to the Mezzanine Notes for each Interest Period will be determined on the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the First Interest Period, where the applicable Euribor will be determined 2 (two) Business Days prior to the Issue Date).

8.5.4. *Interest on the Junior Notes*

The Junior Notes will bear interest on their Principal Amount Outstanding from the Issue Date (included) at a rate equal to 1.00 per cent. *per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate and the Mezzanine

Notes Interest Rate, the “**Rate of Interest**”).

8.6. *Determination of the Rate of Interest and calculation of the Interest Payment Amount*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

8.6.1. the Rate of Interest applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the First Interest Period, beginning on and including the Issue Date); and

8.6.2. the Euro amount (the “**Interest Payment Amount**”) payable as interest on a Note.

The Interest Payment Amount will be calculated, with regard to the following Interest Period, as follows:

- (a) with reference to the to the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes during the full Interest Period, by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary;
- (b) with reference to an increase in the Principal Amount Outstanding of the Senior Partly Paid Notes following the payment of a Class A3 Notes Further Instalment Amount or a Class A4 Notes Further Instalment Amount during the relevant Interest Period, by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary;
- (c) with reference to an increase in the Principal Amount Outstanding of the Mezzanine Notes following the payment of a Mezzanine Notes Further Instalment Amount during the relevant Interest Period, by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest

adjustment, if necessary;

- (d) with reference to an increase in the Principal Amount Outstanding of the Junior Notes following the payment of a Junior Notes Further Instalment Amount during the relevant Interest Period, by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary.

8.7. *Notification of the Rate of Interest, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

- 8.7.1. the Rate of Interest applicable for the relevant Interest Period;
- 8.7.2. the Interest Payment Amount for each Note for the relevant Interest Period; and
- 8.7.3. the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Back-up Servicer Facilitator, the Reporting Entity, the Representative of the Noteholders, the Computation Agent, the Arranger, the Notes Subscriber, the Corporate Servicer, Euronext Securities Milan and, with the cooperation of the Issuer, Borsa Italiana and will cause the same to be published in accordance with Condition 17.1 (*Notices Given Through Euronext Securities Milan*) on or as soon as possible after the relevant Interest Determination Date.

8.8. *Amendments to publications*

The Rate of Interest and the Interest Payment Amount for each Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

8.9. *Determination by the Representative of the Noteholders*

If the Issuer (or the Paying Agent on its behalf) does not at any time for any reason determine (or cause to be determined) the relevant Rate of Interest or calculate the Interest Payment Amount for the Notes in accordance with this Condition 8 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

- 8.9.1. determine (or cause to be determined) the Rate of Interest at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or (as the case may be)
- 8.9.2. determine (or cause to be determined) the Interest Payment Amount for each Note in the manner specified in Condition 8.6 (*Determination of the Rate of Interest and calculation of the Interest Payment Amount*);

and any such determination shall be deemed to have been made by the Issuer (or the Paying Agent on its behalf).

8.10. *Accrual of interest on the Rated Notes and payment of interest on the Notes*

8.10.1. Without prejudice to Condition 8.1 above, interest in respect of the Partly Paid Notes will start to accrue (a) from the Issue Date (included) in respect of the Notes Initial Instalments and (b) from the relevant Payment Date (included) in respect of any Notes Further Instalment.

8.10.2. The first payment of interest in respect of the Notes will be due on the Payment Date falling in July 2023 in respect of the period from the Issue Date (included) until the First Payment Date (excluded).

8.11. *Unpaid interest with respect to the Notes*

Without prejudice to Condition 13.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the applicable Priority of Payments), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the relevant Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest.

8.12. *Interest deferral*

Without any prejudice to the provisions of the present Condition 8 (*Interest*), the payment of interest on the Class M Notes and on the Class J Notes will be subject to deferral to the extent that there are insufficient Issuer Available Funds on any Payment Date prior to the Final Maturity Date in accordance with the applicable Priority of Payments to pay in full the relevant interest amount which would otherwise be due on such Class of Notes. The amount by which the aggregate amount of interest paid on the Class M Notes and on the Class J Notes on any Payment Date prior to the Final Maturity Date falls short of the aggregate amount of interest which otherwise would be due on such Class of Notes on that Payment Date shall be aggregated with the amount of, and treated as if it were, interest amount due on such Class of Notes on the immediately following Payment Date and will be payable on such Payment Date in accordance with the applicable Priority of Payments. No interest will accrue on any amount so deferred. Any interest amount due but not payable on the Senior Notes on any Payment Date prior to the Final Maturity Date will not be deferred and any failure to pay such interest amount will constitute a Trigger Event pursuant to Condition 13 (*Trigger Events and Purchase Termination Events*) below.

8.13. *Variable Return*

A Variable Return (if any) may or may not be payable on the Junior Notes on each Payment Date in accordance with the applicable Priority of Payments.

8.14. *Calculation of the Variable Return*

8.14.1. The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Computation Agent to calculate the Euro amount (the “**Variable Return Amount**”) payable on each Junior Note in respect of such Interest Period.

8.14.2. The Variable Return Amount payable in respect of any Interest Period in respect of each Junior Note will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes in accordance with the applicable Priority of Payments.

8.15. *Publication of the Variable Return*

The Issuer will, on each Calculation Date, cause the determination of the Variable Return Amount in respect of each Junior Note to be notified forthwith by the Computation Agent through the delivery of the Payments Report to, *inter alios*, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Arranger, the Notes Subscriber and the Reporting Entity, and will cause notice of the Variable Return Amount in respect of each Junior Note to be given in accordance with Condition 17 (*Notices*).

8.16. *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent, the Computation 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 Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

8.17. *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 notice of its appointment will be published in accordance with Condition 16 (*Notices*).

8.18. *Fallback Provisions*

8.18.1. If the Issuer or the Paying Agent determines at any time prior to, on or following any Interest Determination Date that a Benchmark Event has occurred, when any Senior Notes Interest Rate and/or any Mezzanine Notes Interest Rate (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

- (i) The Issuer shall use reasonable endeavors to appoint, prior to the next succeeding Interest Determination Date, an Independent Adviser for the determination (with the Issuer’s agreement) of a Successor Rate or,

alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the “**Alternative Benchmark Rate**”) and, in either case, an alternative screen page or source (the “**Alternative Screen Page**”) and an Adjustment Spread (if applicable) no later than 3 (three) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the “**IA Determination Cut-off Date**”) for purposes of determining the Senior Notes Interest Rate and/or Mezzanine Notes Interest Rate for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8.16);

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Euro, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reference Rate in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided however that* if (A) this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), *then* the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Screen Page as at the last preceding Interest Determination Date. For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 8.16;
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Screen Page is determined in accordance with the preceding provisions, such

Successor Rate or Alternative Benchmark Rate and Alternative Screen Page shall be the benchmark and the Screen Page in relation to the Senior Notes and/or the Mezzanine Notes for all future Interest Periods (subject to the subsequent operation of this Condition 8.16);

- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a Senior Notes Interest Rate and/or Mezzanine Notes Interest Rate and the Interest Payment Amount payable on the Senior Notes and/or the Mezzanine Notes (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Screen Page, the so called business day convention, the definition of "Business Day", the definition of "Interest Determination Date" and/or the definition of "Reference Rate", and the method for determining the fallback rate in relation to the Senior Notes and/or the Mezzanine Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread (if any), which changes shall apply to the Senior Notes and/or the Mezzanine Notes for all future Interest Periods (subject to the subsequent operation of this Condition 8.16); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Screen Page and Adjustment Spread (if any) and at least 10 (ten) Business Days prior to the first applicable Interest Determination Date, give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Computation Agent, the Paying Agent, the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*).

8.18.2. For the purpose of this Condition 8.16, the following definitions shall apply.

"Adjustment Spread" means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended or formally provided as an

option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable).

“Benchmark Event” means:

- (a) the Reference Rate has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (e) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or
- (f) it has or will become unlawful for the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Reference Rate (as applicable).

The change of the Reference Rate methodology does not constitute a Benchmark Event. In the event of a change in the formula and/or (mathematical or other) methodology used to measure the relevant benchmark, reference shall be made to the Reference Rate based on the formula and/or methodology as changed.

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as

applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer’s agreement) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

9. REDEMPTION, PURCHASE AND CANCELLATION

9.1. *Final redemption*

9.1.1. Unless previously redeemed in full or cancelled as provided in this Condition 9 (*Redemption, purchase and cancellation*), the Issuer shall redeem the Notes of each Class at their Principal Amount Outstanding, *plus* any accrued but unpaid interest on the Notes and Variable Return (if any), on the Final Maturity Date.

9.1.2. The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 9.2 (*Mandatory redemption*), 9.3 (*Optional redemption*) and 9.4 (*Optional redemption for taxation reasons*), but without prejudice to Conditions 13 (*Trigger Events and Purchase Termination Events*) and 13 (*Enforcement*).

9.2. *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the Pre-Enforcement Priority of Payments set out in Condition 7.1 (*Pre-Enforcement Priority of Payments*), the Issuer will cause:

9.2.1. the Senior Notes to be redeemed on such Payment Date in an amount equal to the Senior Notes Repayment Amount as determined on the relevant Calculation Date according to Condition 9.6;

9.2.2. the Mezzanine Notes to be redeemed on such Payment Date in an amount equal to the Mezzanine Notes Repayment Amount as determined on the relevant Calculation Date according to Condition 9.6; and

9.2.3. upon redemption of the Rated Notes, the Junior Notes to be redeemed on such Payment Date (being not the Cancellation Date) in an amount equal to the Junior Notes Repayment Amount as determined on the relevant Calculation Date according to Condition 9.6,

provided that the redemption of the Partly Paid Notes in respect of any Notes Further Instalment will be made starting from the Payment Date following the relevant Settlement Date on which such Notes Further Instalment has been paid by the Noteholder.

9.3. *Optional redemption*

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

- 9.3.1. giving not less than 30 (thirty) calendar days' prior written notice – which shall be deemed irrevocable – in accordance with Condition 17 (*Notices*) to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders of its intention to redeem the Notes; and
- 9.3.2. having produced, on or prior to the notice referred to in paragraph 9.3.1 above, evidence satisfactory to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of (a) the Senior Notes (in whole but not in part) and any other payment ranking in priority to or *pari passu* with the Senior Notes to be redeemed in accordance with the Post-Enforcement Priority of Payments, (b) the Mezzanine Notes (in whole but not in part) and any other payment ranking in priority to be redeemed to or *pari passu* with the Mezzanine Notes in accordance with the Post-Enforcement Priority of Payments Priority of Payments and (c) the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking in priority or *pari passu* with the Junior Notes to be redeemed in accordance with the Post-Enforcement Priority of Payments.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the outstanding Receivables in order to finance the redemption of the Notes in the circumstances described above.

9.4. *Optional redemption for taxation reasons*

- 9.4.1. Provided that no Trigger Notice has been served on the Issuer, if the Issuer at any time provides evidence satisfactory to the Representative of the Noteholders, immediately prior to giving the notice referred to below in this Condition 9.4, that on the following Payment Date the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the “**Affected Class**”), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Aggregate Portfolio would be subject to withholding or deduction) (a “**Tax Event**”); and
- 9.4.2. the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge at least all of its outstanding liabilities in respect of the Notes of

the Affected Class and any amount required to be paid, according to the applicable Priority of Payments, in priority to or *pari passu* with the Notes of the Affected Class, then the Issuer may at its option, on any such Payment Date – having given not less than 30 (thirty) days' prior written irrevocable notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 17 (*Notices*) – redeem the Notes of the Affected Class (if the Affected Class is the Rated Notes, in whole but not in part or, if the Affected Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to (and including) the relevant Payment Date.

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Aggregate Portfolio, or any part thereof, to finance the early redemption of the Notes, subject to the relevant terms and conditions of the Intercreditor Agreement.

9.5. *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 9.3 (*Optional redemption*) or Condition 9.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

9.6. *Calculation of Issuer Available Funds, the Required Cash Reserve Amount, the Principal Allocation Amount and the Principal Amount Outstanding*

9.6.1. On each Calculation Date, the Issuer shall calculate or cause the Computation Agent to calculate:

- (a) the amount of the Issuer Available Funds;
- (b) the Required Cash Reserve Amount on the next following Payment Date;
- (c) the Principal Allocation Amount on the next following Payment Date; and
- (d) the Principal Amount Outstanding of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of each Class).

9.6.2. The principal amount redeemable in respect of each Note of each Class (the “**Principal Payment Amount**”) on any Payment Date shall be a *pro rata* share of the Senior Notes Repayment Amount, the Mezzanine Notes Repayment Amount or the Junior Notes Repayment Amount (as the case may be) due in respect of such Class of Notes on such date in accordance with the relevant Priority of Payments. The Principal Payment Amount is calculated by multiplying the relevant Notes Repayment Amount on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of each Note of such relevant Class and the denominator of which is the then Principal Amount Outstanding of all the Notes of such same relevant Class and rounding down the resultant figures to the nearest cent, provided that the Principal Payment Amount shall never exceed the Principal Amount Outstanding of the relevant Note.

9.7. *Notice of calculation of the Issuer Available Funds, the Required Cash Reserve Amount, the Principal Payment Amount and the Principal Amount Outstanding*

The Issuer will cause each calculation of the Issuer Available Funds, the Required Cash Reserve Amount, the Principal Payment Amount and the Principal Amount Outstanding in relation to each Note, to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent, for so long as the Rated Notes are admitted to trading on ExtraMOT PRO, Borsa Italiana, and will cause notice of each calculation of the Issuer Available Funds, Required Cash Reserve Amount, Principal Payment Amount, Principal Amount Outstanding in relation to each Note to be given in accordance with Condition 17 (*Notices*) not later than four Business Days prior to each Payment Date.

9.8. *Notice of no Principal Payment Amount*

As long as the Notes are not redeemed in full, if no Principal Payment Amount is due to be made on the Notes on any Payment Date, a notice to this effect will be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) not later than 4 (four) Business Days prior to such Payment Date.

9.9. *Notice Irrevocable*

Any such notice as is referred to in Conditions 9.3 (*Optional redemption*), 9.4 (*Optional redemption for taxation reasons*) and 9.7 (*Notice of calculation of the Issuer Available Funds, the Required Cash Reserve Amount, the Principal Payment Amount and the Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 9.3 (*Optional redemption*) or Condition 9.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes in the amount so published.

9.10. *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

9.11. *Cancellation*

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

10. LIMITED RECOURSE AND NON PETITION

10.1. *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents. In particular,

10.1.1. (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and (ii) no Noteholder (nor any

person on its behalf, other than the Representative of the Noteholders) is entitled, otherwise than as permitted by the Transaction Documents, to directly enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents;

10.1.2. no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition shall not prevent the Noteholders – in compliance with the Rules – from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which do not amount to the commencement or to the threat of commencement to initiating an Insolvency Event in relation to the Issuer;

10.1.3. until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment or early cancellation of the further notes, two years and one day) after the date on which any further notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other further securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless a Trigger Notice has been served or an Insolvency Event has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

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

10.2. *Limited recourse obligations of the Issuer*

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

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

- 10.2.2. sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and
- 10.2.3. if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolios and/or the other Issuer's Rights and Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolios and/or the other Issuer's Rights and Segregated Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

11. PAYMENTS

11.1. *Payments through Euronext Securities Milan*

Payment of any amounts in respect of the Notes will be credited, directly or indirectly, according to the instructions of Euronext Securities Milan, by the Paying Agent on behalf of the Issuer to the accounts of the Euronext Securities Milan Account Holders in whose accounts with Euronext Securities Milan the Notes are held and thereafter credited by such Euronext Securities Milan Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Euronext Securities Milan, Euroclear or Clearstream, as the case may be.

11.2. *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.3. *Payments on Business Days*

The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

11.4. *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents *provided that*, for as long

as the Rated Notes are admitted to trading on ExtraMOT PRO, and the rules of ExtraMOT PRO so require, the Issuer will at all times maintain a paying agent with a Specified Office in Italy. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Condition 17 (*Notices*).

12. TAXATION

12.1. *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders, the Paying Agent, or other person (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

12.2. *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or other person (as the case may be) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

12.3. *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

12.4. *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

13. TRIGGER EVENTS AND PURCHASE TERMINATION EVENTS

13.1. *Trigger Events*

Each of the following events is a "**Trigger Event**":

13.1.1. *Non-payment*

- (i) the Issuer defaults in the payment of the Interest Payment Amount on the Senior Notes and/or the amount of principal due and payable on the Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;
- (ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

13.1.2. *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

13.1.3. *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to Condition 13.1.1 above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

13.1.4. *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

13.1.5. *Winding up etc.*

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

13.1.6. *Unlawfulness*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material in its sole discretion,

13.2. *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 14 (*Enforcement*), the Representative of the Noteholders:

13.2.1. in *the* case of a Trigger Event under Conditions 13.1.1, 13.1.4 and 13.1.5 above, shall; and

13.2.2. in the case of a Trigger Event under Conditions 13.1.2, 13.1.3 and 13.1.6 above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 13.3 is met, shall, deliver a written notice (the “**Trigger Notice**”) to the Issuer.

13.3. *Conditions to delivery of a Trigger Notice*

Notwithstanding Condition 13.2.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.4. *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Variable Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest, and shall be payable in accordance with the order of priority set out in Condition 7.2 (*Post-Enforcement Priority of Payments*).

Upon the delivery of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21, paragraph 4, letter a), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

No provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter d), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

13.5. *Purchase Termination Events*

Pursuant to the Master Transfer Agreement and the Intercreditor Agreement if, during the Ramp-Up Period and up to the Payment Date (included) immediately following the end of the Ramp-Up Period, any of the following events (each, a "**Purchase Termination Event**") occurs:

- (i) *Delivery of a Trigger Notice*: a Trigger Notice has been delivered by the Representative of the Noteholders;
- (ii) *Breach of obligations by the Originator*: (a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 5 calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator, declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders of the Senior Notes or (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party – other than the payment obligations under (i) above – and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders;
- (iii) *Breach of representations and warranties by the Originator*: any of the representations and warranties given by the Originator under any of the Transaction Documents to

which it is party is, or proves to have been, incorrect in any material respect which is materially prejudicial to the interest of the Noteholders of the Rated Notes when made or repeated and such breach is not remedied within 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator;

- (iv) *Insolvency of the Originator*: an Insolvency Event occurs in respect of the Originator;
- (v) *Breach of ratios*: (a) the Cumulative Gross Default Ratio of the Aggregate Portfolio, as determined by the Servicer is equal to 5%, as of the end of the immediately preceding Collection Period or (b) the Delinquency Ratio of the Aggregate Portfolio, as determined by the Servicer is equal or higher than 8%, with reference to the Collection Period immediately preceding the relevant Offer, as of the end of three consecutive Collection Periods or (c) the Collateralisation Condition is not satisfied as of the immediately preceding Payment Date or (d) the Cash Reserve Amount is less than the Required Cash Reserve Amount as of the immediately preceding Payment Date;
- (vi) *Termination of BPS appointment as Servicer*: the Issuer has terminated the appointment of BPS as Servicer following the occurrence of a Servicer Termination Event set forth in article 11 (*Revoca del mandato*) of the Servicing Agreement,

then, the Representative of the Noteholders shall serve a Purchase Termination Notice on the Issuer, the Originator and the Rating Agencies stating that a Purchase Termination Event has occurred. Once the Issuer, the Originator and the Rating Agencies have received notice from the Representative of the Noteholders confirming that a Purchase Termination Event has occurred, the Issuer shall refrain from purchasing any Further Portfolio and, unless the delivery of a Trigger Notice occur, the Pre-Enforcement Priority of Payments shall continue to be applied.

Upon service of a Purchase Termination Notice no more purchases of Receivables shall take place under the Master Transfer Agreement.

14. ENFORCEMENT

14.1. *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

14.2. *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Condition 14.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then

outstanding unless:

14.1.1. to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

14.1.2. if the Representative of the Noteholders is not of that opinion, such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

14.3. *Sale of Portfolios*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolios or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and clause 7.2 of the Intercreditor Agreement.

15. THE REPRESENTATIVE OF THE NOTEHOLDERS

15.1. *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

15.2. *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

16. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

17. NOTICES

17.1. *Notices given through Euronext Securities Milan*

Any notice regarding the Notes of each Class, as long as such Notes are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan.

17.2. *Notices in Italy*

As long as the Rated Notes are admitted to trading on ExtraMOT PRO, and the rules of ExtraMOT so require, any notice to Senior Noteholders shall also be published in accordance with the rules of such multilateral trading facility and in any other manner as required by the regulation applicable from time to time. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in one of the manners referred to above.

17.3. *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the Stock Exchange (or the stock exchange on which the Rated Notes are then listed) and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

18. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Condition 11.4 (*Change of Paying Agent and appointment of additional paying agents*), the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent or any paying agent appointed under Condition 11.4 (*Change of Paying Agent and appointment of additional paying agents*), the Computation 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 or any paying agent appointed under Condition 11.4 (*Change of Paying Agent and appointment of additional paying agents*), the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

19. GOVERNING LAW AND JURISDICTION

19.1. *Governing Law of Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

19.2. *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

19.3. *Jurisdiction of courts in relation to the Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out thereof or in connection therewith.

19.4. *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Noteholders is created concurrently with the issue by Centro delle Alpi SME S.r.l. (the “**Issuer**”) of and subscription for the Euro 941,600,000 Class A1 Asset Backed Floating Rate Notes due July 2060 (the “**Class A1 Notes**”), the Euro 73,000,000 Class A2 Asset Backed Fixed Rate Notes due July 2060 (the “**Class A2 Notes**”), the Euro 1,182,000,000 Class A3 Asset Backed Floating Rate Partly Paid Notes due July 2060 (the “**Class A3 Notes**”), the Euro 91,600,000 Class A4 Asset Backed Floating Rate Partly Paid Notes due July 2060 (the “**Class A4 Notes**” and, together with the Class A1 Notes, the Class A2 Notes and the Class A3 Notes, the “**Class A Notes**” or the “**Senior Notes**”), the Euro 288,000,000 Class M Asset Backed Floating Rate Notes due July 2060 (the “**Class M Notes**” or the “**Mezzanine Notes**” and, together with the Senior Notes, the “**Rated Notes**”) and the Euro 623,773,000 Class J Asset Backed Fixed Rate and Variable Return Partly Paid Notes due July 2060 (the “**Class J Notes**” or the “**Junior Notes**” and, together with the Senior Notes and the Mezzanine Notes, the “**Notes**”) and is governed by the Rules of the Organisation of the Noteholders set out therein (“**Rules**”).

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules, the terms set out below have the following meanings:

“**Basic Terms Modification**” means any proposal:

- (a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;
- (b) to reduce or cancel the amount of principal, interest or Additional Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (c) to alter the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;
- (d) to change the currency in which payments due in respect of any Class of Notes are payable;
- (e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

- (f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;
- (g) to resolve on the matter set out in Condition 10.1 (*Noteholders not entitled to proceed directly against Issuer*); or
- (h) to change this definition.

“Blocked Notes” means Notes which have been blocked in an account with a clearing system for the purpose of obtaining from the Euronext Securities Milan Account Holder a Voting Instruction and from the Paying Agent a Block Voting Instruction on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required

“Block Voting Instruction” means, in relation to a Meeting, a document issued by the Paying Agent:

- (a) certifying that certain specified Notes are held to the order of a Euronext Securities Milan Account Holder or have been blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) a specified date which falls after the conclusion of the Meeting; and
 - (ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;
- (b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;
- (c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and
- (d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

“Chairman” means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

“Conditions” means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

“Euronext Securities Milan” means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari, 6, 20123 Milan (MI), Italy.

“Euronext Securities Milan Account Holder” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan (*as intermediari aderenti*) in accordance with article 83-1 of the Consolidated Financial Act and includes any depository banks approved by Clearstream and Euroclear.

“Extraordinary Resolution” means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules to resolve on the matters set out in Article 19.

“Holder” in respect of a Note means the ultimate owner of such Note.

“Meeting” means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

“Most Senior Class of Noteholders” means, at any Payment Date (i) the Senior Noteholders, (ii) at any date following the date of full repayment of all the Senior Notes, the Mezzanine Noteholders and (iii) at any date following the date of full repayment of all the Senior Notes and the Mezzanine Notes, the Junior Noteholders.

“Most Senior Class of Notes” means, at any Payment Date, (i) the Senior Notes, (ii) following the full repayment of the Senior Notes, the Mezzanine Notes and (iii) following the full repayment of the Senior Notes and the Mezzanine Notes, the Junior Notes.

“Ordinary Resolution” means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

“Proxy” means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

- (a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and
- (b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

“Resolutions” means Ordinary Resolutions and Extraordinary Resolutions collectively.

“Specified Office” means (i) with respect to the Paying Agent (a) the office specified against its name in clause 23 (*Notices*) of the Intercreditor Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 23 (*Notices*) of the Intercreditor Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 11.4 (*Change of Paying Agent and appointment of additional paying agent*) and the provisions of the Cash Allocation,

Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 11.4 (*Change of Paying Agent and appointment of additional paying agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

“**Transaction Party**” means any person who is a party to a Transaction Document.

“**Trigger Event**” means any of the events described in Condition 13 (*Trigger Events and Purchase Termination Events*).

“**Trigger Notice**” means a notice described as such in Condition 13.2 (*Delivery of a Trigger Notice*).

“**Voter**” means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Euronext Securities Milan Account Holder or a Proxy named in a Block Voting Instruction.

“**Voting Certificate**” means, in relation to any Meeting, a certificate issued by a Euronext Securities Milan Account Holder in accordance with the Joint Regulation.

“**Written Resolution**” means a resolution in writing signed by or on behalf of the majority of the Noteholders of the relevant Class or Classes who at any relevant time are entitled to attend a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

“**24 hours**” means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

“**48 hours**” means 2 consecutive periods of 24 hours.

- 2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 Interpretation

- 2.2.1 Any reference herein to an “**Article**” shall, except where expressly provided to the contrary, be a reference to an article of these Rules.
- 2.2.2 A “**successor**” of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.
- 2.2.3 Any reference to any person defined as a “**Transaction Party**” in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective

interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Euronext Securities Milan Account Holder to issue a certificate in accordance with the Joint Regulation.

4.1.2 A Noteholder may also, by providing a Voting Certificate, require the Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction not later than 48 hours before the time fixed for the relevant Meeting.

4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 Deemed Holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Euronext Securities Milan Account Holder, the bearer thereof in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before

the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Euronext Securities Milan Account Holder.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Outstanding Amount of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place (being in the European Union), selected or approved by the Representative of the Noteholders.

6.4 Meetings via audio conference or teleconference

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may, also through its chairman office (if any), ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman

and the person drawing up the minutes will be.

7. NOTICE

7.1 Notice of meeting

At least 21 days' notice (exclusive of the day on which the relevant notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place (being in the European Union) of the Meeting, must be given to the relevant Noteholders, the Paying Agent and any other agent appointed under Condition 11.4 (*Change of Paying Agent and appointment of additional paying agent*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Euronext Securities Milan Account Holder in accordance with the provisions of the Joint Regulation and that for the purpose of appointing Proxies under a Block Voting Instruction, Notes must be held to the order of or placed under the control of the Euronext Securities Milan Account Holder or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 7 (*Notice*) are not complied with if the Holders of the Notes constituting the Principal Outstanding Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. CHAIRMAN OF THE MEETING

8.1 Appointment of Chairman

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and

moderates the debate, and defines the terms for voting.

8.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. QUORUM

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 66 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent. of the Principal Outstanding Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class.

9.2 A Resolution is validly passed when the majority of the votes cast by the Voters attending the relevant Meeting has been cast in favour of it.

10. ADJOURNMENT FOR WANT OF QUORUM

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to Articles 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and not later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (being in the European Union). No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of quorum*).

13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the directors and the auditors of the Issuer;
- (c) representatives of the Issuer, the Servicer and the Representative of the Noteholders;
- (d) financial advisers to the Issuer, the Representative of the Noteholders and the Noteholders;
- (e) legal advisers to the Issuer, the Representative of the Noteholders and the Noteholders;
- (f) any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without

proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Outstanding Amount of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. **VOTES**

16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each Euro 1,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he/she exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of the Junior Noteholders shall be effective if it is sanctioned by an Ordinary Resolution of the Senior Noteholders (to the extent that there are Senior Notes then outstanding).

19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise or instruct the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 13 (*Trigger Events*);

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

- 19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;
- 19.1.7 authorise, instruct and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- 19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;
- 19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;
- 19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.
- 19.1.11 terminate the appointment of the Originator in its capacity as Servicer;
- 19.1.12 direct the disposal of the Portfolios after the delivery of a Trigger Notice upon occurrence of a Trigger Event.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

19.3.1 No Extraordinary Resolution of the Mezzanine Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Senior Noteholders (to the extent that there are Senior Notes then outstanding); and

19.3.2 No Extraordinary Resolution of the Junior Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding).

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Articles 18.2 (*Ordinary Resolution of a single Class*), 19.2 (*Basic Terms Modification*) and 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and

(i) any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Mezzanine Noteholders the Junior Noteholders; (ii) any resolution passed at a Meeting of the Mezzanine Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders, and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. **INDIVIDUAL ACTIONS AND REMEDIES**

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 10 (*Limited recourse and non petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Article 26 (*Individual actions and remedies*) shall not prejudice the right if any Noteholder, under Condition 10.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. **FURTHER REGULATIONS**

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28 (*Appointment, removal and remuneration*), except for the appointment of the first Representative of the Noteholders which will be Banca Finanziaria Internazionale S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree No. 141 of 13 August 2010, as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial

agreement(s) for the issue and subscription of the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three calendar months from the written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound

to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings, including Insolvency Proceedings.

30.5 Consents given by Representative of Noteholders

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Rated Notes have a rating issued by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 Discretions

The Representative of the Noteholders, save as expressly otherwise provided herein or in any other Transaction Document, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 Obtaining instructions

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 Trigger Events

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness,

adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (a) the nature, status, creditworthiness or solvency of the Issuer;
- (b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;
- (c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or the Back-up Servicer Facilitator or compliance therewith;
- (d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolios; and
- (e) any accounts, books, records or files maintained by the Issuer, the Servicer, the Back-up Servicer Facilitator and the Paying Agent or any other person in respect of the Portfolios;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolios or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolios or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolios provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolios or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolios or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolios or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damage, claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a Trigger Notice pursuant to Condition 13.2.

31.3 Specific Permissions

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or

otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 Notes held by Issuer

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 Illegality

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 Resolution or direction of Noteholders

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 Certificates of Euronext Securities Milan Account Holders

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Euronext Securities Milan Account Holder in accordance with the Joint Regulation, which certificates are to be conclusive proof of the matters certified therein.

32.6 Clearing Systems

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 Certificates of Parties to Transaction Document

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any Transaction Party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.7.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.7.2 as any matter or fact *prima facie* within the knowledge of such Transaction Party; or

32.7.3 as to such Transaction Party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for

any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.8 Rating Agencies

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Rated Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Rated Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.9 Auditors

The Representative of the Noteholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

33. MODIFICATIONS

33.1 Modification

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules, the Notes or to any of the Transaction Documents for the purposes of complying with the Securitisation Regulation, provided that the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification has been advised by a reputable international law firm or, with respect to STS rules, by a firm providing verification services in relation to the Securitisation pursuant to article 28 of the Securitisation Regulation, is required solely for such purpose and has been drafted solely to such effect;

33.1.3 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the

Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Rated Notes then outstanding; and

33.1.4 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 6.12 (*Further securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 Binding Nature

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 Restriction on powers

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Outstanding Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 Notice of waiver

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to notices and the relevant Transaction Documents.

35. INDEMNITY

Pursuant to the Notes Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. LIABILITY

Notwithstanding any other provision of these Rules, the Representative of the Noteholders

shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

37. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolios. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

38. GOVERNING LAW

The Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Notes Subscription Agreement

The Notes Subscriber has, pursuant to a notes subscription agreement entered into on or about the Issue Date between the Issuer, the Originator, the Notes Subscriber, the Arrangers and the Representative of the Noteholders (the "**Notes Subscription Agreement**"), agreed to subscribe and pay the Issuer for the Notes at their issue price of 100 per cent. of their respective principal amounts upon issue and to appoint Banca Finanziaria Internazionale S.p.A. to act as the representative of the Noteholders (the "**Representative of the Noteholders**"), subject to the conditions set out therein.

The Notes Subscription Agreement is subject to a number of conditions precedent and may be terminated in certain circumstances prior to the payment of the relevant issue price of the Notes to the Issuer.

SELLING RESTRICTIONS

UNITED STATES OF AMERICA

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has understood and agreed that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered, or sold 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 U.S. Securities Act and applicable state securities laws. The Issuer has not been and will not be registered under the Investment Company Act.

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has understood and agreed that the Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Issuer and the Notes Subscriber, under the Notes Subscription Agreement, have represented and agreed that they have not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the U.S. Securities Act. None of the Notes Subscriber or its Affiliates or any persons acting respectively on behalf of the underwriter of the Notes or on behalf of its respective Affiliates will not engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the U.S. Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Notes Subscriber,

except in either case in accordance with Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

Terms used in this paragraph have the meaning given to them by Regulation S under the U.S. Securities Act.

REPUBLIC OF ITALY

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, have represented and agreed that:

No offer to public

the offering of the Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, no Notes have been or may be offered, sold or delivered, nor may copies of the Information Memorandum or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) (“**Qualified Investors**”), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Financial Act**”) and Article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation 11971**”) and Article 100 of the Consolidated Financial Act, all as amended from time to time; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 1 of the Prospectus Regulation and Article 34-*ter*, first paragraph, of Regulation 11971, as amended from time to time, and the applicable Italian laws.

provided that, in any case, the offer or sale of the Notes in the Republic of Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;

Offer to professional investors

any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of the Information Memorandum or any other document relating to the Notes in the Republic of Italy under paragraphs (a) and (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 Consolidated Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Consolidated Banking Act, as amended from time to time;
- (ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

- (iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

In any case the Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally, the Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB Regulation No. 20307 of 15 February 2018.

FRANCE

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has represented and agreed that this Information Memorandum 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 Information Memorandum 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.

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has 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 offre au public 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, L. 533-16 and L. 533-20 of the *Code monétaire et financier* (together the "Investors").

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has represented and agreed that offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Information Memorandum 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*).

For the purposes of this provision, the expression EU Prospectus Regulation means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

UNITED KINGDOM

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has

represented, warranted and undertaken that:

- (i) general compliance and financial promotion: (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; (ii) any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of 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; and
- (ii) no offer to UK retail investors: it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; and
 - (iii) not a qualified investor as defined in article 2 of the UK Prospectus Regulation; and
- (b) the expression an "**offer**" includes 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.

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has represented, warranted and agreed that it has not made and will not make an offer of Notes to the public in the UK except that it may make an offer of such Notes to the public in the UK:

1. at any time to any legal entity which is a qualified investor as defined in article 2 of the UK Prospectus Regulation;
2. at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of the UK Prospectus Regulation); or
3. at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in 1. to 3. above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (i) the expression an offer of Notes to the public in relation to any Notes 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 for the Notes; and

- (ii) the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

GENERAL RESTRICTIONS

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has undertaken to comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, offering circular (including this Information Memorandum), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each of the Issuer and the Notes Subscriber, under the Notes Subscription Agreement, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area (“**EEA**”).

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instrument (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the article 2 of EU Prospectus Regulation; and
- (b) the expression an “**offer**” includes 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 for the Notes.

In relation to each Member State of the European Economic Area (each, a “**Relevant State**”), there has not been and there will not be an offer of the Notes to the public in that Relevant State other than on the basis of an approved prospectus in conformity with the EU Prospectus Regulation except that it may make an offer of such Notes to the public in that Member State or:

1. *Qualified investor*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
2. *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), as permitted under the EU Prospectus Regulation; or
3. *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU

Prospectus Regulation.

provided that no such offer of Notes referred to in 1. to 3. above shall require the Issuer to publish a prospectus pursuant to article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to article 23 of the EU Prospectus Regulation.

For the purposes of this provision:

- (i) the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant 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 for the Notes; and
- (ii) the expression EU Prospectus Regulation means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 7 June 2023.
- (2) As of the date of this Information Memorandum, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Rated Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT. The Issuer does not have any intention to file any request for the listing or admission to trading of the Notes or any other market or multilateral trading facility, other than the ExtraMOT.
- (3) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.
- (4) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 15 May 2023 (being the date of its incorporation) that is material in the context of the issue of the Notes.
- (5) Save as disclosed in section entitled “*The Issuer*” above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
- (6) Since 15 May 2023 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the purchasing of the Portfolios, authorising the issue of the Notes and the entering into the documents referred to in this Information Memorandum and matters which are incidental or ancillary to the foregoing). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.
- (7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Euronext Securities Milan S.p.A. (a *società per azioni*) having its registered office at Piazza degli Affari 6, 20123 Milan (MI), Italy) for the account of the relevant Euronext Securities Milan Account Holders. Euronext Securities Milan shall act as depository for Euroclear and Clearstream. The Notes have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream as follows:

	<i>ISIN code</i>
<i>Class A1 Notes</i>	IT0005549412
<i>Class A2 Notes</i>	IT0005549420

<i>Class A3 Notes</i>	IT0005549438
<i>Class A4 Notes</i>	IT0005549446
<i>Class M Notes</i>	IT0005549453
<i>Class J Notes</i>	IT0005549461

- (8) The Issuer's LEI number is 815600E58BC73BCCA680.
- (9) Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents. For further details with respect to post-issuance reporting, see the section headed "*Regulatory Disclosure and Retention Undertaking*".
- (10) As long as the Notes are outstanding copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Information Memorandum at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri 1, 31015 Conegliano (TV), Italy and (iii) the Paying Agent, being, as at the Issue Date, Piazza Lina Bo Bardi, 3 20124 Milan, Italy, and also on the Securitisation Repository after the Issue Date:
- (i) the *statuto* and *atto costitutivo* of the Issuer;
 - (ii) the financial statements of the Issuer approved from time to time;
 - (iii) the following agreements:
 - Master Transfer Agreement;
 - Servicing Agreement;
 - Warranty and Indemnity Agreement;
 - Corporate Services Agreement;
 - Intercreditor Agreement;
 - Cash Allocation, Management and Payments Agreement;
 - Mandate Agreement;
 - Stichting Corporate Services Agreement;
 - Quotaholder Agreement;
 - Notes Subscription Agreement;
 - Corporate Services Agreement; and
 - Information Memorandum.
- (11) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 150,000 (including VAT and excluding fees due to the Servicer).

- (12) The total expenses payable in connection with the admission of the Rated Notes to trading on ExtraMOT PRO amount to approximately Euro 15,000 and will be borne by the Issuer.
- (13) So far as the Issuer is aware, there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Notes that are material to the issue of the Notes.
- (14) The Notes will be issued at the Issue Price of 100% of the aggregate principal amount of the Notes as at the Issue Date; consequently, the yield on the Senior Notes will be represented by the interest accruing thereon as specified in Condition 8 (*Interest*).
- (15) Even though it is expected that the Securitisation will be, on or after the Issue Date, included in the list published by ESMA referred to in article 27, paragraph 5, of the Securitisation Regulation, the STS status of a transaction is not static and investors should verify the current status of the transaction on ESMA's website.

ISSUER

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**ORIGINATOR, NOTES SUBSCRIBER,
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23100 Sondrio (SO)

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COMPUTATION AGENT,
REPRESENTATIVE OF THE
NOTEHOLDERS AND BACK-UP
SERVICER FACILITATOR**

**BANCA FINANZIARIA
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