PRE-EXECUTION

PROSPECTUS DATED 27 JULY 2021

VALCONCA SPV S.R.L.

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

€ 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060

Issue Price: 100 per cent

This Prospectus 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, in connection with the issue by Valconca SPV S.r.l. (the "**Issuer**"), a *società a responsabilità limitata* organised under the laws of the Republic of Italy, of the € 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060 (the "**Senior Notes**") and the € 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060 (the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"). This Prospectus constitutes also the admission document of the Senior 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 in Financial Instruments Directive 2014/65/EU operated by Borsa Italiana S.p.A. In relation to the Senior Notes: (i) an amount of € 155,000,000 has been issued and admitted to trading on the ExtraMOT PRO on 25 July 2018 (the "**Initial Senior Notes**") and (ii) a subsequent amount of € 362,600,000.00 will be issued and admitted to trading on the ExtraMOT PRO on the Increase Date (the "**Additional Senior Notes**"). In relation to the Junior Notes: (i) an amount of € 66,351,000.00 has been issued on 25 July 2018 (the "**Initial Junior Notes**", and together with the Initial Senior Notes, the "**Initial Notes**") and (ii) a subsequent amount of € 23,710,000.00 will be issued on the Increase Date (the "**Additional Junior Notes**"). The Additional Senior Notes and the Additional Junior Notes to be issued on the Increase Date are, collectively, referred to as the "**Additional Notes**". As at the Increase Date, the Principal Amount Outstanding of the Senior Notes will be € 215,259,501.89 (of which (i) €64,461,404.16 in respect of the Initial Senior Notes, and (ii) €150,798,097.73 in respect of the Additional Senior Notes). The Pool Factor of the Notes (being the Principal Amount Outstanding of the relevant Notes as at the Increase Date divided by the notional amount of the relevant Notes) is as follows: (i) in respect of the Senior Notes, 41.588002%; and (ii) in respect of the Junior Notes, 100%.

On 16 July 2021, all the holders of the Initial Notes, acting pursuant to the Conditions and the Rules of the Organisation of the Noteholders, adopted a written resolution pursuant to which they resolved and directed the Representative of the Noteholders to, *inter alia,* instruct the Issuer to (i) amend the terms and conditions of the Initial Notes as per the amended and restated Terms and Conditions set out under the section headed "*Terms and Conditions of the Notes*" below, and (ii) issue the Additional Notes. Accordingly, the relevant Transaction Parties entered into on 27 July 2021 an amendment agreement amending, *inter alia*, the terms and conditions of the Initial Notes. As a result of the foregoing, the terms and conditions of the Initial Notes, with effect as of the Increase Date, have been amended so as to be identical to the terms and conditions of the Additional Notes to be issued on the Increase Date (including, without limitation, the Final Maturity Date of the Initial Notes and the rate of interest applicable to the Initial Notes).

Therefore, the Additional Senior Notes and the Additional Junior Notes to be issued on the Increase Date will be fungible with the Initial Senior Notes and the Initial Junior Notes, respectively, issued on the Issue Date.

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes are and will be the collections and recoveries made in respect of monetary claims and connected rights arising out of mortgage loan and unsecured loan agreements entered into by the Originator and certain Debtors, and purchased by the Issuer from the Originator pursuant to the First Receivables Purchase Agreement and the New Receivables Purchase Agreement. The Issuer has purchased the Initial Portfolio on 12 July 2018 and the New Portfolio on 16 July 2021.

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Initial Portfolio, the New Portfolio and the other Segregated Assets and to any sums collected therefrom are and will be segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable) are and will 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 the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation, in priority to the Issuer's obligations to any other creditors.

Interest on the Senior Notes will be payable by reference to successive Interest Periods. Interest on the Senior Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable quarterly in arrear in Euro on the 28th day of January, April, July and October in each year (or, if any such day is not a Business Day, on the immediately following Business Day).

The rate of interest applicable to the Senior Notes for each Interest Period shall be the lower of: (a) 3% per annum; and (b) the higher of: (i) zero; and (ii) the rate offered in the Euro-Zone inter-bank market for three month deposits in Euro (so long as no Trigger Notice has been served) (as determined in accordance with Condition 7 (*Interest and Variable Return*), plus a margin of 0.50 per cent per annum.

The Senior Notes are and are expected to continue to be rated "*A (high) (sf)*" by DBRS Ratings GmbH and "*A(sf)*" by S&P Global Ratings Europe Limited. **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**. As of the date hereof, each of DBRS Ratings GmbH and S&P Global Ratings Europe Limited is established in the European Union and is registered under Regulation (EU) number 1060/2009, as amended by Regulation (EU) number 513/2011 and Regulation (EU) number 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority ("**ESMA**") on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

As at the date of this Prospectus, payments of interest, 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 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 are and will be limited recourse obligations solely of the Issuer. In particular, the Notes are not and will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Cash Manager, the Principal Paying Agent, the Account Bank, the Underwriter, the Stichting Corporate Services Provider or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes are and will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. If applicable, Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes are and will at all times be evidenced by book-entries in accordance with the provisions of article 83-*bis* of the Financial Laws Consolidation Act and the regulation issued jointly by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* on 13 August 2018, as subsequently amended and supplemented. No physical document of title has been or will be issued in respect of the Notes.

Before the Final Maturity Date, the Notes are and will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*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 may not be offered or sold, directly or indirectly, in any country or jurisdiction, 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 see the section entitled "*Subscription, Sale and Selling Restrictions*" below.

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

The content of any website or webpage mentioned in this Prospectus does not form part of this Prospectus.

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

CONSOB AND BORSA ITALIANA HAVE NOT EXAMINED NOR APPROVED THE CONTENT OF THIS PROSPECTUS

None of the Issuer, the Arranger, the Underwriter or any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of the Issuer, the Arranger, the Underwriter or any other party to the Transaction Documents (other than the Originator) undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Debtor. In 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 Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it takes responsibility is true and does not omit anything likely to affect the import of such information.

Banca Popolare Valconca S.p.A. has provided the information included in this prospectus in the sections entitled "Regulatory Disclosure and Retention Undertaking", "The Portfolio", "The Originator, the Servicer and the Cash Manager", "Credit and Collection Policy" *and any other information contained in this Prospectus relating to itself, the Receivables and the Loan Agreements and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Banca Popolare Valconca 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.*

Banca Finanziaria Internazionale S.p.A. has provided the information included in this Prospectus in the section entitled "The Representative of the Noteholders, the Calculation Agent, the Back-up Servicer Facilitator and the Corporate Servicer" *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.*

BNP Paribas Securities Services, Milan branch has provided the information included in this Prospectus in the section entitled "The Account Bank and the Principal Paying Agent" *and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of BNP Paribas Securities Services, Milan 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.*

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Arranger, the Underwriter, the Representative of the Noteholders, the Issuer, the Quotaholder, the Originator (in any capacity), or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or 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 Prospectus.

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets are and will be segregated from all other assets of the Issuer and amounts deriving therefrom are and will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Account Bank, the Underwriter, the Stichting Corporate Services Provider or the Quotaholder and to any third party creditor in

respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts deriving from the Portfolio and the other Segregated Assets are not and will not be available to any other creditor of the Issuer. The Issuer Available Funds have been and will be applied by the Issuer in accordance with the relevant priority of payments as set out in Condition 6 (Priority of Payments).

*Amounts payable under the Senior Notes have been and will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Prospectus to reflect any change in the registration status of the administrator.*

The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Underwriter to inform themselves about, and to observe, any such restrictions. Neither this Prospectus 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.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, 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 or for the 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 Prospectus 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. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "*Subscription, Sale and Selling Restrictions*" below.*

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

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU ("**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 Prospectus Regulation. Consequently no key information document required by Regulation (EU) number 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.

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

*All references in this Prospectus to "**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 Prospectus, unless otherwise specified, references to "**EUR**", "**euro**", "**Euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. 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 Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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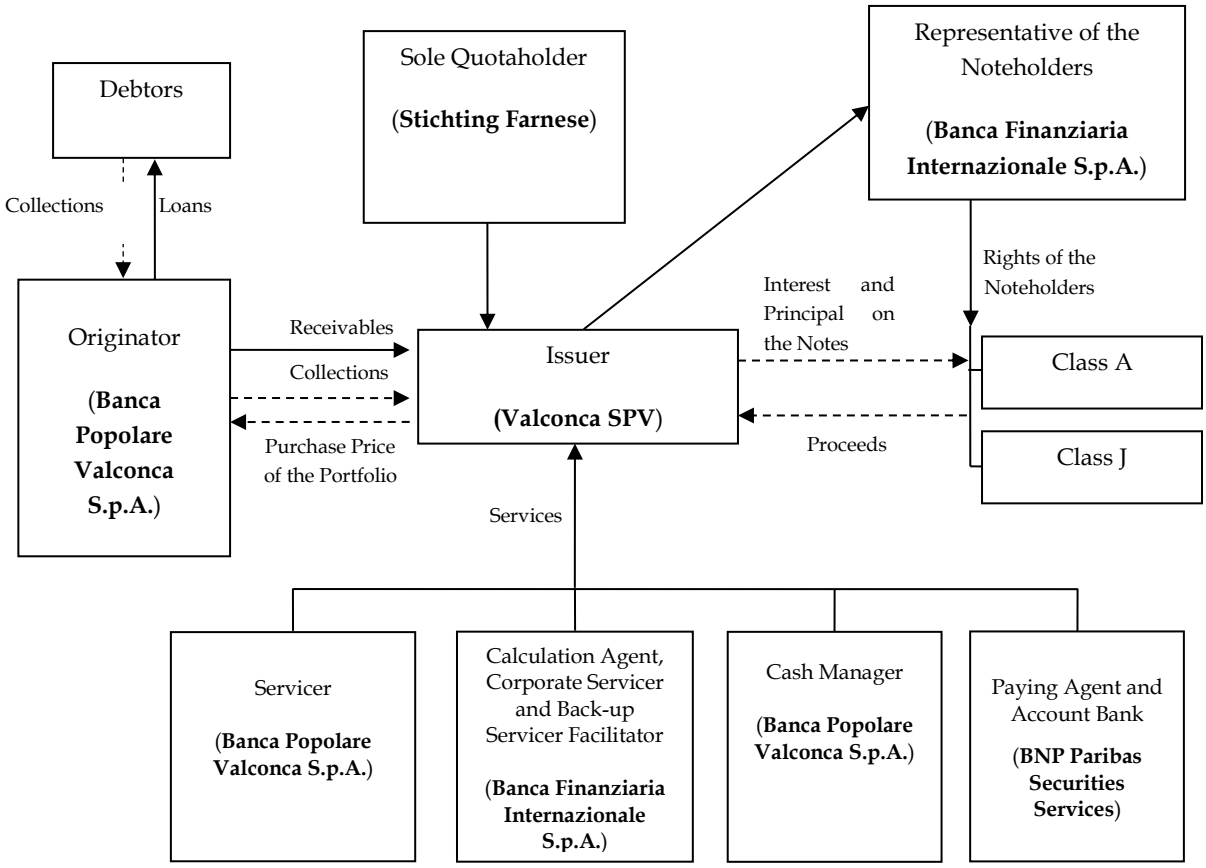
TRANSACTION DIAGRAM

The following is a diagram showing the structure of the Securitisation as at the Increase Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Securitisation on the Increase Date. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.



TRANSACTION OVERVIEW

The following information is an overview of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.

1 THE PRINCIPAL PARTIES

Issuer	**VALCONCA SPV S.R.L.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00 fully paid up, fiscal code and enrolment with the companies register of Treviso-Belluno number 04934270267, enrolled 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 and having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.
Originator	**BANCA POPOLARE VALCONCA S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Via Bucci, 61, 47833, Morciano di Romagna (RN), Italy, share capital of euro 64,305,917.19, fiscal code and enrolment with the companies register of Romagna – Forlì – Cesena e Rimini number 00125680405 and enrolled under number 627.0.0 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.
Servicer	**BANCA POPOLARE VALCONCA S.P.A.** The Servicer acts as such pursuant to the Servicing Agreement.
Representative of the Noteholders	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.**, a bank organised as a *società per azioni* under the laws of the Republic of Italy, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, fiscal code and enrolment in the companies' register of Treviso-Belluno number 04040580963, *Gruppo IVA* FININT S.p.A. - VAT number 04977190265, currently registered under number 5580 in the register of the banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, parent company of the "*Gruppo Banca Finanziaria Internazionale*" member of the "*Fondo Interbancario di Tutela dei Depositi*" and the "*Fondo Nazionale di Garanzia*".

Back-up Servicer Facilitator	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.** The Back-up Servicer Facilitator acts as such pursuant to the Cash Allocation, Management and Payments Agreement.
Calculation Agent	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.** The Calculation Agent acts as such pursuant to the Cash Allocation, Management and Payments Agreement.
Account Bank	**BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH**, a company organised and incorporated under the laws of the Republic of France as a *société en commandite par actions*, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milano-Monza-Brianza-Lodi number 13449250151, enrolled under number 5483 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act. The Account Bank acts as such pursuant to the Cash Allocation, Management and Payments Agreement.
Cash Manager	**BANCA POPOLARE VALCONCA S.P.A.** The Cash Manager acts as such pursuant to the Cash Allocation, Management and Payments Agreement.
Principal Paying Agent	**BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH.** The Principal Paying Agent acts as such pursuant to the Cash Allocation, Management and Payments Agreement.
Corporate Servicer	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.** The Corporate Servicer acts as such pursuant to the Corporate Services Agreement.
Quotaholder	**STICHTING FARNESE**, a *stichting* with sole quotaholder incorporated under the laws of the Netherlands as a *stichting*, having its registered office at Barbara Strozzilaan, 101, 1083 HN, Amsterdam (Netherlands), enrolment with the Netherlands Chamber of Commerce number 70009295, Italian fiscal code number 97798110157.
Stichting Corporate Services Provider	**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom.

Arranger	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.**
Reporting Entity	**BANCA POPOLARE VALCONCA S.P.A.**
Underwriter	**BANCA POPOLARE VALCONCA S.P.A.**

2 THE PRINCIPAL FEATURES OF THE NOTES

The Initial Notes	On the Issue Date, the Initial Notes have been issued by the Issuer in the following Classes:
Initial Senior Notes	€155,000,000 Class A Series 2 Asset Backed Floating Rate Notes due October 2060;
Initial Junior Notes	€66,351,000 Class J Series 2 Asset Backed Variable Return Notes due October 2060.
The Additional Notes	On the Increase Date, the Additional Notes will be issued by the Issuer in the following Classes:
Additional Senior Notes	€ 362,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060;
Additional Junior Notes	€ 23,710,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060. On 16 July 2021, all the holders of the Initial Notes, acting pursuant to the Conditions and the Rules of the Organisation of the Noteholders, adopted a written resolution pursuant to which they resolved and directed the Representative of the Noteholders to, *inter alia*, instruct the Issuer to (i) amend the terms and conditions of the Initial Notes as per the amended and restated Terms and Conditions set out under the section headed "*Terms and Conditions of the Notes*" below and (ii) issue the Additional Notes. Accordingly, the relevant Transaction Parties entered into on 27 July 2021 an amendment agreement amending, *inter alia*, the terms and conditions of the Initial Notes. As a result of the foregoing, the terms and conditions of the Initial Notes, with effect as of the Increase Date, have been amended so as to be identical to the terms and conditions of the Additional Notes to be issued on the Increase Date. Therefore, the Additional Senior Notes and the Additional Junior Notes to be issued on the Increase Date will be fungible, respectively, with the Initial Senior Notes and the Initial Junior Notes issued on the Issue Date.
Issue price	The Notes have been and will be issued at the following

percentages of their notional amount:

Class	Issue Price
Class A Notes	100 per cent
Class J Notes	100 per cent

With regard to the Additional Notes of each Class, the Issue Price will be multiplied by the relevant Pool Factor as at the Increase Date.

Principal Amount Outstanding of the Senior Notes

As at the Increase Date, the Principal Amount Outstanding of the Senior Notes will be € 215,259,501.89 (of which (i) € 64,461,404.16 in respect of the Initial Senior Notes, and (ii) € 150,798,097.73 in respect of the Additional Senior Notes).

Interest on the Senior Notes

The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Increase Date at the lower of:

(a) 3% per annum; and

(b) the higher of:

(i) zero; and

(ii) the Euribor for three months deposits in Euro (so long as no Trigger Notice has been served), plus a margin of 0.50 per cent. per annum.

The Euribor applicable to the Senior Notes for each Interest Period has been and will be determined on the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the Initial Interest Period, where the applicable Euribor will be determined two Business Days prior to the Issue Date).

For the avoidance of doubt, shall the Euribor no longer being calculated or administered, or it becomes illegal for the Issuer or the Principal Paying Agent to determine any amounts due to be paid, as at the relevant Payment Date, the applicable benchmark shall be such alternative rate which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities, as identified by the Representative of the Noteholders, in consultation with an independent financial advisor (the "**IFA**"), appointed by the Representative of the Noteholders, provided however that if the IFA determines that there is no clear market consensus as to whether any rate has replaced Euribor in customary market usage, the IFA shall determine an

	appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Representative of the Noteholders, the Principal Paying Agent and the Noteholders. Interest in respect of the Senior Notes has accrued and will accrue on a daily basis and has been paid and will be payable in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Senior Notes, following the Increase Date, will be due on the Payment Date falling in October 2021.
Variable Return on the Class J Notes	A Variable Return, if any, shall be payable on the Class J Notes on each Payment Date in accordance with the Conditions. The Variable Return payable on the Class J Notes on each Payment Date has been and 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 Class J Notes on such Payment Date in accordance with the applicable Priority of Payments.
Form and denomination	The denomination of the Senior Notes and of the Class J Notes has been and will be, respectively, €100,000 and €1,000. The Notes are and will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes have been and will at all times be in book entry form and title to the Notes has been and will be evidenced by book entries in accordance with the provision of article 83-bis of the Financial Laws Consolidation Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title have been or will be issued in respect of the Notes.
Ranking, status and subordination	The Senior Notes will at all times rank without preference or priority pari passu among themselves for all purposes. The Junior Notes will at all times rank without preference or priority pari passu among themselves for all purposes. Both prior to and following the delivery of a Trigger Notice, payments of interest and principal due on the Senior Notes will rank in priority to payments of principal and Variable Return due 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 applicable Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

Withholding on the Notes

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

For further details see section headed "Taxation".

Mandatory redemption

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

Optional redemption

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the Issuer:

(i) giving not more than 60 and not less than 30 days' prior written notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and

(ii) delivering, prior to the notice referred to in paragraph (i) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or pari passu with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial

redemption) and any other payment ranking higher or pari passu therewith in accordance with the Post Trigger Notice Priority of Payments.

The Issuer may obtain the funds necessary to finance the early redemption of the Notes through the sale of the Portfolio to the Originator. Pursuant to the New Receivables Purchase Agreement, the parties have confirmed and extended to the New Portfolio the option right granted by the Issuer to the Originator pursuant to the First Receivables Purchase Agreement, in accordance with article 1331 of the Italian civil code, pursuant to which the Originator may repurchase, without recourse, from the Issuer the outstanding Portfolio, in accordance with the provisions of article 58 of the Consolidated Banking Act and subject to the conditions set out in the First Receivables Purchase Agreement, at a purchase price which (together with the other Issuer Available Funds) shall be sufficient to pay at least (i) the Senior Notes at their Principal Amount Outstanding, (ii) the Junior Notes at their Principal Amount Outstanding or any other lower amount determined by the Meeting of the Junior Noteholders, (iii) the accrued and unpaid interest on the Senior Notes and (iv) any other payment in priority to or pari passu with any payment due under paragraphs from (i) to (iv) above in accordance with the Post Trigger Notice Priority of Payments. The Issuer has undertaken, in each Receivables Purchase Agreement, to apply the purchase price received by the Originator following the exercise by the latter of the option referred to above in performing the optional redemption of the Notes in accordance with the Post Trigger Notice Priority of Payments.

Optional redemption for taxation reasons

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

(i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction but irrespective of whether such Tax Deduction arises or may arise from any change in the tax law of Italy or any change in the official interpretation of the tax law of Italy); or

(ii) any changes in the tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

and provided that the Issuer has provided to the Representative

of the Noteholders:

(a) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds, not subject to the interests of any other person, to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or pari passu with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Class J Notes (or, in case of redemption in part of the Class J Notes, the relevant portion of its outstanding liabilities in respect of the Class J Notes, the Class J Noteholders having consented to such partial redemption) and any other payment ranking higher or pari passu therewith in accordance with the Post Trigger Notice Priority of Payments,

the Issuer may, in accordance with the Post Trigger Notice Priority of Payments and subject to as provided in the Conditions, redeem in whole (but not in part) the Senior Notes and in whole (or in part, the Class J Noteholders having consented to such partial redemption) the Class J Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

Final Maturity Date

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

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any monetary claim of the Issuer under the Transaction Documents, all cash-flows deriving from both of them and any Eligible Investments purchased therewith (together, the "**Segregated Assets**") are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and the other Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect

of any costs, fees and expenses in relation to the Securitisation.

The Portfolio and the other Segregated Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the other Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such powers.

Trigger Events

If any of the following events occurs:

(a) Non-payment

the Issuer defaults in the payment of the Interest Payment Amount on the Senior Notes and/or principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

(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 due and payable on the Most Senior Class of Notes) 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) Insolvency of the Issuer

an Insolvency Event occurs with respect to the Issuer; or

(d) Unlawfulness

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

then the Representative of the Noteholders may, in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall, serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest, Variable Return and other amounts due in respect of the Notes shall be made according to the order of priority set out in Condition 6.2 and described under "Post Trigger Notice Priority of Payments" below and on such dates as the Representative of the Noteholders may determine. In addition, following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof 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.

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 and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular:

(i) 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 provision shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for, or to making an administration order against, or to the winding up or liquidation of, the Issuer;

(ii) 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 notes, two years and one day) after the date on which the Previous Notes or any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, 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 any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholders may then only proceed subject to the provisions of the Conditions and the Rules, and provided further that this provision shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party; and

(iii) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

Limited recourse obligations of Issuer

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

(i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital

(ii) sums payable to each Noteholder in respect of the Issuer's

obligations to such Noteholder shall be limited to the lesser of: (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or pari passu with, sums payable to such Noteholder; and

(iii) 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 Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (Notices) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

The Organisation of the Noteholders and the Representative of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who has been appointed by the Underwriter in the Initial Notes Subscription Agreement. Pursuant to the Additional Notes Subscription Agreement the relevant parties have acknowledged that, the Additional Notes being fungible with the Initial Notes, the appointment of Banca Finanziaria Internazionale S.p.A. (formerly, Securitisation Services S.p.A.) as Representative of the Noteholders is effective also with respect to the Additional Notes.

Each Noteholder is deemed to accept such appointment.

Rating

The Senior Notes are and are expected to continue to be rated "A(high)(sf)" by DBRS Ratings GmbH and "A(sf)" by S&P Global Ratings Europe Limited.

It is not expected that the Class J Notes will be assigned a credit rating.

A security 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.

As of the date hereof, DBRS Ratings GmbH and S&P Global Ratings Europe Limited are established in the European Union and are registered under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 and Regulation (EU) No. 462/2013 (the "CRA Regulation"), as it appears from the most updated list published by European Securities and Markets Authority (ESMA) on the ESMA website.

Admission to trading

The Initial Senior Notes have been 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/EU managed by Borsa Italiana S.p.A.

Application has been made for the Additional Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility "ExtraMOT", with effect from the Increase Date.

No application has been made nor will be made to list or admit to trading the Junior Notes on any stock exchange or other multilateral trading facility.

Governing Law

The Notes and any non-contractual obligations arising out thereof are and will be governed by Italian Law.

3 ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement and the New

Warranty and Indemnity Agreement, but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreements, the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period; and

(viii) on the Payment Date on which all the Notes will be redeemed in full or otherwise cancelled, all of the funds then standing to the balance of the Expenses Account.

Following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall comprise, in addition to the amounts set out above, any other amount standing to the credit of the Accounts as at the immediately

preceding Calculation Date.

Pre Trigger Notice Priority of Payments

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final Redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or 8.4 (*Redemption, Purchase and Cancellation – Optional Redemption for taxation reasons*), the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

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

Second, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

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

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A Notes on such Payment Date;

Sixth, to credit into the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Required Cash Reserve Amount;

Seventh, to pay, *pari passu* and *pro rata*, (i) if no Acceleration Event has occurred the Class A Notes Formula Redemption Amount to the Class A Noteholders in respect of the Class A Notes on such

Payment Date, or (ii) if an Acceleration Event has occurred the Principal Amount Outstanding in respect of the Class A Notes to the Class A Noteholders;

Eight, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the relevant Receivables Purchase Agreement;

Ninth, to pay, *pari passu* and *pro rata*, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Pre Trigger Notice Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata*, the Class J Notes Formula Redemption Amount to the Class J Noteholders until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Eleventh, to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

Twelfth, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Class J Notes Retained Amount on the Junior Notes.

Post Trigger Notice Priority of Payments

On each Payment Date following the delivery of a Trigger Notice, and upon redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final Redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or 8.4 (*Redemption, Purchase and Cancellation – Optional Redemption for taxation reasons*), the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses in accordance with applicable law relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A Notes on such Payment Date;

Sixth, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding in respect of the Class A Notes;

Seventh, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the relevant Receivables Purchase Agreement;

Eighth, to pay any amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Tenth to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

Eleventh, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari*

passu and *pro rata*, all amounts outstanding in respect of Class J Notes Retained Amount on the Junior Notes.

4 TRANSFER OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes is and will be collections and recoveries made in respect of (i) the Initial Portfolio purchased on 12 July 2018 by the Issuer pursuant to the terms of the First Receivables Purchase Agreement, and (ii) the New Portfolio purchased on 16 July 2021 by the Issuer pursuant to the terms of the New Receivables Purchase Agreement.

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

The Purchase Price in respect of the Initial Portfolio, equal to the sum of all Individual Purchase Prices of the relevant Receivables, has been paid on the Issue Date using part of the proceeds of the issue of the Initial Notes.

The Purchase Price in respect of the New Portfolio, equal to the sum of all Individual Purchase Prices of the relevant Receivables, will be paid on the Increase Date using part of the proceeds of the issue of the Additional Notes.

See for further details the sections headed "*The Portfolio*", "*Description of the Transaction Documents - The First Receivables Purchase Agreement*" and "*Description of the Transaction Documents - The New Receivables Purchase Agreement*".

Servicing of the Portfolio

On 12 July 2018, the Servicer and the Issuer entered into the Servicing Agreement (subsequently amended on 27 July 2021), pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

The Servicer has undertaken to prepare and submit to the Issuer, on a monthly and a quarterly basis, reports in the form set out in the Servicing Agreement. In particular, the Servicer shall prepare: (i) on a monthly basis, a Monthly Servicer's Report, containing information relating to the Collections made in respect of the Portfolio during the relevant Monthly Collection Period; and (ii) on a quarterly basis, a Quarterly Servicer's

Report, providing key information relating to the Collections made in respect of the Portfolio and the Servicer's activity during the relevant Quarterly Collection Period, including, without limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections during the preceding Quarterly Collection Period and a performance analysis.

In addition, the Servicer has undertaken to prepare and deliver to the Reporting Entity, on each Transparency Report Date a Transparency Servicer's Report providing the information referred to in article 7(1)(a) of the Securitisation Regulation.

See for further details the section headed "*Description of the Transaction Documents - The Servicing Agreement*".

Warranties and indemnities

In the Warranty and Indemnity Agreement and in the New Warranty and Indemnity Agreement, the Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, the Receivables and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties.

See for further details the sections headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*" and "*Description of the Transaction Documents - The New Warranty and Indemnity Agreement*".

5 CREDIT STRUCTURE

Intercreditor Agreement

Under the terms of the Intercreditor Agreement (subsequently amended on 27 July 2021), the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Trigger Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and any third party creditors in respect of costs and expenses incurred by the Issuer in the context of the Securitisation, in accordance with the terms of the Post Trigger Notice Priority of Payments.

Under the terms of the Intercreditor Agreement, the Issuer and the Originator have agreed to the designation of the Originator as Reporting Entity in accordance with article 7(2) of the Securitisation Regulation in order to comply − starting from the Increase Date − with the information requirements pursuant to letters (a), (c), (e), (f) and (g) of article 7(1) of the Securitisation

Regulation.

See for further details the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

Retention and information undertakings

In the Intercreditor Agreement, the Originator has undertaken (i) to retain, in accordance with option (3)(d) of article 6 of the Securitisation Regulation, on an ongoing basis, a material net economic interest not lower than 5% in the Securitisation, and (ii) to make available, on the Issue Date or on the Increase Date and then on a quarterly basis, through the Investors Report and the Transparency Investors Report, certain information to prospective investors.

See for further details the section headed "*Regulatory Disclosure and Retention Undertaking*".

Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement (subsequently amended on 27 July 2021), the Account Bank, the Cash Manager, the Calculation Agent, the Back-up Servicer Facilitator, the Corporate Servicer and the Principal Paying Agent have agreed to provide the Issuer with certain calculation, notification, cash management and reporting services together with account handling services in relation to moneys and securities from time to time standing to the credit of the Accounts and the Expenses Account and with certain agency services.

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

In addition, the Calculation Agent has undertaken to prepare and deliver to the Reporting Entity a Transparency Investors Report setting out certain information with respect to the Notes, in compliance with Article 7(1)(e), 7(1)(f) and 7(1)(g) of the Securitisation Regulation and the applicable Regulatory Technical Standards. The Transparency Investors Report shall be prepared both (i) on or prior to the Transparency Report Date with reference to the information requested under Article7(1)(e),

7(1)(f) and 7(1)(g) of the Securitisation Regulation, and (ii) in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and (g) of the Securitisation Regulation) has occurred, without delay with reference to the information requested under Article 7(1)(f) and 7(1)(g) of the Securitisation Regulation.

See for further details the section headed "*Description of the Transaction Documents - The Cash Allocation, Management and Payments Agreement*".

Cash Reserve

Part of the proceeds of the issuance of the Initial Notes (in an amount equal to the amount of the Cash Reserve Initial Amount) was deposited by the Issuer on the Issue Date in the Payments Account and, on the same date, transferred to the Cash Reserve Account to form the Cash Reserve.

Part of the proceeds of the issuance of the Additional Notes (in an amount equal to the amount of the Cash Reserve Increased Amount) shall be transferred by the Issuer on the Increase Date to the Cash Reserve Account to increase the Cash Reserve.

The Cash Reserve will be used on each Payment Date, together with the other Issuer Available Funds for making the payments under items from *First* to *Fifth* of the Pre Trigger Notice Priority of Payments.

Prior to the delivery of a Trigger Notice and up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Cash Reserve Account will be replenished on any Payment Date, to the extent there are Issuer Available Funds applicable for such purpose, up to the Required Cash Reserve Amount, in accordance with the Pre Trigger Notice Priority of Payments.

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents 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.

See for further details the section headed "*Description of the Transaction Documents - The Mandate Agreement*".

Corporate Services Agreement

Under the terms of the Corporate Services Agreement between the Issuer and the Corporate Servicer, as extended to the Securitisation pursuant to the Agreement for the Extension of the Corporate Services Agreement, the Corporate Servicer has agreed to provide certain corporate administrative services to the Issuer.

See for further details the section headed "*Description of the Transaction Documents - The Corporate Services Agreement*".

Stichting Corporate Services Agreement

Under the terms of the Stichting Corporate Services Agreement between the Issuer, the Stichting Corporate Services Provider and Stichting Farnese, as extended to the Securitisation pursuant to the Agreement for the Extension of the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide certain corporate administrative services to Stichting Farnese.

See for further details the section headed "*Description of the Transaction Documents - The Stichting Corporate Services Agreement*".

6 THE ACCOUNTS

Collection Account

Pursuant to the Servicing Agreement and the Cash Allocation, Management and Payments Agreement, the Servicer shall credit to the Collection Account all the amounts received or recovered under the Receivables on the Business Day on which such amounts are so received or recovered.

The Collection Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Securities Account

The Issuer has established with the Account Bank the Securities Account in which any Eligible Investments purchased using funds standing to the credit of the Collection Account, the Cash Reserve Account and the Payments Account represented by securities shall be deposited or recorded.

The Securities Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Payments Account

All amounts payable on each Payment Date will, two Business Days (or one Business Day, for as long as the Principal Paying Agent and the Account Bank are the same entity) prior to such Payment Date, be paid into the Payments Account established in

the name of the Issuer with the Account Bank.

The Payments Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Cash Reserve Account

The Issuer has established with the Account Bank the Cash Reserve Account.

Part of the proceeds of the issuance of the Initial Junior Notes has been deposited by the Issuer on the Issue Date in the Payments Account and, on the same date, has been transferred to the Cash Reserve Account to form the Cash Reserve.

Part of the proceeds of the issuance of the Additional Notes shall be deposited by the Issuer on the Increase Date in the Payments Account and, on the same date, transferred to the Cash Reserve Account to increase the Cash Reserve.

The Cash Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Prior to the delivery of a Trigger Notice and up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Cash Reserve Account will be replenished on any Payment Date, to the extent there are Issuer Available Funds applicable for such purpose, up to the Required Cash Reserve Amount, in accordance with the Pre Trigger Notice Priority of Payments.

On the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds (inclusive of the balance of the Cash Reserve Account) are sufficient to repay in full on such Payment Date the Senior Notes, the Calculation Agent shall consider the Required Cash Reserve Amount to be equal to zero, the amounts standing to the credit of the Cash Reserve Account shall be transferred into the Payments Account pursuant to the Cash Allocation, Management and Payments Agreement and, as soon as practicable thereafter, the Cash Reserve Account shall be closed.

Expenses Account

The Issuer has established the Expenses Account with Banca Monte dei Paschi di Siena S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, a pre-determined amount will be credited which will be used by the Issuer to pay any Expenses.

Quota Capital Account	The Issuer has established the Quota Capital Account with Banca Monte dei Paschi di Siena S.p.A., for the deposit of its paid quota capital.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

In the Intercreditor Agreement (as subsequently amended on 27 July 2021), for the purpose of the Securitisation Regulation, the Commission Delegated Regulation (EU No. 625/2014) and any applicable Regulatory Technical Standards, Banca Popolare Valconca S.p.A., pursuant to article 6 of the Securitisation Regulation ("**Article 6**") has represented, warranted and undertaken to the other parties thereto and the Representative of the Noteholders that:

(a) so long as the Notes are outstanding, it will retain on an on-going basis a material net economic interest of at least 5 per cent. in its contribution to the Securitisation in accordance with Article 6, and such interest will comprise, in accordance with option 3(d) of Article 6 and any applicable Regulatory Technical Standards, an interest in the Junior Notes which is not less than 5 per cent. of the nominal value of the securitised exposures assigned by itself pursuant to the First Receivables Purchase Agreement and the New Receivables Purchase Agreement;

(b) it shall not change the manner in which the net economic interest set out above is held until the Final Maturity Date, save as permitted by the Securitisation Regulation, the Commission Delegated Regulation EU No. 625/2014 and any applicable Regulatory Technical Standards;

(c) it shall disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with option 3(d) of Article 6 and give the relevant information to the Noteholders and prospective investors (*e.g.* the information required by article 7(1)(e)(iii) of the Securitisation Regulation and any applicable Regulatory Technical Standards);

(d) it shall ensure that Noteholders and prospective investors have readily available access to all information as it would be 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; and

(e) it shall notify the Noteholders of any change to the manner in which the material net economic interest set out above is held.

In particular, in accordance with the Intercreditor Agreement (as subsequently amended on 27 July 2021), the Originator, without prejudice to its obligations above:

(i) has represented that the information referred to in clause 2.4 of the Intercreditor Agreement, has been included, (i) as at the Issue Date, in the section headed "*Regulatory Disclosure and Retention Undertaking*" of the prospectus dated 24 July 2018 issued by the Issuer in connection with the issuance of the Initial Notes; and, (ii) as at the Increase Date, in the section of this Prospectus headed "*Regulatory Disclosure and Retention Undertaking*"; and

(ii) has confirmed that, pursuant to article 7 of the Securitisation Regulation, it has ensured readily available access to all materially relevant data on the credit quality and performance of the Portfolio and by providing all available data to the Issuer.

The Originator has further represented, warranted and undertaken that the material net economic interest retained by it in compliance with option 3(d) of Article 6 shall not be subject to any credit risk mitigation or any short position or any other hedge, as and to extent required by Article 6.

Under the Intercreditor Agreement (as subsequently amended on 27 July 2021), the Originator and the Issuer have designated among themselves the Originator as the reporting entity pursuant to article 7(2)

of the Securitisation Regulation. The Originator, in its capacity as Reporting Entity, has expressly accepted to act as such in the context of the Securitisation and has fulfilled before pricing of the Additional Notes and/or shall fulfil after the Increase Date the information requirements pursuant to items (a), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information through the Data Repository (as defined below). The Reporting Entity has undertaken, as soon as reasonably practicable upon a data repository pursuant to article 10 of the Securitisation Regulation having been authorised by ESMA and enrolled within the relevant register, to appoint an authorised data repository (the entity so appointed, the "**Data Repository**") and make available through the Data Repository, in accordance with article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority), the information required to be disclosed to Noteholders, potential investors in the Notes and competent authorities referred to in article 29 of the Securitisation Regulation.

As to the information to be provided following the Increase Date on an ongoing basis, the Reporting Entity has undertaken that it will provide without delay the information under items (a), (e), (f) and (g) of article 7(1) of the Securitisation Regulation and it will make available the information provided for under items (a) and (e) of article 7(1) of the Securitisation Regulation simultaneously each Transparency Report Date, at the latest, one month after the relevant Payment Date. In addition, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Servicer shall prepare and deliver to the Reporting Entity, on each Transparency Report Date, a Transparency Servicer's Report providing the information referred to in article 7(1)(a) of the Securitisation Regulation; (ii) the Servicer shall report any relevant Material Information to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Material Information to the Noteholders without delay (and, in any case, on the immediately following Transparency Report Date, together with the Transparency Servicer's Report and the Transparency Investors Report); (iii) the Calculation Agent shall prepare and deliver to the Reporting Entity a Transparency Investors Report setting out certain information with respect to the Notes, in compliance with Article 7(1)(e), 7(1)(f) and 7(1)(g) of the Securitisation Regulation and the applicable Regulatory Technical Standards. The Transparency Investors Report shall be prepared both (x) on or prior to the Transparency Report Date with reference to the information requested under Article 7(1)(e), 7(1)(f) and 7(1)(g) of the Securitisation Regulation, and (y) in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and (g) of the Securitisation Regulation) has occurred, without delay with reference to the Material Information; (iv) the Issuer shall deliver to the Reporting Entity a copy of the final Prospectus, the other final Transaction Documents and any other document or information that may be required to be disclosed to the Noteholders or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards; and (v) the Issuer shall report any relevant Material Information to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Material Information to the Noteholders without delay (and, in any case, on the immediately following Transparency Report Date, together with the Transparency Servicer's Report and the Transparency Investors Report).

The Noteholders should be aware that the Receivables transferred to the Issuer by the Originator pursuant to the New Receivables Purchase Agreement could cause losses - calculated for the duration of the Securitisation, or for a maximum period of 4 years (in case the Securitisation lasts more than 4 years), higher than any losses which could have been caused, during the same period of time (the

"**Relevant Period**"), by assets having characteristics comparable to the Receivables and held in the balance sheet of the Originator (the "**Comparable Assets**"). Even though the Originator has represented in the New Warranty and Indemnity Agreement that the selection of the Receivables has been carried out by applying the Criteria and without any adverse selection of assets which were estimated to generate losses higher than any losses which could be generated by the Comparable Assets during the Relevant Period, it cannot be excluded that the Portfolio may record such higher losses.

RISK FACTORS

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

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

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

RISK FACTORS IN RELATION TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer and/or the Substitute Servicer from the Portfolio, (ii) the amounts standing to the credit of the Cash Reserve Account, and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest or Variable Return on the Notes, or to repay the Notes in full.

No independent investigation in relation to the Receivables

None of the Issuer, the Arranger or the Underwriter nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements nor has

any of them 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 such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement and in the New Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement (see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement*", below). There can be no assurance that the Originator will have the financial resources to honour such obligations.

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the Scheduled Instalment Dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Senior Notes through the support provided to the Issuer in respect of payments on the Senior Notes by the Cash Reserve.

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the Loans in order to discharge all amounts due from the Debtors under the Loan Agreements. This risk is mitigated by the availability of the Cash Reserve and, with respect to the Senior Notes, by the credit support provided by the Junior Notes. No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

Although the Issuer believes that the Portfolio has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes, there can, however, be no assurance that the level of collections and recoveries received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

Credit risk on Banca Popolare Valconca S.p.A. and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by Banca Popolare Valconca S.p.A. (in any capacity) and the other parties to the Transaction Documents of their respective obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any). The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

If an event of default occurs in relation to the Servicer ("**Termination Event**") pursuant to the terms of the Servicing Agreement, the Issuer and/or the Representative of the Noteholders may terminate the appointment of the Servicer. It is not certain that a suitable alternative servicer ("**Substitute Servicer**") could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. In order to mitigate such risk, pursuant to the Transaction

Documents, the Back-up Servicer Facilitator shall cooperate with the Issuer to identify and appoint a replacement for the Servicer. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the Issuer to make payments related to the Notes.

However, the ability of the Substitute Servicer to fully perform its duties would depend on the information and records made available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the Servicer. Therefore, no assurance can be given that Substitute Servicer will continue to service the Portfolio on the same terms as those provided for by the Servicer.

In addition, the Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections then held by the Servicer and not yet credited into the Collection Account are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as the obligation of the Servicer in the Servicing Agreement to credit any Collections to the Collection Account (which shall at all times be maintained with an Eligible Institution) within the first Business Day immediately following the day of receipt thereof.

See for further details the sections headed "*Description of the Transaction Documents - The Servicing Agreement*".

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Senior Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Notes.

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, the Previous Portfolio and/or any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and any amounts deriving therefrom (to the extent such amounts have not been and are not commingled with other sums) will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio and the other Segregated Assets will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Portfolio would have the right to claim in respect of the Portfolio and the other Segregated Assets, even in a bankruptcy of the Issuer.

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors

with the amounts standing to the credit of the Expenses Account in accordance with the applicable Priority of Payment. Following commencement of winding up proceedings in respect of the Issuer, a liquidator would control the assets of the Issuer including the Portfolio, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to file any petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer 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 notes, two years and one day) after the date on which the Previous Notes or any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any further securitisation, the Noteholders and the Other Issuer Creditors and the other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account, into which the Retention Amount has been credited on the Issue Date and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item First of the Priority of Payments. Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Previous Securitisation and further securitisations

On 28 June 2018 the Issuer carried out the Previous Securitisation through the issuance of the Previous Notes collateralised by the Previous Portfolio.

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Previous Portfolio and the Portfolio subject to the provisions of Condition 5.11 (*Covenants – Further Securitisations*).

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

notes issued to finance any other securitisation transaction or to general creditors of the issuing company.

Changes in the Portfolio composition

During the life of the Securitisation, the characteristics of the Portfolio may become different from the ones that the Portfolio had as at the Valuation Date (such characteristics being schematically shown in the section headed "*The Portfolio*"). Such a change in the composition of the Portfolio may occur, *inter alia*, due to the following circumstances:

(i) *Servicing of the Portfolio* - under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as renegotiations, payment suspensions/deferrals and/or settlements in respect of the Loan Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the relevant Debtors under the relevant Loans. Under the terms of the Servicing Agreement, the Servicer may conclude with the relevant Debtors settlement agreements envisaging amendments to the amortisation plan of the Loans only if certain conditions set by the Servicing Agreement are satisfied;

(ii) *Repurchase rights* – the Originator has been granted (i) an option right to repurchase the Portfolio, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the First Receivables Purchase Agreement and the New Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, each of the First Receivables Purchase Agreement and the New Receivables Purchase Agreement provides that the Originator may exercise the repurchase option only if the overall amount of the Receivables repurchased through the exercise of such option does not exceed (a) 10% of the Outstanding Principal of the Portfolio as of the Valuation Date, and (b) in respect of each calendar year, 2% of the Outstanding Principal of the Portfolio as of the Valuation Date.

Tax treatment of the Issuer

(i) The Issuer is an Italian corporate entity and, as such, is subject in principle to corporate income tax ("**IRES**") and regional tax for productive activities ("**IRAP**"). However, assuming that, based on the provision of the Securitisation Law and on a correct application of the applicable accounting principle, the assets and liabilities acquired, assumed and beneficially owned by the Issuer are lawfully treated as off-balance sheet assets and liabilities for accounting purposes (*i.e.* a "*substance over form*" approach), any income derived by the Issuer from the Portfolio and under any of the documents pertaining to the Securitisation in relation to the Securitisation, should not be subject to any taxation with the only exception of amounts, if any, available to the Issuer after the full discharge of its obligations in relation to the Notes and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. This conclusion is based on the interpretation of article 83 of decree number 917/1986, under which positive and negative items of income are included in the computation of the taxable income to the extent they must be included in the profit and loss account of the taxpayer and has been confirmed by the Italian tax authority in Circular letter of 6 February 2003, number 8/E and in resolution of 4 August 2010,

number 77/E. In particular, the Italian tax authorities have stated that, in the context of a securitisation transaction, only amounts, if any, available to a securitisation vehicle after fully discharging its obligations towards the noteholders and any other creditors of the securitisation vehicle in respect of any costs, fees, and expenses in relation to the securitisation transaction, should be imputed for tax purposes to the securitisation vehicle.

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

(iii) Under article 3, paragraph 2, number 3) of Italian presidential decree number 633 of 26 October 1972 (the "**Decree 633**"), a transfer of cash receivables falls within the scope of Italian VAT but is exempt from such tax pursuant to article 10, paragraph 1, number 1), of Decree 633 if it (a) is carried out in the context and for the purpose of a financial transaction, (b) is executed for consideration (*verso corrispettivo*), and (c) does not entail a "*debt collection*" service (*attività di recupero crediti*). In line with the arguments raised in the judgement of the Court of Justice of the European Union of 26 June 2003, case 305/01, (*Finanzamt Groß-Gerau v MKG-Kraftfahrzeuge-Factoring GmbH*) and only partially upheld by the Italian tax authorities in circular letter of 17 November 2004, number 139/E and circular letter of 11 March 2011 number 32/E, a transfer of receivables would instead be subject to Italian VAT at the ordinary 22 per cent rate if it: (i) entails a "*debt collection*" service (*attività di recupero crediti*); and (ii) it is executed for consideration (*verso corrispettivo*).

(iv) As specified by the Italian tax authorities in resolution number 32/E of 11 March 2011, the consideration for the service rendered through the transfer of receivables is represented by the discount, if any, applied on the price for the transfer of the receivables. Therefore, in case the transfer does not occur at discount no consideration should be deemed to be paid. Moreover, according to the decision of the Court of Justice of the European Union of 27 October 2011, case C-93/10 (GFKL), a transfer of debt receivables does not entail a transaction executed for a consideration if the difference between the sale price and the face value of the receivables does not represent a direct remuneration for a service supplied by the purchaser to the sellers, but rather reflects the actual economic value of the receivables, due to the fact that they are doubtful and the increased risk of default of the debtors.

(v) Hence if the transfer of the receivables does not give rise to a discount remunerating a "*debt collection*" service, since the price paid by the Issuer is equal to the outstanding principal of each Receivable plus interest accrued up to the valuation date of the Receivables and unexpired at that date, the transfer of the Receivables would not fall within the scope of Italian VAT since it is not executed for a consideration. However, in case the Notes will be subscribed and held by the Originator and subsequently used as collateral in the context of a financing transaction performed with the European Central Bank, there should be arguments to maintain that the Transaction has a financial purpose. Therefore, the VAT exemption regime provided for by Art. 10, paragraph 1, number 1), Decree 633 may be applicable also with regard to the transfer of the Receivables.

(vi) Depending on the VAT regime applicable to the transfer of the Receivables, a registration tax in a fix amount of Euro 200.00 or in a proportional measure of 0.5% would apply if the transfer agreement is subject to voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occur.

RISK FACTORS IN RELATION TO THE NOTES

Suitability

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any Class of Notes should ensure that they understand the nature of such Notes and the extent of their exposure to the relevant risks. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Senior Notes and that they consider the suitability of such Senior Notes as an investment in light of their own circumstances and financial condition.

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

No communication (written or oral) received from the Issuer, the Servicer, the Arranger or the Originator or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in any Class of Notes: consequently prospective investors must not rely on any communication (written or oral) of the Issuer, the Servicer, the Arranger or the Originator as investment advice or as a recommendation to invest in the Senior Notes.

Source of payments to the Noteholders

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer Facilitator, the Calculation Agent, the Representative of the Noteholders, the Cash Manager, the Account Bank, the Principal Paying Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Quotaholder or the Underwriter. None of any such persons, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

Save for the assets held by the Issuer in connection with the Previous Securitisation, which would be unavailable to the Other Issuer Creditors and the Noteholders, the Issuer will not as at the Increase Date have any significant assets to be used for making payments under the Notes other than the Portfolio, the Cash Reserve Initial Amount, the Cash Reserve Increased Amount and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest or Variable Return on the Notes or to repay the Notes in full.

Limited recourse nature of the Notes

There is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest or Variable Return on the Notes or to repay the Notes in full.

The Notes will be limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal, interest, Variable Return and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid

amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection and renegotiation of, and other recoveries on, the Receivables, as well as other events outside the control of the Servicer, and the Issuer, will affect the performance of the Portfolio and the weighted average life of the Senior Notes. The weighted average life of the Senior Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

Italian legislative decree number 141 of 13 August 2010, as subsequently amended ("**Legislative Decree 141**"), has introduced in the Consolidated Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian law decree number 7 of 31 January 2007, as converted into law by Italian law number 40 of 2 April 2007 (the "**Bersani Decree**"), replicating though, with some additions, such repealed provisions. The purpose of article 120-*quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of prepayment of the loan and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

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

Article 120-*quater* of the Consolidated Banking Act was subsequently amended by article 8, paragraph 8 of law decree number 70 of 13 May 2011, converted into law number 106 enacted on 12 July 2011, according to which the provisions of article 120-*quater* of the Consolidated Banking Act apply to loan agreements entered into between the bank or other financial intermediary and individuals or small

companies (*micro-imprese*). Article 120-*quater* of the Consolidated Banking Act was further amended by law 24 March 2012, number 27, by law decree number 179 of 18 October 2012, converted into law number 221 enacted on 17 December 2012 and by law decree number 218 of 15 December 2017, which respectively have introduced certain amendments (including, *inter alia*, to the timing for completion of the prepayment transactions and manner of calculating the penalty due by the bank).

See for further details the section of this Prospectus headed "*Expected weighted average life of the Senior Notes*".

Subordination

As long as any Senior Notes is outstanding, unless notice has been given to the Issuer declaring the Senior Notes due and payable, the Junior Notes shall not be capable of being declared due and payable and the Senior Noteholders shall be entitled to determine the remedies to be exercised. Remedies pursued by the Senior Noteholders could be adverse to the interests of the Junior Noteholders.

Noteholders should also have particular regard to the factors identified in the sections headed "*Credit Structure*" and "*Priority of Payments*" below in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest on the Senior Notes and Variable Return on the Junior Notes and/or repayment of principal due under the Notes.

Limited rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules of Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Most Senior Class of Notes the power to determine whether any Noteholder may commence any such individual actions.

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretions of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding and the Representative of the Noteholders is not required to have regard to the holders of any other Class of Notes then outstanding, nor to the interests of the Other Issuer Creditors, except to ensure that the application of the Issuer's funds is in accordance with the applicable Priority of Payments. In addition, the Rules of the Organisation of Noteholders contain provisions requiring the Representative of the Noteholders to have regard to the interests of each Class of Noteholders as a class and relieves the Representative of the Noteholders from responsibility for any consequence for individual Noteholders as a result of such Noteholders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

Resolutions of the Noteholders

Certain resolutions, to the extent properly adopted in accordance with the Rules, are binding on all Noteholders, and, therefore, certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution. In particular, pursuant to the Rules: (a) any resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of

Noteholders shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting; and (c) any resolution is passed to the extent that the relevant quorum is reached.

Prospective noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting. For example, it should be in particular noted that, in a number of circumstances, the Notes may become subject to early redemption. Early redemption of the Notes as a result of some circumstances may be dependent upon receipt by the Representative of the Noteholders of a direction from, or a resolution passed by, a certain majority of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be ignored and, if a determination is made by certain of the Noteholders to redeem the Notes, all Noteholders, even if they did not vote, may face early redemption of the Notes held by them.

Furthermore, prospective noteholders should note that any Extraordinary Resolution involving a Basic Terms Modification shall be sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes.

For further details, see section entitled "*Rules of the Organisation of the Noteholders*".

Limited nature of credit ratings assigned to the Senior Notes

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agency's assessment only of the likelihood that interest will be paid timely and principal will be paid by the final redemption date, not that it will be paid when expected or scheduled. This rating is based, among other things, on the reliability of the payments on the Portfolio and the availability of credit enhancement.

The rating does not address, *inter alia*, the following:

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

A rating is not a recommendation to purchase, hold or sell the Senior Notes. Any Rating Agency may lower its ratings or withdraw its ratings if, *inter alia* and in the sole judgement of that Rating Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

The Issuer has not requested a rating of the Senior Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Senior Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "*rating*" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit

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

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 ("**CRA III**") which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU.

The regulation and reform of "*benchmarks*" may adversely affect the value of Notes linked to such "*benchmarks*"

The Euribor and other indices which are deemed to be "*benchmarks*" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on securities linked to such a *"benchmark"*.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and became fully applicable from January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmarks Regulation, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a *"benchmark"* and complying with any such regulations or requirements.

Such factors may have the following effects on certain "*benchmarks*": (i) discourage market participants from continuing to administer or contribute to such *"benchmark"*; (ii) trigger changes in the rules or methodologies used in the "*benchmarks*" or (iii) lead to the disappearance of the *"benchmark"*. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

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

Market for the Senior Notes

Although application has been made for the admission to trading of the Senior Notes on ExtraMOT PRO, there is currently no active and liquid secondary market for the Senior Notes. The Senior Notes will not benefit from the appointment of a specialist operator (*operatore specialista*), as defined under the ExtraMOT Market Rules. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

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

Eurosystem eligibility criteria

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, the Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time. Neither the Issuer, the Arranger, the Underwriter, the Originator, the Representative of the Noteholders nor any other party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

ECB Purchase Programme - Pandemic emergency purchase programme (PEPP)

In September 2014, the ECB initiated an asset purchase programme whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the Euro Zone and, also, to help enterprises across Europe to gain better access to credit, boost investments, create jobs and thus support the overall economic growth. The comprehensive asset purchase programme commenced in March 2015 and includes and replaces the earlier executed asset-backed securities purchase programme and the covered bond purchase programme. On 1 April 2016 the combined monthly purchases under the asset purchase programme was increased to Euro 80 billion and includes investment-grade euro-denominated bonds issued by non-bank corporations established in the Euro Zone in the list of assets eligible for regular purchases under a new corporate sector purchase programme. In December 2016, the ECB announced that from April 2017 the net asset purchases were intended to continue at a monthly amount of Euro 60 billion instead of Euro 80 billion. In October 2017, the ECB decided that these programmes were intended to be carried out until at least September 2018, but that from January 2018 the net asset purchases were intended to continue at a monthly amount of

Euro 30 billion instead of Euro 60 billion. On 14 June 2018, the Governing Council of the ECB stated that it "*anticipates that, after September 2018, subject to incoming data confirming the Governing Council's medium term inflation outlook, the monthly pace of the net asset purchases will be reduced to Euro 15 billion until the end of December 2018 and that net purchases will then end*". On 13 December 2018, the Governing Council of the ECB decided that net purchases under the asset purchase programme would have ended in December 2018. On 7 March 2019, the Governing Council indicated that it intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme for an extended period of time past the date when the Governing Council starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

The ECB's pandemic emergency purchase programme ("**PEPP**") is a non-standard monetary policy measure introduced in March 2020 to counter the risks for the euro area posed by the coronavirus (COVID-19) outbreak (in this respect, see for further details the sections headed "*Risk Factors - Risks related to the economic impact of the COVID-19 pandemic* "). The PEPP is a temporary asset purchase programme of private and public sector securities. The ECB decided to increase the initial €750 billion reserve for the PEPP by €600 billion on 4 June 2020 and by a further €500 billion on 10 December, for a new total of €1,850 billion. All asset categories eligible under the existing asset purchase programme ("**APP**") are also eligible under the PEPP, as well as a waiver of the eligibility requirements has been granted for securities issued by the Greek Government. The residual maturity of public sector securities eligible for purchase under the PEPP ranges from 70 days up to a maximum of 30 years and 364 days. For the purchases of public sector securities under the PEPP, the benchmark allocation across jurisdictions will be the Eurosystem capital key of the national central banks. At the same time, purchases will be conducted in a flexible manner on the basis of market conditions and with a view to preventing a tightening of financing conditions that would be inconsistent with countering the downward impact of the pandemic on the projected path of inflation. The flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy. The ECB will terminate net asset purchases under the PEPP once it judges that the COVID-19 crisis phase is over, but in any case not before the end of March 2022. The maturing principal payments from securities purchased under the PEPP will be reinvested until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary stance. Securities purchased under the monetary policy portfolios are made available for securities lending to support market liquidity and collateral availability in the market.

It remains uncertain which effect these asset purchase programmes will have on the volatility in the financial markets and the overall economy in the Euro Zone and the wider European Union. In addition, the termination of the asset purchase programme could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Notes.

None of the Issuer, the Originator, the Underwriter and the Arranger gives any representation or warranty as to whether the ECB will ultimately confirm the eligibility of the Senior Notes for the purpose of the relevant asset purchase program and none of the Issuer, the Originator, the Underwriter or the Arranger will have any liability or obligation in relation thereto if the Senior Notes are deemed ineligible for such purposes.

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

In Europe, the United States and elsewhere an increased political and regulatory scrutiny of the asset-backed securities industry has occurred. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital requirement to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and neither the Issuer, the Arranger, the Originator, the Underwriter nor any other person makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue and/or the Increase Date or at any time in the future.

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to regulated investors (including, *inter alia*, authorised alternative investment fund managers, insurance and reinsurance companies and Undertakings for the Collective Investment of Transferable Securities ("**UCITS**"), credit institutions, investment firms or other financial institutions) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

The CRR

On 26 June 2013, the European Parliament and the European Council adopted Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV**") and Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (the "**CRR**" and, together with the CRD IV, "**CRD IV Package**"). The CRD IV has replaced and re-cast, in general, with effect from 1 January 2014, Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EU.

The main role of CRD IV Package is to implement in the EU the key Basel III provisions. These include, *inter alia*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements. In particular, in the context of the new European regulatory capital framework, the provisions of article 122-*bis* of Directive 2006/48/EC, as amended by Directive 2009/111/EU have been re-casted by the new provisions of articles 404 to 409 of CRR (which includes the extension of the applications of the requirements also to regulated investment firms), now replaced by articles 5 *et seq.* of the Securitisation Regulation (see below). In addition, the guidelines on the abovementioned article 122-*bis* of Directive 2006/48/EC have been formally replaced by Regulatory Technical Standards ("**RTS**") on securitisation retention rules and related requirements and Implementing Technical Standards ("**ITS**") on the convergence of supervisory practices related to the

implementation of additional risk weights in the case of non-compliance with the retention rules. In any case, it has to be noted that the Circular 285/2013 (as defined below) provides that the guidelines on the article 122-*bis* of Directive 2006/48/EC are still relevant as long as they are consistent with the new regime.

The RTS and ITS have been developed respectively in accordance with articles 410(2) and 410(3) of the CRR. In this respect, it has to be noted that: (i) with respect to RTS, on 13 June 2014, it has been published in the Official Journal of the European Union the Commission Delegated Regulation (EU) No. 625/2014 (which has entered into force the twentieth day following the date of such publication), supplementing the CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk. Such RTS was subsequently amended by the Commission Delegated Regulation (EU) No. 2015/1798, published in the Official Journal of the European Union on 8 October 2015 (and entered into force the twentieth day following the date of such publication); and (ii) with respect to ITS, on 5 June 2014, it has been published in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 602/2014 (which has entered into force the twentieth day following the date of such publication), laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to the CRR. The Commission also adopted the Delegated Regulation (EU) No. 523/2014 of 12 March 2014 supplementing the CRR with regard to regulatory technical standards for determining what constitutes the close correspondence between the value of an institution's covered bonds and the value of the institution's assets and the delegated regulation (EU) No. 241/2014 of 7 January 2014 supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions.

The European Banking Authority has also published certain guidelines and recommendations concerning securitisation and covered bonds. Among them, it is worth mentioning the guidelines on significant risk transfer ("**SRT**") for securitisation transactions which are aimed at ensuring an harmonised assessment and treatment of SRT across all EU Member States. They have been produced according to article 244 or article 245 of the CRR and apply to both originator institutions and competent authorities. No assurance can be provided that any changes made or that will be made in connection with CRD IV Package (including the EU Banking Reform - *infra*) will not affect the requirements applying to relevant investors.

On 30 September 2015, the European Commission published a legislative proposal for a new regulation related to securitisation. Amongst other things, the proposal included provisions intended to implement the revised securitisation framework to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. Following several discussions, an inter-institutional agreement was reached on 30 May 2017, which lead to the approval in December 2017 of the Securitisation Regulation and of Regulation (EU) No. 2401/2017. The regulations were published in the Official Journal of the European Union on 28 December 2017 and they apply as of 1 January 2019. Articles 5, 6, 7, and 9 of the Securitisation Regulation replaced articles 405, 406, 408, and 409 of the CRR, while article 270(a) of the CRR introduced by Regulation (EU) No. 2401/2017 replaced article 407 of the CRR. The Securitisation Regulation contains provisions applicable to all securitisations and, among others, the obligation to verify risk retention (both for when the originator or original lender is established in the EU or in a third country) is added to the due diligence requirements established for institutional investors. As already required by article 405 of the CRR, the risk retention must be not less than 5%, measured at the origination and determined by the notional value for off-balance sheet items.

In particular, in Europe, investors should be aware that the Securitisation Regulation restricts an institutional investor (as defined under article 2(12) of the Securitisation Regulation, including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by article 6 of the Securitisation Regulation. In addition, article 5 of the Securitisation Regulation requires an institutional investor (as defined above), before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each of its securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence duties in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

Pursuant to article 270(a) of the CRR (as introduced by Regulation (EU) No. 2401/2017), where an institution does not meet the requirements in Chapter 2 of the Securitisation Regulation in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (capped at 1 250%) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

The Securitisation Regulation provides that the Originator shall not select assets to be transferred to the Issuer with the aim of rendering losses on the assets transferred to the Issuer, measured over the life of the Securitisation, or over a maximum of 4 years where the life of the Securitisation is longer than four years, higher than the losses over the same period on comparable assets held on the balance sheet of the Originator. Where the competent authority finds evidence suggesting contravention of that prohibition, the competent authority shall investigate the performance of assets transferred to the Issuer and comparable assets held on the balance sheet of the Originator. If the performance of the transferred assets is significantly lower than that of the comparable assets held on the balance sheet of the Originator as a consequence of the intent of the Originator, the competent authority shall impose a sanction pursuant to articles 32 and 33 of the Securitisation Regulation.

However, whereas number 11 of the Securitisation Regulation clarifies that the obligation above should not prejudice in any way the right of originators to select assets to be transferred to the securitisation special purpose entities (as defined in the CRR, "**SSPE**") that ex ante have a higher-than-average credit-risk profile compared to the average credit-risk profile of comparable assets that remain on the balance sheet of the originator, as long as the higher credit-risk profile of the assets transferred to the SSPE is clearly communicated to the investors or potential investors.

In light of the above, the Other Issuer Creditors have acknowledged under the Intercreditor Agreement that the Portfolio may render losses over the life of the Securitisation higher than the losses over the same period on Comparable Assets.

Finally, the Securitisation Regulation also aims at creating common foundation criteria to identify the so called "**STS securitisations**". On 20 April 2018, EBA issued for consultation the guidelines on the STS criteria for non-ABCP securitisation to provide a harmonised interpretation and application of the criteria on simplicity, transparency and standardisation ("**STS**") applicable to non-ABCP securitisation, as set out in articles 20, 21 and 22 of the Securitisation Regulation. Pursuant to article 18 of the Securitisation Regulation, originators, sponsors and SSPEs may designate a securitisation transaction as

'STS' or 'simple, transparent and standardised', provided that (a) the securitisation meets all the requirements set forth under articles 19 to 22 of the Securitisation Regulation, and ESMA has been notified pursuant to article 27(1) of the Securitisation Regulation (the "**STS notice**") and (b) the securitisation transaction has been included and maintained in the dedicated list of STS securitisations on ESMA website.

The Securitisation Regulation confers a number of tasks upon ESMA, including to design reporting requirements for a number of features of securitisations, such as details of their underlying exposures, of the securitisation instrument structure, and of the performance of the transaction. In addition, securitisations seeking to be considered as STS must fulfil additional criteria and notify ESMA of their fulfilment of these criteria on the basis of notification templates established by ESMA for non-ABCP securitisation transaction. In particular, article 7(3) and (4) of the Securitisation Regulation mandates ESMA to produce draft RTS and ITS specifying information on securitisation underlying exposures and investors reports as well as standardised templates for the submission of the information. In addition, article 17(2)(a) and (3), mandates ESMA to draft RTS and ITS specifying *inter alia* the information and standardised templates that should be provided by the originator, sponsor, or SSPE to comply with the information requirements of article 7(1). The Initial Notes have been issued before 1 January 2019 and, therefore in respect of such securities, pursuant to article 43 of the securitisation Regulation, the relevant requirements and undertakings stemming from the provisions of law applicable prior to 1 January 2019 shall continue to apply, including the relevant provisions provided for the CRR, the AIFMR and the CRA Regulation in the versions as at 31 December 2018. In respect of the Additional Notes, the disclosure requirements of article 7 of the Securitisation Regulation shall apply. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning issuers, originators and sponsors of structured finance instruments ("**SFI**") established in the European Union (which included the Issuer and the Originator) as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation.

On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "*Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates*" (the "**Opinion RTS**"). On 16 October 2019, the European Commission has substantially confirmed the content of the Opinion RTS by publication of two proposals of regulation submitted to the European Parliament and the Council. The Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE and the Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE were published in the Official Journal of the European Union on 3 September 2020 and entered into force on the twentieth day following that of their publication in the Official Journal of the European Union. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy.

In addition, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the reporting obligations.

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

For the sake of completeness, it must be noted that, on 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the "**EU Banking Reform**"). The final text of the EU Banking Reform has been published in the Official Journal of the EU on 7 June 2019 and has entered into force on 27 June 2019. However, the most part of the new rules will apply from 28 June 2021, *i.e.* two years after the entry into force of the EU Banking Reform.

The new package provides for amendments to the following pieces of legislation:

(i) the CRD IV Package;

(ii) the Bank Recovery and Resolution Directive (as defined below);

(iii) regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 "*establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010*".

In Italy, the CRD IV Package was implemented by legislative decree No. 72 of 12 May 2015 (entered into force on 27 June 2015) and by the Circular of the Bank of Italy No. 285 of 17 December 2013 (which entered into force on 1 January 2014 and set out additional local prudential rules – "**Circular 285/2013**"). Circular 285/2013 has been constantly updated after its first issue. Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Moreover, on 26 April 2019, the EU Regulation No. 2019/630 entered into force, which has modified the CRR. In particular, such regulation introduces common minimum loss coverage levels for newly originated loans that become non-performing. Where the minimum coverage requirement is not met, the difference between the actual coverage level and the requirement should be deducted from a bank's own funds (CET1). The minimum coverage levels thus act as a 'statutory prudential backstop'. The required coverage increases gradually depending on how long an exposure has been classified as non-performing, being lower during the first years. This architecture would ensure that the risks associated with NPL losses that are not sufficiently covered are reflected in institutions' CET1 capital ratios.

In order to facilitate a smooth transition towards the new prudential backstop, the new rules should not be applied in relation to exposures originated prior to 26 April 2019.

The AIFMD

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers ("**AIFMD**") became effective. Article 17 of AIFMD required the EU Commission to adopt level 2

measures similar to those set out in CRR, permitting EU managers of alternative investment funds ("**AIFMs**") to invest in securitisation transactions on behalf of the alternative investment funds ("**AIFs**") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5 per cent in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. Commission Delegated Regulation (EU) No. 231/2013 (the "**AIFMR**") included those level 2 measures. In line with the provisions set forth by the CRD IV package, the AIFMR requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes extensive due diligence requirements on AIFMs investing in securitisations. Furthermore, should AIFMs find out that after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 per cent of the economic risk, they are required to take such corrective action as is in the best interests of investors.

AIFMD has been implemented in Italy through legislative decree No. 44 of 4 March 2014 which has introduced certain amendments to the Italian legislative decree No. 58 of 24 February 1998 (the "**Italian Consolidated Financial Act**"). Secondary provisions implementing the Italian Consolidated Financial Act have been issued by competent regulatory Authorities.

Prospective Noteholders are required to independently assess and determine the adequacy of the information described above for the purposes of complying with any and all relevant requirements applicable to them and none of the Issuer, the Arranger, the Underwriter, the Originator or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes. Prospective Noteholders who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Joint disclosure requirements in relation to structured finance instruments

On 20 June 2013, the Regulation (EU) number 462/2013 amending the Regulation (EU) No 1060/2009 is entered into force. Under the Regulation (EU) number 462/2013, the issuer, originator and sponsor of a structured finance instrument established in the European Union are required, jointly, to publish information in relation to the credit quality and performance of the underlying assets, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure, together with any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. Such information is to be published on a website which is to be established by ESMA.

The Securitisation Regulation defines securitisation and establishes due-diligence, risk-retention and transparency requirements for parties involved in securitisations, criteria for credit granting, requirements for selling securitisations to retail clients, a ban on re-securitisation, requirements for securitisation special purpose entities as well as conditions and procedures for securitisation repositories. It also creates a specific framework for simple, transparent and standardised securitisation. In order to enhance market transparency, the Securitisation Regulation envisages that a framework for

securitisation repositories to collect relevant reports, primarily on underlying exposures in securitisations, should be established. Such securitisation repositories should be authorised and supervised by the ESMA. In specifying the details of such reporting tasks, ESMA should ensure that the information required to be reported to such repositories reflects as closely as possible existing templates for disclosures of such information. In particular, article 7(3) and (4) of the Securitisation Regulation mandates ESMA to produce draft RTS and ITS specifying information on securitisation underlying exposures and investor reports as well as standardised templates for the submission of the information. In addition, article 17(2)(a) and (3), mandates ESMA to draft RTS and ITS specifying, *inter alia*, the information and standardised templates that should be provided by the originator, sponsor, or SSPE to comply with the information requirements of article 7(1) of the Securitisation Regulation. On 31 January 2019 ESMA issued the amendments to the draft technical standards on disclosure requirements under the Securitisation Regulation which includes 15 reporting templates aimed to assist stakeholders in their analysis of ESMA's draft technical standards.

Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies, *inter alia*, to credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the "**relevant institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by legislative decrees number 180 and number 181 of 16 November 2015.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an exception, could be subject to the exercise of "*bail-in*" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "*bail-in*" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

The Securitisation Regulation

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which lays down common rules on securitisation transactions and which applies from 1 January 2019. As described in section headed "*Risk Factors - Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*", the Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) with respect to: (i) risk retention, (ii) due diligence, (iii) transparency and (iv) underwriting criteria for assets to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, Solvency II Regulation, Solvency II Directive and the AIFMD and introduce similar rules for UCITS management companies as regulated by Directive 2009/65/EU, as amended and supplemented, and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2341/2016 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2341/2016.

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer and the Originator, please see section headed "*Regulatory Disclosure and Retention Undertaking*". Prospective and relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Corporate Servicer, the Reporting Entity, the Arranger, the Servicer, the Originator or any of the other transaction parties makes any representation that the information described above or otherwise in this Prospectus is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, including in particular with regard to the transparency obligations imposed under article 7 of the Securitisation Regulation. Prospective investors must make their own decisions in this regard.

Investor compliance with due diligence requirements under the Securitisation Regulation

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

(a) that institutional investor has verified that:

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

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

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

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

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

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

The institutional investor due diligence requirements described above apply in respect of the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer, the Originator or another relevant party (see sections headed "*Regulatory Disclosure and Retention Undertaking*" and "*General Information*"). Institutional investors are required to independently assess and determine the sufficiency of the information described elsewhere in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. Prospective investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of the non-compliance should seek guidance from their regulator (see sections headed "*Regulatory Disclosure and Retention Undertaking*").

Regulatory Capital Framework

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

The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "*backstop*" for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital

base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the CRD IV and the CRR. On 7 June 2019 the following legislation was published: (i) Directive (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV (the "**CRD V**"); (ii) Regulation (EU) 2019/876 of European Parliament and the Council of 20 May amending the CRR (the "**CRR II**"); and (iii) Directive (EU) 2019/879 of the European Parliament and the Council of 20 May 2019 amending Directive 2014/59/EU in relation to the loss-absorbing and the recapitalisation capacity of credit institutions and investment firms and directive 98/26/EC ("**BRRD II**") and entered into force on 27 June 2021 (Basel II, the CRD IV, the CRD V, the CRR II, the BRRD II and their relevant amendments, together the "**Basel III Framework**"). The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of the Basel III Framework requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15%.

Implementation of the Basel III Framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

The implementation of the Basel III Framework and any of its expected amendments could affect the risk weighting the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the capital requirements directives.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III Framework and any expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework (including the Basel III Framework and any expected amendments described above). The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework (including the Basel III changes described above). Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III Framework and any expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Withholding tax under the Notes

As at the date of this Prospectus, payments of interest and other proceeds under the Notes may or may not be subject to withholding or deduction for or on account of Italian tax pursuant to Decree 239, neither the Issuer nor any other person will be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such tax (see for further details also the section headed "*Taxation*" below).

Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as "**FATCA**"), provides that various information reporting requirements must be satisfied with respect to (i) certain payments from sources within the United States, (ii) "*foreign pass-through payments*" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "*Model 1*" and "*Model 2*" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015.

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

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

GENERAL RISK FACTORS

Claw back of the sales of the Receivables

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the Originator is made within three months of the completion of the securitisation transaction (or, if earlier, of the purchase of the Portfolio) or, in cases where paragraph 1 of article 67 applies (*e.g.* if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the completion of the securitisation transaction (or, if earlier, of the purchase of the relevant Portfolio).

Loans' performance

Each of the Initial Portfolio and the New Portfolio is exclusively comprised of loans which were performing as at the relevant Valuation Date (see the section headed "*The Portfolio*"). There can be no guarantee that the Debtors will not default under the relevant Loans and that they will therefore continue to perform their obligations thereunder. The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Loans and Mortgages (if any) may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

Recently, new legal provisions have been introduced in order to speed up legal proceedings. In particular, law decree number 59 of 2 May 2016, as converted into law number 119 of 30 June 2016, implemented new provisions in the Bankruptcy Law and the Italian civil procedure code aimed at:

(a) amending the provisions of Bankruptcy Law, by introducing the possibility of using electronic technologies for hearings and for meetings of creditors. Furthermore, failure to comply with the time limits established for the proceeding in article 110, first paragraph, of the Bankruptcy Law, is envisaged as a just cause for removing the receiver; and

(b) making certain changes to the Italian civil procedure code, including:

  (i) the inadmissibility of opposing the forced sale once the sale or allocation of the attached asset has been decreed;

  (ii) the provisional enforcement of the court order if the statement of opposition is not based on documentary proof;

  (iii) simplification of procedures for releasing the attached property;

  (iv) the possibility of the attached asset being allocated to a third party yet to be nominated;

(v) the obligation to proceed with sales on the basis of electronic modalities, and the right for the judge to order, after three auctions without bidders, lowering the basic price by up to a half;

(vi) the possibility, for the judge and for the professionals entrusted with selling, to proceed with partial distributions of the sums obtained from forced sales.

The above provisions are expected to reduce the length of the enforcement proceedings.

Mutui fondiari

Some of the Loan Agreements included in the Mortgage Pool are secured by a Mortgage and qualified as *mutui fondiari*, as defined in article 38 and subsequent of the Consolidated Banking Act.

A *mutuo fondiario* is a particular type of *mutuo ipotecario* (any loan which is secured by a mortgage is automatically a *mutuo ipotecario* loan). The *mutui fondiari* are regulated by the Consolidated Banking Act and bear with themselves certain advantages for the lender. To qualify as a *mutuo fondiario*, a loan must be: declared by the parties as being a *mutuo fondiario* in the relevant loan agreement, granted by a bank, for a term exceeding 18 months, secured by a first-lien mortgage and for an amount which does not exceed 80% of the value of the mortgaged property or of the works to be done on the mortgaged assets. However, the 80% limit may be increased up to 100% if specific additional security interests and guarantees, identified by the Bank of Italy, are provided (such as guarantees given by other banks or insurance companies or pledges granted over Italian government securities). In such circumstance, the ratio between the amount lent and the aggregate value of the security and guarantee created is not higher than 80%.

With respect to *mutui fondiari*, the Consolidated Banking Act expressly provides, *inter alia*, that the relevant borrowers:

(a) upon repayment of each fifth of the original debt, are entitled to a proportional reduction of any mortgage related to such loans. Accordingly, the underlying value of the mortgages relating to *mutui fondiari* may decrease from time to time in connection with the partial repayment of the relevant loans;

(b) are entitled to the partial release of one or more mortgage properties where documents produced or professional valuations establish that the remaining encumbered properties constitute sufficient security for the amount still owed, according to the limits described above for loans qualifying as *mutui fondiari*; and

(c) are entitled to prepay the loan, as provided for by article 40 of the Consolidated Banking Act.

Moreover, special enforcement and foreclosure provisions apply to *mutui fondiari*. Pursuant to article 40, paragraph 2 of the Consolidated Banking Act, mortgage lenders under *mutui fondiari* are entitled to terminate the relevant loan agreements and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. A payment is considered delayed if it is made between 30 and 180 days after the relevant payment due date. Accordingly, the commencement of enforcement proceedings in relation to *mutui fondiari* may take longer than usual. Article 40 of the Consolidated Banking Act, therefore, prevents the Servicer from commencing enforcement proceedings to recover amounts in relation to Loans qualifying as *mutui fondiari* until the relevant Debtors have defaulted on at least seven payments in accordance with the principles summarised above. Pursuant to article 41 of the Consolidated Banking

Act, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into accounts of the Issuer within the Business Day following the day on which the relevant collection has been collected.

Law decree number 91 of 24 June 2014 has introduced, *inter alia*, certain amendments to article 3 of Securitisation Law, aimed at safeguarding collections generated in the context of a securitisation transaction.

In particular, pursuant to article 3, paragraph 2-*bis* of Securitisation Law, as amended by law decree number 91 of 24 June 2014, no actions by persons other than the holders of the relevant securities can be brought on the accounts opened in the name of the special purpose vehicle with the account bank or the servicer, where the amounts paid by the debtors and any other sums paid or pertaining to the special purpose vehicle under the transactions ancillary to the transaction or otherwise under the transaction documents are credited. Such amounts may be applied by the relevant special purpose vehicle exclusively in payment of (i) amounts due by the special purpose vehicle to the holder of the relevant securities; (ii) amounts due by the special purpose vehicle to any counterparty of any derivative transaction entered into by the special purpose vehicle in connection with the transaction for the purposes of hedging risks relating to the receivables and securities assigned; and (iii) the other creditors of the special purpose vehicle with respect to other costs incurred by the special purpose vehicle in connection with the transaction. In case of any proceedings pursuant to Title IV of the Consolidated Banking Act, or any bankruptcy proceedings (*procedura concorsuale*) involving the bank with which such accounts are opened, the sums credited to such accounts (whether before or during the relevant insolvency proceeding) shall not be subject to suspension of payments and shall be immediately and fully repaid to the special purpose vehicle, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

Certain risks relating to the Real Estate Assets

Due Diligence

None of the Issuer, the Arranger or any Other Issuer Creditors has undertaken or will undertake any investigations, searches or other due diligence as to the Debtors' or the Mortgagors' status or the title to the Real Estate Assets. The only due diligence conducted was undertaken by the Originator (or on its behalf) at the time of the origination of the Loans, and such due diligence was largely limited to a review of the certificates of title prepared by the relevant Debtor's lawyers, site visits and third party valuations of the Real Estate Assets. No update of such due diligence has been performed in connection with the assignment of the Receivables to the Issuer.

Potential adverse changes to the value of the Real Estate Assets or the Portfolio

No assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Portfolio.

General real estate risk

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the Loan Agreements will largely depend upon the value of the Real Estate Assets at the relevant time. The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained. The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential or commercial real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans.

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Loans. The value of such security may be affected by, among other things, a decline in property values as described above.

Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Compulsory purchase

Any property in Italy may be subject to a compulsory purchase order in connection with general utility purposes at any time. If a compulsory purchase order is made regarding any of the Real Estate Assets, compensation would be payable to the Debtor (as owner of the relevant Real Estate Asset) on the basis of specific criteria set out in the applicable legislation. There can be no assurance that the amount of such compensation would at least be equal to the value of the relevant Real Estate Asset. In addition, there is often a delay between the completion of a compulsory purchase of a property and the date of payment of the statutory compensation. Any such delay, or a payment of statutory compensation to the Debtor that is lower than the value of the relevant Real Estate Asset, could have an adverse impact on the ability of the Issuer to meet its obligations to pay principal and interest under the Notes.

Insurance coverage

All of the Loan Agreements included in the Mortgage Pool provide that the relevant Real Estate Assets must be covered by an Insurance Policy. There can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Real Estate Assets and the ability of the relevant Debtor to repay the relevant Loan.

Rights of set-off and other rights of the Debtors

Under general principles of Italian law, debtors are entitled to exercise rights of set-off in respect of amounts owed to them by their creditors. Following the assignment of the relevant receivables, according to paragraph 1 of article 1248 of the Italian civil code, if the assigned debtor has accepted the assignment without objections, he cannot claim against the assignee the set-off rights he could have claimed against the assignor. On the other hand, pursuant to paragraph 2 of the same article, the notification of the assignment of a claim to the assigned debtor prevents the latter from exercising set-off rights with respect to any counterclaim arising *vis-à-vis* the assignor after the date of such notification.

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register.

In addition, the Securitisation Law provides, *inter alia*, that, as from the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), notwithstanding any provision of law providing otherwise, no set-off may be exercised by an assigned debtor *vis-à-vis* the assignee grounded on claims which have arisen towards the assignor after the date of publication of the above notice.

Consequently, Debtors may exercise a right of set-off against the Issuer on claims against the Originator and/or the Issuer which have arisen before the publication of the notice in the Official Gazette has occurred. Under the terms of the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Debtor of a right of set-off. In addition, (i) notice of the transfer of the Receivables pursuant to the First Receivables Purchase Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 83 of 19 July 2018, and (ii) notice of the transfer of the Receivables pursuant to the New Receivables Purchase Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 86 of 22 July 2021.

Usury Law

Italian Law number 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (as also amended by law decree number 70 of 13 May 2011 ("*Decreto Sviluppo*"), as converted into Law number 106 of 12 July 2011) (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree having been issued on 26 June 2021 and being applicable for the quarterly period from 1 July 2021 to 30 September 2021). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*"), related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, the Italian Supreme Court ("*Corte di Cassazione*"), with the decision number 350 of 9 January

2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

The Italian Government has specified with law decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion was supported by the Italian Supreme Court (decisions numbers 602 and 603 of 11 January 2013), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans. However, a recent decision by the *Sezioni Unite* of the Italian Supreme Court (*Cass. Sez. Un*., 19 October 2017, number 24675) has finally clarified that the principle of the so called "*usura sopravvenuta*" may not apply and therefore if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest would not need to be reduced to the then applicable usury limit.

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

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By decision number 29 of 25 February 2002, the Italian Constitutional Court stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for those provisions of the Usury Law Decree which provide that the interest rates due on instalments payable after 2 January 2001 on loans are to be replaced by lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

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

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement and in the New Warranty and Indemnity Agreement that the provisions of the Loan Agreements comply with the Italian usury provisions.

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/1999 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*"). In this respect, it should be noted that article 25, paragraph 2, of the decree number 342 of 4 August 1999 ("**Decree 342**") has delegated to the interministerial committee of credit and saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of Decree 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Decree 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the delegated law, and article 25 paragraph 3 of Decree 342 has been declared unconstitutional by decision number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

The Originator has consequently undertaken in the Warranty and Indemnity Agreement and in the New Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge relating to the violation of article 1283 of the Italian civil code.

Article 17-*bis* of law decree number 18 of 14 February 2016 (as converted into law with amendments by law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Consolidated Banking Act, providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2, of the Consolidated Banking Act delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Consolidated Banking Act, interests are due as from 1 March of the year following the year of the relevant accrual. In any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day the debtor is aware of the amount to be paid; and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor's account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount). Intermediaries shall apply the 2016 CICR resolution no later than 1 October 2016.

Convention between the Ministry of Economy and Finance, the Italian Banking Association and associations of the representative of the companies

On 3 August 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies struck by the financial crisis (the "**PMI Convention**").

The Convention provides, *inter alia*, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on the 30th of September 2008 were solvent (*in bonis*), and (ii) at the moment of the submission of the request, had no financings classified as "*restructured*" (*ristrutturato*) or as "*non-performing*" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted within 30 June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies has extended the date within which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended.

On 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 (ninety) days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

On 1 July 2013, ABI and the associations of the representative of the companies signed a new further convention (the "**July 2013 PMI Convention**"). The July 2013 PMI Convention provides for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the suspension under the New PMI Convention. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested a suspension under the New PMI Convention to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above to be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension as at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

Pending the implementation of the above measures of the July 2013 PMI Convention, the date within which the request for the Suspension pursuant to the New PMI Convention could be submitted has been further extended to 30 September 2013.

On 8 August 2013 further clarifications with respect to the implementation of the July 2013 PMI Convention have been issued by the ABI. In particular, ABI (*Associazione Bancaria Italiana*) has clarified that the securitised claims are not expressly excluded from the object of the July 2013 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the July 2013 PMI Convention in respect of securitised claims. In any case ABI (*Associazione Bancaria Italiana*) has further clarified that in case a suspension or extension under the July 2013 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses in relation to such bank (also considering the costs that the assigning bank would have incurred in case the suspension or extension had been granted with respect to the original loan).

On 31 March 2015, ABI and the associations of the representative of the companies signed a new further convention (the "**March 2015 PMI Convention**"). The March 2015 PMI Convention provides for 3 different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans which are outstanding as at 31 March 2015 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that (i) the instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24 months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 31 March 2015) for a period equal to 100% of the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above to be submitted by 31 December 2017.

On 12 June 2015 further clarifications with respect to the implementation of the March 2015 PMI Convention have been issued by the ABI. In particular, ABI (*Associazione Bancaria Italiana*) has clarified, similarly for what has been done with reference to the previous convention, that the securitised claims are not expressly excluded from the object of the March 2015 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the March 2015 PMI Convention in respect of securitised claims. In any case ABI (*Associazione Bancaria Italiana*) has further clarified that in case a suspension or extension under the March 2015 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses, considering the costs that would have been applied in the event the assigning bank would have not securitised the relevant loan.

On 15 November 2018, ABI and the associations of the representative of the companies signed a new further convention (the "**November 2018 PMI Convention**"). The November 2018 PMI Convention provides for 2 different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans which are outstanding as at 15 November 2018 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that the instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24

months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 15 November 2018) for a period equal to 100% of the residual duration of the relevant loans. Any requests under item (i) and (ii) above have been submitted within 31 December 2020.

It should be considered that the Originator has acceded to the November 2018 PMI Convention. The list of the banks which have acceded to the November 2018 PMI Convention is available on the ABI website.

In addition, on 6 March 2020, ABI and the associations of the representative of the companies signed an addendum to the November 2018 PMI Convention (the "**Addendum**"), according to which, *inter alia*, the initiatives provided under items (i) and (ii) above set out in the November 2018 PMI Convention have been extended to loans outstanding as at 31 January 2020 granted in favour of companies damaged by the COVID-19 outbreak. The Addendum provides that all other condition set out in the November 2018 PMI Convention are not modified.

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes, the impact on the cash flows deriving from the Loans and, consequently, on the amortisation of the Notes, cannot be predicted.

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

The financial condition, results of operations and prospects of the Republic of Italy and natural persons resident in the Republic of Italy may be adversely affected by events outside their control, namely European law generally, any conflicts in the region or taxation and other political, economic or social developments in or affecting the Republic of Italy generally.

Risks arising from *Brexit*

As at the date of this Prospectus, the exit by the United Kingdom from the European Union ("***Brexit***") has resulted in global economic and political uncertainty and it is unknown what the impact shall be on the economic or political environment of each of the United Kingdom and the European Union.

Pursuant to a referendum held in June 2016, the UK voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the "**Article 50 Withdrawal Agreement**"). On 31 January 2020 the UK and the European Union finalised and ratified the Article 50 Withdrawal Agreement. Pursuant to the Article 50 Withdrawal Agreement, the United Kingdom benefited from a transitionary period, pursuant to which all European Union Treaties and European Union legislation still applied to the United Kingdom. This transitionary period ended on 31 December 2020. Since the end of this transitionary period, the United Kingdom is considered a third country.

An agreement determines the terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union, after such transitionary period. In addition, the United Kingdom is required to negotiate with other countries with which the United Kingdom previously traded on the basis of agreements concluded with the European Union (having been members thereof).

It is not possible to ascertain how long this period will last and the impact it will have within the European Union markets, including market value and liquidity, and on the business of the Issuer. As

such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

The exit of the United Kingdom from the European Union, the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom, the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets, with possible negative consequences on the performance of the Securitisation.

Risks related to the economic impact of the COVID-19 pandemic

It should be noted that the national and international macroeconomic scenario is currently affected by the risks arising from the diffusion of the form of viral pneumonia known as "*Coronavirus*" (COVID-19). On 11 March 2020 the World Health Organization (WHO) declared that the international outbreak of Coronavirus infection (COVID-19) can be considered as pandemic.

Following the epidemic outbreak of Coronavirus (COVID-19) and in order to contain and contrast the emergency, the Italian Government has taken a significant number of measures aimed at containing the outbreak of the pandemic, has imposed severe restrictions in all economic sectors which are considered "*non-essential*" to the mitigation of the pandemic or the supply of basic services to the community.

Among other sectors, this situation had a strong impact on the regular execution of courts and side offices activities, due to a considerable period of impossibility of access to the courts themselves and relevant buildings.

Moreover, such measures have disrupted the normal flow of business operations in those countries and regions, due to, for example, a spread impossibility for workers of many different categories of circulating and commuting even within the area of single city or town. This situation has generally affected global supply chains and has resulted in uncertainty across the global economy and financial markets.

These circumstances have led to volatility in the capital markets, may lead to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes and have a negative impact on the collection activities relating to the Receivables.

It should be noted, however, that: (i) the Italian Government has been implementing measures (such as: (a) Italian Legislative Decree n. 18 of 17 March 2020 ("*Misure di potenziamento del servizio sanitario nazionale e di sostegno economico per famiglie, lavoratori e imprese connesse all'emergenza epidemiologica da COVID-19*", so-called "***Cura-Italia***"), published on the Italian Official Gazette n. 70 of 17 March 2020; (b) Italian Legislative Decree n.23 of 8 April 2020 ("*Misure urgenti in materia di accesso al credito e di adempimenti fiscali per le imprese, di poteri speciali nei settori strategici, nonché' interventi in materia di salute e lavoro, di proroga di termini amministrativi e processuali*", so-called "***Decreto Liquidità***"), published on the Italian Official Gazette n. 94 of 8 April 2020, converted into law by Law No. 40 of 5 June 2020; (c) Italian Legislative Decree n.34 of 19 May 2020 ("*Misure urgenti in materia di salute, sostegno al lavoro e all'economia, nonché di politiche sociali connesse all'emergenza epidemiologica da COVID-19*", so-called "***Decreto Rilancio***"), published on the Italian Official Gazette n. 128 of 19 May 2020, ordinary supplement n. 21;

(d) Italian Presidential Decree of 7 August 2020 ("*Ulteriori disposizioni attuative del decreto-legge 25 marzo 2020, n. 19, recante misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19, e del decreto-legge 16 maggio 2020, n. 33, recante ulteriori misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19*"), published on the Italian Official Gazette n. 198 of 8 August 2020; (e) Italian Legislative Decree n. 104 of 14 August 2020 ("*Misure urgenti per il sostegno e il rilancio dell'economia*"), published on the Italian Official Gazette n. 203 of 14 August 2020); (f) Italian Legislative Decree n. 137 of 28 October 2020 ("*Ulteriori misure urgenti in materia di tutela della salute, sostegno ai lavoratori e alle imprese, giustizia e sicurezza, connesse all'emergenza epidemiologica da COVID-19*", so-called "***Decreto Ristori***"), converted into law with amendments by Law number 176 of 18 December 2020, published on the Italian Official Gazette n. 319 of 24 December 2020; (g) Italian Law Decree n. 41 of 22 March 2021 ("*Misure urgenti in materia di sostegno alle imprese e agli operatori economici, di lavoro, salute e servizi territoriali, connesse all'emergenza da COVID-19*", so called "***Decreto Sostegni***"), converted into law with amendments by Law number 69 of 21 May 2021, published on the Italian Official Gazette n. 120 of 21 May 2021; and (h) Italian Law Decree number 73 of 25 May 2021 ("*Misure urgenti connesse all'emergenza da COVID-19, per le imprese, il lavoro, i giovani, la salute e i servizi territoriali*", so called "***Decreto Sostegni-bis***"), published on the Italian Official Gazette n. 123 of 25 May 2021), aimed at supporting the economy in general, and the small and medium enterprises in particular; and (ii) the European Union has implemented a significant plan of interventions aimed, *inter alia*, at supporting businesses and ensuring that the liquidity of the financial sector can continue to support the economy.

Change of law

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings assigned to the Senior Notes are based on Italian law, tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes. This Prospectus will not be updated to reflect any such changes or events.

Projections, forecast and estimates

Any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Forward-looking statements

Words such as "*intend(s)*", "*aim(s)*", "*expect(s)*", "*will*", "*may*", "*believe(s)*", "*should*", "*anticipate(s)*" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

THE PORTFOLIO

Pursuant to the First Receivables Purchase Agreement and the New Receivables Purchase Agreement, the Issuer has purchased from the Originator, respectively, the Initial Portfolio and the New Portfolio, together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments under any of the relevant Receivables.

The Receivables comprised in the Initial Portfolio and in the New Portfolio arise out of mortgage loans and unsecured loans governed by Italian law and classified as at the relevant Valuation Date as performing by the Originator.

All Receivables comprised in the Initial Portfolio and in the New Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the Criteria listed in annex 1 of the First Receivables Purchase Agreement and the New Receivables Purchase Agreement (see "*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 Valuation Date of the New Portfolio, the aggregate of the Outstanding Principal of all Receivables comprised in the Portfolio amounted to Euro 300,741,351.45.

The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at the Valuation Date of the New Portfolio.

The Criteria

Initial Portfolio Criteria

The Receivables arise out of Loans which, as at the relevant Valuation Date, met the following criteria:

(a) have been granted exclusively by Banca Popolare Valconca S.p.A. as lender;

(b) have been disbursed between 1 January 2002 (included) and 30 June 2018 (included) and in respect of which there is no obligation or possibility to effect further disbursements;

(c) have been granted pursuant to Loan Agreements governed by Italian law;

(d) are qualified as "*mutui ipotecari*", "*mutui fondiari*" pursuant to article 38 and following of the Consolidated Banking Act or "*mutui non ipotecari*" (as specified in the relevant Loan Agreement);

(e) have not been stipulated or entered into (as indicated in the relevant loan agreement) pursuant to:

(i) any law or regulation (also regional and/or provincial) which provides for: (a) contributions or advantageous repayment terms of principal and/or interest (so-called "*mutui agevolati* or *convenzionati*"); (b) public financial contributions of any kind; (c) discounts pursuant to the law and/or other provisions of advantageous repayment terms or reductions of payment in favour of the relevant debtors, the Mortgagors or any other guarantor in relation to principal and/or interest; or

(ii) articles 43, 44 and 45 of the Consolidated Banking Act (so-called "*credito agrario* and *peschereccio*"); or

(f) the main debtors (eventually also following assumption (*accollo*) and/or division (*frazionamento*)) is a company, a sole proprietorship (*ditta individuale*) or a professional firm with registered office or residence in Italy or a natural person resident in Italy who has taken out the relevant Loan as part of his professional and/or business activity;

(g) provide for a contractual (i) fixed interest rate not lower than 1,5%, or (ii) variable interest rate linked to one month Euribor, three months Euribor, or six months Euribor as rounded if necessary, that do not provide for the possibility of variation in respect of the reference index or the spread;

(h) provide for repayment of principal:

(i) in instalments in accordance with the so-called "French" amortisation plan method, which means an amortisation plan method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and that increase over the loan life time and a variable interest rate component, as calculated as at the date of granting of the loan or at the date of the latest agreement (if any) relating to the amortisation plan is reached; or

(ii) provide for repayment in monthly, bi-monthly, quarterly, semi-annual or annual instalments;

(i) whose instalments are denominated and paid in Euro and the relevant Loan Agreement does not contain provisions allowing conversion into a currency other than Euro;

(j) the payment of the relevant instalments is effected by way of automatic credit into an account opened with Banca Popolare Valconca S.p.A. or by way of automatic credit SDD (Sepa Direct Debit) or by way of cash;

(k) are not classified as defaulted loan receivables ("*crediti in sofferenza*") nor as unlikely to paid ("*inadempienza probabile*") and in respect of which, as at the Valuation Date, there isn't any instalment past due and unpaid for more than 26 days;

(l) in respect of which the relevant debtor is not benefiting of any suspension of the payment of any instalment;

(m) the expiry date of the last instalment falls no later than 28 September 2047;

(n) the relevant original amount disbursed is lower than, or equal to, Euro 4,000,000;

(o) in respect of which the outstanding principal is:

(i) higher than Euro 235.00;

(ii) lower than Euro 3,683,383.00;

(p) the relevant Loan has not been granted to public entities, or other entities in respect of which the Italian Royal Decree number 2440 of 1923 applies in relation to the transfer of the relevant Receivables, or ecclesiastic entities or other non-profit entities and organisations;

(q) the relevant Debtor falls into the following categories of SAE ("*settore d'attività economica*", as defined in the regulations of the Bank of Italy): 430, 450, 480, 481, 482, 490, 491, 492, 614 or 615;

(r) the relevant Loan has not been granted to finance photovoltaic plants, with the use of GSE (*Gestore dei Servizi Energetici*) incentives.

Loans which fall within the above criteria but had also meet one or more of the following characteristics have not been transferred pursuant to the First Receivables Purchase Agreement:

(i) the relevant loan has been granted in favour of employees or related parties of Banca Popolare Valconca S.p.A.;

(ii) the relevant loan has been guaranteed by the Fondo di Garanzia per le PMI, established with Mediocredito Centrale S.p.A., and implanted by Italian law number 662 of 23 December 1996.

New Portfolio Criteria

The Receivables arise out of Loans which, as at the relevant Valuation Date, met the following criteria:

(a) have been granted exclusively by Banca Popolare Valconca S.p.A. as lender;

(b) have been disbursed between 4 October 2000 (included) and 31 May 2021 (included) and in respect of which there is no obligation or possibility to effect further disbursements;

(c) have been granted pursuant to Loan Agreements governed by Italian law;

(d) are qualified as "*mutui ipotecari*", "*mutui fondiari*" pursuant to article 38 and following of the Consolidated Banking Act or "*mutui non ipotecari*" (as specified in the relevant Loan Agreement);

(e) have not been stipulated or entered into (as indicated in the relevant loan agreement) pursuant to:

(i) any law or regulation (also regional and/or provincial) which provides for: (a) contributions or advantageous repayment terms of principal and/or interest (so-called "*mutui agevolati* or *convenzionati*"); (b) public financial contributions of any kind; (c) discounts pursuant to the law and/or other provisions of advantageous repayment terms or reductions of payment in favour of the relevant debtors, the Mortgagors or any other guarantor in relation to principal and/or interest; or

(ii) articles 43, 44 and 45 of the Consolidated Banking Act (so-called "*credito agrario* and *peschereccio*"); or

(f) the main debtors (eventually also following assumption (*accollo*) and/or division (*frazionamento*)) is a company, a sole proprietorship (*ditta individuale*) or a professional firm with registered office or residence in Italy or a natural person resident in Italy who has taken out the relevant Loan as part of his professional and/or business activity and who is not an employee or a related party of Banca Popolare Valconca S.p.A.;

(g) provide for a contractual (i) fixed interest rate, or (ii) variable interest rate linked to three months Euribor, or six months Euribor as rounded if necessary, that do not provide for the possibility of variation in respect of the reference index or the spread;

(h) provide for repayment of principal:

(i) in instalments in accordance with the so-called "French" amortisation plan method, which means an amortisation plan method pursuant to which all instalments

include a principal component calculated as at the date of the draw-down and that increase over the loan life time and a variable interest rate component, as calculated as at the date of granting of the loan or at the date of the latest agreement (if any) relating to the amortisation plan is reached; or

(ii) provide for repayment in monthly, bi-monthly, quarterly, four-monthly, semi-annual or annual instalments;

(i) whose instalments are denominated and paid in Euro and the relevant Loan Agreement does not contain provisions allowing conversion into a currency other than Euro;

(j) the payment of the relevant instalments is effected by way of automatic credit into an account opened with Banca Popolare Valconca S.p.A. or by way of automatic credit SDD (Sepa Direct Debit) or by way of cash;

(k) are not classified as defaulted loan receivables ("*crediti in sofferenza*") nor as unlikely to paid ("*inadempienza probabile*") and in respect of which, as at the Valuation Date, there isn't any instalment past due and unpaid for more than 25 days;

(l) in respect of which the relevant Debtor is not benefiting of any suspension of the payment of the full amount of any instalment;

(m) the expiry date of the last instalment falls between 30 September 2021 (included) and 19 June 2053 (included);

(n) the relevant original amount disbursed is lower than, or equal to, Euro 4,000,000;

(o) in respect of which the outstanding principal is:

(i) higher than Euro 845.00;

(ii) lower than Euro 3,788,000.00;

(p) the relevant Loan has not been granted to public entities, or other entities in respect of which the Italian Royal Decree number 2440 of 1923 applies in relation to the transfer of the relevant Receivables, or ecclesiastic entities or other non-profit entities and organisations;

(q) the relevant Debtor falls into the following categories of SAE ("*settore d'attività economica*", as defined in the regulations of the Bank of Italy): 430, 450, 480, 481, 482, 490, 491, 492, 614 or 615;

(r) the relevant Loan has not been granted to finance photovoltaic plants, with the use of GSE (*Gestore dei Servizi Energetici*) incentives.

Characteristics of the Portfolio

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.

The Loans included in the Portfolio have the characteristics illustrated in the following tables. The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer. The information in the following tables reflects the position of the Portfolio as at the Valuation Date of the New Portfolio

(*i.e.* 30 June 2021) with respect to the Principal Instalments due on any subsequent scheduled Instalment Date.

Summary

Number of Loans	2895
Principal Instalments*	299,936,129.10
Mortgage portfolio	56.70%
Non-Mortgage portfolio	43.30%
Floating rate Principal Instalments*	91.99%
Fixed rate Principal Instalments*	8.01%
Floating rate portfolio weighted average spread	2.25%
Floating rate portfolio weighted average rate	2.42%
Fixed rate portfolio weighted average rate	1.35%
Weighted average seasoning (years)	4.68
Weighted average residual life (years)	10.49

**Principal Instalments due on any subsequent Scheduled Instalment Date*

*Breakdown by Class of Principal Instalments**

*Class of Principal Instalments**	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0,000 - 20,000	833	28.77%	8,871,584.11	2.96%
02) 20,000 - 50,000	1088	37.58%	30,786,517.60	10.26%
03) 50,000 - 75,000	178	6.15%	10,919,461.74	3.64%
04) 75,000 - 100,000	151	5.22%	13,465,282.16	4.49%
05) 100,000 - 300,000	433	14.96%	76,374,245.03	25.46%
06) 300,000 - 500,000	100	3.45%	39,390,362.58	13.13%
07) 500,000 – 1,000,000	72	2.49%	51,031,237.75	17.01%
08) 1,000,000 – 3,000,000	36	1.24%	54,897,517.49	18.30%
09) Over 3,000,000	4	0.14%	14,199,920.64	4.73%
Total	**2895**	**100%**	**299,936,129.10**	**100%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Class of Original Balance

Class of Original Balance	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0,000 - 20,000	652	22.52%	6,711,806.12	2.24%
02) 20,000 - 50,000	1116	38.55%	28,611,994.27	9.54%
03) 50,000 - 75,000	152	5.25%	7,102,476.26	2.37%
04) 75,000 - 100,000	184	6.36%	12,487,522.61	4.16%
05) 100,000 - 300,000	468	16.17%	65,054,187.32	21.69%
06) 300,000 - 500,000	140	4.84%	41,236,633.28	13.75%
07) 500,000 – 1,000,000	115	3.97%	54,520,842.11	18.18%
08) 1,000,000 – 3,000,000	59	2.04%	59,188,117.72	19.73%
09) Over 3,000,000	9	0.31%	25,022,549.41	8.34%
Total	**2895**	**100%**	**299,936,129.10**	**100%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Type of Debtor (SAE Code)

SAE Code	*Number of Loans*	*%*	*Principal Instalments**	*%*
430	1005	34.72%	155,171,806.36	51.73%
492	639	22.07%	94,991,391.79	31.67%
615	616	21.28%	16,517,991.45	5.51%
482	238	8.22%	12,302,812.47	4.10%
490	26	0.90%	7,112,754.35	2.37%
614	271	9.36%	5,485,180.39	1.83%
491	49	1.69%	4,102,073.60	1.37%
600	21	0.73%	1,537,771.28	0.51%
481	18	0.62%	1,221,734.79	0.41%
480	7	0.24%	1,208,229.88	0.40%
284	1	0.03%	122,167.48	0.04%
501	2	0.07%	116,557.58	0.04%
450	2	0.07%	45,657.68	0.02%
Total	**2,895.00**	**100%**	**299,936,129.10**	**100%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by NACE Classification

NACE Classification	*Number of Loans*	*%*	*Principal Instalments**	*%*
Wholesale and retail trade; repair of motor vehicles and motorcycles	697	24.08%	44,139,203.86	14.72%
Accommodation and food service activities	579	20.00%	70,153,386.07	23.39%
Manufacturing	475	16.41%	50,030,112.29	16.68%
Real estate activities	326	11.26%	90,665,337.20	30.23%
Construction	259	8.95%	16,775,057.53	5.59%
Professional, scientific and technical activities	120	4.15%	4,386,273.54	1.46%
Other services activities	87	3.01%	2,373,673.78	0.79%
Transporting and storage	75	2.59%	3,607,097.68	1.20%
Public administration and defence; compulsory social security	59	2.04%	2,907,985.95	0.97%
Administrative and support service activities	56	1.93%	3,870,521.21	1.29%
Information and communication	53	1.83%	2,710,511.97	0.90%
Arts, entertainment and recreation	48	1.66%	3,753,821.08	1.25%
N.D	25	0.86%	2,179,927.01	0.73%
Water supply; sewerage; waste managment and remediation activities	11	0.38%	718,288.43	0.24%
Education	10	0.35%	348,945.44	0.12%
Financial and insurance activities	9	0.31%	184,305.04	0.06%
Electricity, gas, steam and air conditioning supply	6	0.21%	1,131,681.02	0.38%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Type of Loan

Type of Loan	*Number of Loans*	*%*	*Principal Instalments**	*%*
Mortgage	563	19.45%	170,068,336.86	56.70%
Non Mortgage	2332	80.55%	129,867,792.24	43.30%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Payment Frequency

Payment Frequency	*Number of Loans*	*%*	*Principal Instalments**	*%*
Annual	17	0.59%	4,654,959.28	1.55%
Bi-Monthly	2	0.07%	102,816.28	0.03%
Four-Monthly	3	0.10%	2,528,715.95	0.84%
Monthly	2644	91.33%	198,299,576.53	66.11%
Quarterly	56	1.93%	16,789,858.83	5.60%
Semi-Annual	173	5.98%	77,560,202.23	25.86%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Interest Rate Type

Interest Rate Type	*Number of Loans*	*%*	*Principal Instalments**	*%*
Floating Rate Portfolio	1791	61.87%	275,910,288.59	91.99%
Fixed Rate Portfolio	1104	38.13%	24,025,840.51	8.01%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Class of Spread (Floating Rate Loans)

Class of Spread	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0%-0.50%	8	0.45%	4,204,002.33	1.52%
02) 0.50%-1.00%	86	4.80%	23,182,947.65	8.40%
03) 1.00%-1.50%	137	7.65%	42,687,281.82	15.47%
04) 1.50%-2.00%	235	13.12%	69,019,138.18	25.02%
05) 2.00%-2.50%	308	17.20%	59,135,893.07	21.43%
06) Over 2.50%	1017	56.78%	77,681,025.54	28.15%
Total	**1791**	**100.00%**	**275,910,288.59**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Class of Interest Rate (Fixed Rate Loans)

Class of Interest Rate	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0%-0.50%	88	7.97%	1,854,900.00	7.72%
02) 0.50%-1.00%	111	10.05%	2,499,935.00	10.41%
03) 1.00%-1.50%	848	76.81%	17,497,871.00	72.83%
04) 1.50%-2.00%	43	3.89%	1,160,078.02	4.83%
05) 2.00%-2.50%	12	1.09%	887,066.74	3.69%
06) 2.50%-3.00%	2	0.18%	125,989.75	0.52%
Total	**1104**	**100.00%**	**24,025,840.51**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Funding Year

Funding Year	*Number of Loans*	*%*	*Principal Instalments**	*%*
2000	1	0.03%	159,361.87	0.05%
2001	2	0.07%	58,977.44	0.02%
2002	8	0.28%	607,485.33	0.20%
2003	6	0.21%	1,130,909.12	0.38%
2004	6	0.21%	2,087,135.56	0.70%
2005	11	0.38%	2,215,371.07	0.74%
2006	20	0.69%	5,773,316.93	1.92%
2007	13	0.45%	2,840,638.31	0.95%
2008	13	0.45%	2,926,118.67	0.98%
2009	35	1.21%	12,463,354.71	4.16%
2010	51	1.76%	17,887,106.87	5.96%
2011	49	1.69%	10,917,823.40	3.64%
2012	45	1.55%	10,135,450.71	3.38%
2013	52	1.80%	10,651,896.57	3.55%
2014	41	1.42%	6,379,527.30	2.13%
2015	55	1.90%	17,558,411.33	5.85%
2016	130	4.49%	20,123,284.24	6.71%
2017	169	5.84%	16,400,248.34	5.47%
2018	225	7.77%	14,058,260.66	4.69%
2019	249	8.60%	31,050,458.28	10.35%
2020	1511	52.19%	91,599,431.79	30.54%
2021	203	7.01%	22,911,560.60	7.64%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Original Life

Original Life (years)	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0 - 6	1699	58.69%	81,858,004.54	27.29%
02) 6 - 8	356	12.30%	20,918,894.81	6.97%
03) 8 - 10	260	8.98%	23,569,337.04	7.86%
04) 10 - 12	78	2.69%	11,541,243.13	3.85%
05) 12 - 14	18	0.62%	4,918,070.44	1.64%
06) 14 - 16	91	3.14%	22,599,177.05	7.53%
07) 16 - 18	98	3.39%	18,702,847.30	6.24%
08) 18 - 20	60	2.07%	14,602,927.41	4.87%
09) 20 - 22	113	3.90%	36,202,721.23	12.07%
10) 22 - 24	33	1.14%	16,250,130.55	5.42%
11) 24 - 26	17	0.59%	4,500,869.74	1.50%
12) 26 - 28	39	1.35%	20,347,042.89	6.78%
13) 28 - 30	6	0.21%	6,851,657.56	2.28%
14) > 30	27	0.93%	17,073,205.41	5.69%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Seasoning

Seasoning (years)	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0 - 1	788	27.22%	77,177,018.80	25.73%
02) 1 - 2	1047	36.17%	53,291,027.71	17.77%
03) 2 - 3	229	7.91%	23,696,195.25	7.90%
04) 3 - 4	209	7.22%	15,298,014.17	5.10%
05) 4 - 5	167	5.77%	15,470,009.29	5.16%
06) 5 - 6	82	2.83%	20,415,901.72	6.81%
07) 6 - 7	46	1.59%	11,712,364.84	3.90%
08) 7 - 8	37	1.28%	5,314,322.47	1.77%
09) 8 - 9	55	1.90%	15,948,717.99	5.32%
10) > 9	235	8.12%	61,612,556.86	20.54%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Residual Life

Residual LIfe (years)	*Number of Loans*	*%*	*Principal Instalments**	*%*
01) 0 - 6	2144	74.06%	108,701,625.81	36.24%
02) 6 - 8	171	5.91%	26,902,421.24	8.97%
03) 8 - 10	241	8.32%	30,500,948.44	10.17%
04) 10 - 12	82	2.83%	26,239,405.22	8.75%
05) 12 - 14	65	2.25%	18,657,258.60	6.22%
06) 14 - 16	61	2.11%	21,874,671.53	7.29%
07) 16 - 18	50	1.73%	23,459,708.83	7.82%
08) 18 - 20	45	1.55%	19,314,675.85	6.44%
09) 20 - 22	16	0.55%	10,741,353.55	3.58%
10) 22 - 24	11	0.38%	3,255,081.09	1.09%
11) 24 - 26	5	0.17%	3,759,963.53	1.25%
12) 26 - 28	2	0.07%	4,017,533.73	1.34%
13) 28 - 30	1	0.03%	609,962.68	0.20%
14) > 30	1	0.03%	1,901,519.00	0.63%
Total	**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

Breakdown by Region of Borrower

Macro Region	*Region*	*Number of Loans*	*%*	*Principal Instalments**	*%*
01_Northern Italy	Emilia Romagna	2039	70.43%	228,648,080.26	76.23%
01_Northern Italy	Lombardia	17	0.59%	5,768,797.93	1.92%
01_Northern Italy	Piemonte	3	0.10%	59,145.52	0.02%
01_Northern Italy	Trentino Alto Adige	3	0.10%	65,184.63	0.02%
01_Northern Italy	Veneto	2	0.07%	50,000.00	0.02%
02_Central Italy	Lazio	13	0.45%	3,597,866.85	1.20%
02_Central Italy	Marche	791	27.32%	60,150,255.78	20.05%
02_Central Italy	Molise	1	0.03%	25,000.00	0.01%
02_Central Italy	Toscana	10	0.35%	507,073.48	0.17%
02_Central Italy	Umbria	6	0.21%	149,578.81	0.05%
03_Southern Italy	Calabria	2	0.07%	54,137.89	0.02%
03_Southern Italy	Campania	7	0.24%	701,007.95	0.23%
03_Southern Italy	Puglia	1	0.03%	160,000.00	0.05%
Total		**2895**	**100.00%**	**299,936,129.10**	**100.00%**

**Principal Instalments due on any subsequent Scheduled Instalment Date*

THE ORIGINATOR, THE SERVICER AND THE CASH MANAGER

Introduction

Banca Popolare Valconca S.p.A. ("**BP Valconca**" or the "**Bank**") is a *società per azioni*, with registered office at Via Bucci, 61, 47833, Morciano di Romagna (RN), Italy, share capital of euro 64,305,917.19, fiscal code and enrolment with the companies register of Romagna – Forlì – Cesena e Rimini number 00125680405 and enrolled under number 627.0.0 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

History and recent growth

BP Valconca was established in 1957 as a co-operative bank following the merger of Banca Cooperativa Morcianese and Banca Cooperativa Mondainese.

The Bank offers both to corporation and individuals a various range of banking and financial products and services in Emilia-Romagna through its 19 agencies (*filiali*) located in such region. As of 31 December 2020, BP Valconca had 4,867 shareholders.

Overview of Activities

BP Valconca mainly operates in:

- banking activity (as defined under article 10 of the Consolidated Banking Act);
- retail banking: in particular banking, financial and credit services for individuals, families and small enterprises;
- marketing and placement of third parties' products and services in relation to the professional assets management and raising of savings through financial, insurance and social security services.

These commercial activities are carried out through the network of the branches of the Bank in the Province of Rimini, Forlì – Cesena and Pesaro.

The wide range of services and products offered is capable of matching the needs of a vast, diversified and ever-growing number of customers.

The main services offered are:

- direct and indirect raising of savings, including: (i) current accounts, (ii) savings deposits accounts, (iii) deposit certificates, (iv) bonds, (v) repo transactions, (vi) asset management, (vii) placement of financial products provided by the financial institutions such as investment funds and Sicav, (viii) life insurance products and (ix) indemnity, health and disability insurances;
- investments and loans, including: active current accounts, advance of payments against invoices, import and export loans, short-term and medium-term loans, personal loans, mortgage loans, land loans and guarantees;
- electronic money services and payment and collection process: nationally and internationally accepted debit and credit cards, "acquiring POS" services and "acquiring ATM" services;

- other services include: currency exchange and negotiation, negotiation of financial instruments (stocks, bonds, etc.), custody and management of securities, safe-deposit boxes, internet banking, interbank corporate banking.

The range of media and forms of access to the bank services (multi-channel system) is the result of an evolution requiring constant updates and considerable investments in organization, technology and training.

Management

Board of Directors

In line with its by-laws, the board of directors is composed by the following 8 members, elected by the shareholders:

Name	Position
Costanzo Perlini	Chairman
Fabio Ronci	Vice Chairman
Antonio Batarra	Director
Mara Del Baldo	Director
Maria Letizia Guerra	Director
Alessandro Pettinari	Director
Roberto Ricci	Director
Paolo Zamagni	Director

Board of Statutory Auditors

The composition of the board of statutory auditors is:

Name	Position
Enrico Maria Renier	Chairman of the board of auditors
Giuseppe Baldassarri	Statutory auditor
Francesco Farneti	Statutory auditor
Silvia Cecchini	Statutory auditor
Silvia Vaselli	Statutory auditor

Independent Auditor

The auditor of BP Valconca is Grant Thornton S.p.A, with its registered office at Via San Donato, 197 40127 Bologna.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 5 March 2018 as a *società a responsabilità limitata* under the name "**Valconca SPV S.r.l.**". The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via Vittorio Alfieri, 1, 31015, Conegliano (TV), Italy, the fiscal code and enrolment number with the companies register of Treviso - Belluno is 04934270267. 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. The Issuer's fax number is +39 0438 360962 and the Issuer's telephone number is +39 0438 360926. The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is €10,000 fully paid up and entirely held by Stichting Farnese, a Dutch foundation (*stichting*) incorporated under the laws of the Netherlands, having its registered office at Barbara Strozzilaan, 101, 1083HN Amsterdam, the Netherlands.

The Issuer has not declared or paid any dividends or, save for the previous indebtedness incurred in respect of the Previous Securitisation or save as otherwise described in this Prospectus, 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 securitisation transactions (*operazioni di cartolarizzazione*) and issue asset backed securities.

The Issuer was established in Italy as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Previous Securitisation and the Securitisation, subject to the provisions set forth in Condition 5 (*Covenants*).

Sole director

The current sole director of the Issuer is Blade Management S.r.l., appointed by the Quotaholder from the date of incorporation until the date of resignation or revocation. The domicile of Blade Management S.r.l., in its capacity of sole director of the Issuer, is at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy.

The previous securitisation

On 28 June 2018, the Issuer carried out a securitisation transaction having as its object receivables deriving from residential mortgage loans assigned by Banca Popolare Valconca S.p.A. through the issuance, pursuant to the Securitisation Law, of €99,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due October 2060, and €19,581,000.00 Class J Residential Mortgage Backed Variable Return Rate Notes due October 2060.

The Quotaholder's Agreement

Pursuant to the terms of the Quotaholder's Agreement entered into on 27 June 2018 in the context of the Previous Securitisation and subsequently extended on or about the Issue Date in the context of the Securitisation, between the Issuer, the Quotaholder and the Representative of the Noteholders, the 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's

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's Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused.

Accounts of the Issuer and accounting treatment of the Portfolio

Pursuant to Bank of Italy regulations, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

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 ending on 31 December 2018.

Capitalisation and indebtedness statement

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

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000.00
Loan capital	**Euro**
Previous Securitisation	
€99,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due October 2060	53,571,191.02
€19,581,000.00 Class J Residential Mortgage Backed Variable Return Notes due October 2060	19,581,000.00
Securitisation	
€ 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060	215,259,501.89
€ 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060	90,061,000.00
Total loan capital (Euro)	**378,472,692.91**
Total capitalisation and indebtedness (Euro)	**378,482,692.91**

Subject to the above, as at the date of this Prospectus, 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.

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year.

Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation may be inspected and obtained free of charge during usual business hours at the specified offices of the Issuer and the Representative of the Noteholders.

The financial statement of the Issuer as at 31 December 2020 have been duly audited by Trevor S.r.l., with its registered office at Via Brennero, 139 – 38121 - Trento.

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

Banca Finanziaria Internazionale S.p.A. (formerly, Securitisation Services S.p.A.) will act as Representative of the Noteholders, Calculation Agent, Back-up Servicer Facilitator and Corporate Servicer under the transaction.

Banca Finanziaria Internazionale S.p.A., a bank incorporated under the laws of Italy as a *società per azioni*, with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 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, adhering to *Fondo Interbancario di Tutela dei Depositi* and to the *Fondo Nazionale di Garanzia*.

Banca Finanziaria Internazionale S.p.A. is a professional Italian dealer specialising in managing and monitoring securitisation transactions. In particular, Banca Finanziaria Internazionale S.p.A. acts as servicer, corporate servicer, calculation agent, programme administrator, representative of the noteholders, back-up servicer, back-up servicer facilitator, back-up calculation agent in several structured finance deals.

In the context of this Securitisation, Banca Finanziaria Internazionale S.p.A. acts as Calculation Agent, Representative of the Noteholders, Back-up Servicer Facilitator and Corporate Servicer.

Banca Finanziaria Internazionale S.p.A. is subject to the auditing activity of Deloitte Italia.

The information contained in this section of this Prospectus relates to and has been obtained from Banca Finanziaria Internazionale S.p.A. The delivery of this Prospectus 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 Prospectus is correct as of any time subsequent to its date.

THE ACCOUNT BANK AND THE PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by a strong universal bank. It provides integrated solutions to all participants in the investment cycle including the buy-side, sell-side, corporates and issuers.

BNP Paribas Securities Services has a local presence in 35 countries across five continents, effecting global coverage of more than 100 markets.

At December 2020 BNP Paribas Securities Services has USD 10,980 billion of assets under custody, USD 2,659 billion assets under administration, at December 2020 BNP Paribas Securities Services had 10,729 administered funds and more than 12,000 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A+" (negative) from S&P's, "Aa3" (stable) from Moody's and "A+" (negative) from Fitch Ratings.

Fitch	**Moody's**	**S&P's**
Short term F1+	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt Aa3	Long term senior debt A+
Outlook Negative	Outlook Stable	Outlook Negative

BNP Paribas Securities Services, Milan Branch acts as Principal Paying Agent and Account Bank pursuant to the Cash Allocation Management Payments Agreement.

The information contained herein relates to and has been obtained from BNP Paribas Securities Services, Milan 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 Securities Services, Milan Branch, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Securities Services, Milan Branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

USE OF PROCEEDS

The total proceeds of the issue of the Initial Notes as at the Issue Date were Euro 221,351,000.00 and were applied by the Issuer to pay to the Originator the Purchase Price for the Initial Portfolio in accordance with the First Receivables Purchase Agreement, to credit the Cash Reserve Initial Amount ultimately on the Cash Reserve Account and the Retention Amount ultimately on the Expenses Account, provided that, following such payments, any remaining amount will be credited to the Payments Account.

The total proceeds of the issue of the Additional Notes as at the Increase Date are expected to be Euro 174,508,097.73, and will be applied by the Issuer to pay to the Originator the Purchase Price for the New Portfolio in accordance with the New Receivables Purchase Agreement and to credit the Cash Reserve Increased Amount ultimately on the Cash Reserve Account, provided that, following such payment, any remaining amount will be credited to the Payments Account.

DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary 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 Representative of the Noteholders and the Principal Paying Agent.

1 THE FIRST RECEIVABLES PURCHASE AGREEMENT

On 12 July 2018, the Originator and the Issuer entered into the First Receivables Purchase Agreement, pursuant to which 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.

The Purchase Price for the First Portfolio paid pursuant to the First Receivables Purchase Agreement was equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Initial Portfolio. The Individual Purchase Price for each Receivable was equal to the aggregate amount of all Principal Instalments overdue as at the relevant Valuation Date, plus all Principal Instalments and Interest Instalments due but unpaid as at the relevant Valuation Date and plus the interest accrued but unpaid as at the relevant Valuation Date.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Initial Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio*". The sale of each 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 Initial Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 83 of 19 July 2018 and was registered in the companies register of Treviso - Belluno on 16 July 2018.

The First Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables or the then current rating of the Senior Notes, save in the event such modifications or cancellations are provided for by the Transaction Documents or required by law.

Further, under the First Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase (in whole but not in part) the outstanding Receivables in accordance with article 58 of the Consolidated Banking Act, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Senior Notes, (b) all the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption), (c) the interests due but unpaid on the Senior Notes, and (d) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with letters (a), (b) and (c) above. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by

the Originator, (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 and (c) a solvency certificate issued by the competent *Tribunale Ordinario - Sezione Fallimentare* for the registered office of the Originator. The above certificates must be dated not earlier than 10 Business Days before the date of the relevant exercise of such repurchase right.

In addition, under the First Receivables Purchase Agreement, 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 Portfolio as described above, within the limit of (i) 10% of the Outstanding Principal of the Initial Portfolio as of the relevant Valuation Date, and (ii) in respect of the years following, 2% of the Outstanding Principal of the Initial Portfolio as of the relevant Valuation Date.

The First Receivables Purchase 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 NEW RECEIVABLES PURCHASE AGREEMENT

On 16 July 2021, the Originator and the Issuer entered into the New Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the New Portfolio.

The Purchase Price for the New Portfolio paid pursuant to the New Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the New Portfolio. The Individual Purchase Price for each Receivable was equal to the aggregate amount of all Principal Instalments overdue as at the relevant Valuation Date, plus all Principal Instalments and Interest Instalments due but unpaid as at the relevant Valuation Date and plus the interest accrued but unpaid as at the relevant Valuation Date. Under the New Receivables Purchase Agreement, the Purchase Price for the Receivables is payable by the Issuer to the Originator on the Increase Date, provided that the formalities set out in clause 8.1 of the New Receivables Purchase Agreement have been completed.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the New Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio*". The sale of each Portfolio is 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 New Portfolio has been published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 86 of 22 July 2021 and was registered in the companies register of Treviso - Belluno on 21 July 2021.

The New Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the New Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify

or cancel any term or condition of the Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables or the then current rating of the Senior Notes, save in the event such modifications or cancellations are provided for by the Transaction Documents or required by law.

Further, under the New Receivables Purchase Agreement, the parties have confirmed the option right to repurchase (in whole but not in part) the outstanding Receivables in accordance with article 58 of the Consolidated Banking Act set forth under the provisions of the First Receivables Purchase Agreement and extended such option to the Receivables comprised in the New Portfolio.

In addition, under the New Receivables Purchase Agreement, 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 Portfolio as described above, within the limit of (i) 10% of the Outstanding Principal of the New Portfolio as of the relevant Valuation Date, and (ii) in respect of the years following, 2% of the Outstanding Principal of the New Portfolio as of the relevant Valuation Date.

The New Receivables Purchase 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 SERVICING AGREEMENT

On 12 July 2018, the Originator and the Issuer entered into the Servicing Agreement, (subsequently amended on 27 July 2021), pursuant to which the Issuer has appointed Banca Popolare Valconca S.p.A. as Servicer of the Receivables. The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit on a daily basis any amounts collected from the Receivables to the Collection Account. 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. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the applicable law and this Prospectus.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables. The Servicer shall be entitled to sub-delegate such activities, 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 it has 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 Policy, the Loan Agreements. In addition, under

certain circumstances, the Servicer is permitted to grant to the Debtors the suspension of payment of the instalments due under the relevant Loans.

For further details, see the sections headed "*Risk Factors – Changes in the Portfolio composition*", "*Risk Factors - Yield and payment considerations*" and "*Risk Factors - Risks related to the economic impact of the COVID-19 pandemic*".

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

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, collection and recovery of the Receivables (other than the Defaulted Receivables or the Delinquent Receivables) included in the Portfolio, a fee equal to 0.05% (plus VAT, if due) of the Collections received by the Servicer on behalf of the Issuer in respect of the Receivables (other than the Defaulted Receivables or the Delinquent Receivables) during the Quarterly Collection Period immediately preceding such Payment Date;

(b) for the activity of administration, management, collection and recovery of any Defaulted Receivables or Delinquent Receivables included in the Portfolio, a fee, payable on each Payment Date, equal to 0.01% (including VAT, if due) of the Collections deriving from the Defaulted Receivables or the Delinquent Receivables included in the Portfolio during the Collection Period immediately preceding such Payment Date, as indicated from time to time in the Quarterly Servicer's Report;

(c) for the activity regarding the monitoring, compliance with the supervisory authority and reporting activities, a fee equal to Euro 100.00 (inclusive of VAT, if due), to be paid on each Payment Date.

The Servicer has undertaken to prepare and submit to the Issuer monthly and quarterly reports containing, a summary of the performance of the Portfolio, 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 Portfolio, for delivery to, *inter alios*, the Issuer, the Corporate Servicer and the Representative of the Noteholders. In addition, the Servicer has undertaken to prepare a loan-level data report in compliance with the European Central Bank's applicable regulation.

4 THE WARRANTY AND INDEMNITY AGREEMENT

On 12 July 2018, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Initial Portfolio and certain other matters and has agreed 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.

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists as a juridical person, has the corporate authority and power to

enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations therefor.

The Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, as of the date of execution of the Warranty and Indemnity Agreement, the Receivables comprised in the Initial Portfolio (i) were valid, in existence and in compliance with the Criteria, and (ii) related to Loan Agreements which had been entered into, executed and performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law). In addition, the Originator represented, *inter alia*, that each of the Debtors and the guarantors is resident in Italy and that the Real Estate Assets are located in Italy.

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 relevant Debtor; (d) the failure of the terms and conditions of any Loan Agreement on the Valuation Date to comply with the provision of article 1283 or article 1346 of the Italian civil code; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreement up to the Valuation Date.

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.

5 THE NEW WARRANTY AND INDEMNITY AGREEMENT

On 16 July 2021, the Issuer and the Originator entered into the New Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the New Portfolio and certain other matters and has agreed 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.

The New Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists as a juridical person, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations therefor.

The New Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, as of the date of execution of the New Warranty and Indemnity Agreement, the Receivables comprised in the New Portfolio (i) were valid, in existence and in compliance with the Criteria, and (ii) related to Loan Agreements which had been entered into, executed and performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law). In addition, the Originator represented, *inter alia*, that each of the Debtors and the guarantors is resident in Italy and that the Real Estate Assets are located in Italy.

Pursuant to the New 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 New 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 relevant Debtor; (d) the failure of the terms and conditions of any Loan Agreement on the Valuation Date to comply with the provision of article 1283 or article 1346 of the Italian civil code; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreement up to the Valuation Date.

The New 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.

6 THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On 24 July 2018, the Issuer, the Originator, the Servicer, the Account Bank, the Cash Manager, the Representative of the Noteholders, the Back-up Servicer Facilitator, the Corporate Servicer, the Calculation Agent and the Principal Paying Agent entered into the Cash Allocation, Management and Payments Agreement (as amended on 27 July 2021).

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 Collection Account, the Payments Account, the Cash Reserve Account and the Securities 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 such accounts;

(b) the Principal Paying Agent has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes;

(c) the Cash Manager has agreed to invest, on behalf of the Issuer, funds standing to the credit of the Accounts in Eligible Investments;

(d) the Corporate Servicer has agreed to operate the Expenses Account held with Banca Monte dei Paschi di Siena S.p.A., in accordance with the instructions of the Issuer;

(e) the Calculation Agent has agreed to provide the Issuer with calculation services; and

(f) the Back-up Servicer Facilitator has undertaken, for as long as Banca Popolare Valconca S.p.A. acts as Servicer in accordance with the provisions of the Servicing Agreement, in the event that a Termination Event occurs in accordance with the provisions of the Servicing Agreement, the Back-up Servicer Facilitator undertakes (i) to use its best efforts in order to select an entity to be appointed as Substitute Servicer in accordance with the Servicing Agreement and (ii) to cooperate with the Issuer and the Servicer for the appointment of such Substitute Servicer in accordance with clause 9 of the Servicing Agreement.

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

The Issuer may (with the prior approval of the Representative of the Noteholders) revoke its appointment of any Agent by giving not less than three months' written notice. The appointment of any Agent shall terminate forthwith in accordance with article 1456 of the Italian civil code if: (i) an Insolvency Event occurs in relation to it; or (ii) it is rendered unable to perform its obligations for a period of 60 days by circumstances beyond its control. The relevant Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will be subject to and conditional upon the Representative of the Noteholders consenting in writing to the resignation (such consent not to be unreasonably withheld or delayed) and a substitute Calculation Agent being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments 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.

7 THE INTERCREDITOR AGREEMENT

On 24 July 2018, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement (as amended on 27 July 2021). Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

In the Intercreditor Agreement, the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Portfolio.

With respect to the compliance of BP Valconca, in its capacities as Originator and Reporting Entity, with the retention undertaking and the other duties set forth under the Securitisation Regulation and addressed in the Intercreditor Agreement, please refer to section headed "*Regulatory Disclosure and Retention Undertaking*".

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

8 THE MANDATE AGREEMENT

On 24 July 2018, 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.

9 THE CORPORATE SERVICES AGREEMENT

Under the Corporate Services Agreement entered into on 27 June 2018 in the context of the Previous Securitisation and subsequently extended on 24 July 2018 in the context of the Securitisation, between the Issuer, the Corporate Servicer and the Representative of the Noteholders, the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

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

10 THE STICHTING CORPORATE SERVICES AGREEMENT

Under the Stichting Corporate Services Agreement entered into on 27 June 2018 in the context of the Previous Securitisation and subsequently extended on 24 July 2018 in the context of the Securitisation, between the Quotaholder, the Stichting Corporate Services Provider and the Issuer, the Stichting Corporate Services Provider has agreed to provide certain corporate administration and management services to Stichting Farnese in relation to the Securitisation.

The Stichting Corporate Services Agreement will be governed by and construed in accordance with the laws of The Netherlands.

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 Monte Titoli in accordance with the provisions of (i) article 83-bis of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published in the Official Gazette number 201 of 30 August 2018, as subsequently amended and supplemented from time to time. 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.*

The € 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060 and the € 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060 have been issued pursuant to the Securitisation Law by the Issuer: (i) on the Issue Date to finance the purchase by the Issuer of the Initial Portfolio pursuant to the First Receivables Purchase Agreement, to create the Cash Reserve by transferring the Cash Reserve Initial Amount from the Payments Account to the Cash Reserve Account, to credit the Retention Amount to the Payments Account (and then transferring such Retention Amount to the Expenses Account) and to credit any remaining amount to the Payments Account (and then transferring such amount to the Collection Account) and (ii) on the Increase Date to finance the purchase by the Issuer of the New Portfolio pursuant to the New Receivables Purchase Agreement and to finance the Cash Reserve by transferring the Cash Reserve Increased Amount to the Cash Reserve Account. As at the Increase Date, the Principal Amount Outstanding of the Senior Notes is € 215,259,501.89 (of which (i) € 64,461,404.16 in respect of the Initial Senior Notes, and (ii) € 150,798,097.73 in respect of the Additional Senior Notes). The principal source of payment of any amounts related to the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

Any reference below to a "Class" of Notes or a "Class" of Noteholders shall be a reference to the Class A Notes or the Class J Notes, as the case may be, or to the respective ultimate owners thereof.

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*

1.3.1 Copies of the Transaction Documents (other than each Subscription Agreement) are available for inspection by the Noteholders during normal business hours at the registered office of the Issuer and the Representative of the Noteholders, both being, as at the Increase Date, Via V. Alfieri, 1, 31015 Conegliano (TV), Italy and at the specified office of the Principal Paying Agent, being, as at the Increase Date, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy; and

1.3.2 pursuant to article 7 of the Securitisation Regulation, available for inspection by the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request to the Issuer, by potential investors in the Notes through the Data Repository.

1.4 *Description of Transaction Documents*

1.4.1 Pursuant to the Initial Notes Subscription Agreement, the Underwriter has agreed to subscribe for the Initial Notes on the Issue Date and appointed the Representative of the Noteholders to perform the activities described in the Initial Notes Subscription Agreement, these Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.2 Pursuant to the Additional Notes Subscription Agreement, the Underwriter has agreed to subscribe for the Additional Notes on the Increase Date.

1.4.3 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 and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Initial Portfolio.

1.4.4 Pursuant to the New Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the New Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the New Portfolio.

1.4.5 Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of the applicable law and the Prospectus.

1.4.6 In the Agreement for the Extension of the Corporate Services Agreement, the Issuer, the Corporate Servicer and the Representative of the Noteholders have agreed to extend to the Securitisation the provisions of the Corporate Services Agreement, pursuant to which the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

1.4.7 Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Principal Paying Agent, the Account Bank, the Servicer, the Corporate Servicer, the Cash Manager and the Back-up Servicer Facilitator have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys and securities from time to time standing to the credit of the Accounts and the Expenses Account. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of any amounts in respect of the Notes of each Class.

1.4.8 Pursuant to the Intercreditor Agreement, provision is made as to the order of

application of 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 Portfolio and the Transaction Documents.

1.4.9 Pursuant to the Mandate Agreement, the Representative of the Noteholders, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event and, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents, is authorised 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.

1.4.10 In the Agreement for the Extension of the Quotaholder's Agreement, the Quotaholder has agreed to extend to the Securitisation the provisions of the Quotaholder's Agreement, pursuant to which certain rules have been set forth in relation to the corporate management of the Issuer.

1.4.11 In the Agreement for the Extension of the Stichting Corporate Services Agreement, the Quotaholder, the Stichting Corporate Services Provider and the Issuer have agreed to extend to the Securitisation the provisions of the Stichting Corporate Services Agreement, pursuant to which the Stichting Corporate Services Provider has agreed to provide to Stichting Farnese certain services in relation to such stichting.

1.4.12 Pursuant to the Master Definitions Agreement, the definitions and interpretation of certain terms and expressions used in the Transaction Documents have been agreed by the parties to the Transaction Documents.

1.5 *Acknowledgement*

Each Noteholder, by reason of holding the Class A Notes, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by 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:

"**Acceleration Event**" means any of the following events:

(a) the Cumulative Gross Default Ratio on any Quarterly Collection Period has exceeded 10%;

(b) the Issuer has exercised its right to terminate the Servicing Agreement.

"**Account Bank**" means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

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

"**Accrued Interest**" means the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not yet due.

"Additional Notes" means, collectively, the Additional Senior Notes and the Additional Junior Notes.

"**Additional Junior Notes**" means a nominal amount of € 23,710,000.00 of the Class J Notes issued by the Issuer on the Increase Date.

"**Additional Senior Notes**" means a nominal amount of € 362,600,000.00 of the Class A Notes issued by the Issuer on the Increase Date.

"**Additional Notes Subscription Agreement**" means the subscription agreement in relation to the Additional Notes entered into on or about the Increase Date between the Issuer, the Representative of the Noteholders, the Originator and the Underwriter.

"**Adjustment Purchase Price**" means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1.1 of each Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of such agreements.

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

$$A + J - CP - R$$

where:

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

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

CP = the Collateral Portfolio Outstanding Principal on the last day of the immediately preceding Quarterly Collection Period (for avoidance of doubt, the Collateral Portfolio Outstanding Principal takes into account as reduction any principal amount effectively set-off by the borrowers (or Debtors) or any principal amount commingled with assets of the Servicer in case an Insolvency Event in respect of the Servicer occurred);

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

"**Agreement for the Extension of the Corporate Services Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders in order to extend the Corporate Services Agreement, 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.

"**Agreement for the Extension of the Quotaholder's Agreement**" means the agreement entered into on or about the Issue Date between the Quotaholder, the Issuer and the Representative of

the Noteholders in order to extend the Quotaholder's Agreement, 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.

"**Agreement for the Extension of the Stichting Corporate Services Agreement**" means the agreement entered into on or about the Issue Date between the Quotaholder, the Stichting Corporate Services Provider and the Issuer in order to extend the Stichting Corporate Services Agreement, 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.

"**Back-up Servicer Facilitator**" means Banca Finanziaria Internazionale S.p.A.

"**Business Day**" means any day on which TARGET2 (or any successor thereto) is open.

"**Calculation Agent**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the date falling 5 Business Days before each Payment Date.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Originator, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Account Bank, the Corporate Servicer, the Calculation Agent, the Principal Paying Agent and the Cash Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Manager**" means Banca Popolare Valconca S.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve**" means a reserve created on the Issue Date with a portion of the proceeds of the issue of the Initial Notes and increased on the Increase Date with a portion of the proceeds of the issue of the Additional Notes, to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 15 S 03479 01600 000802249202, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Increased Amount**" means Euro 2,954,494.76.

"**Cash Reserve Initial Amount**" means Euro 3,100,000.00.

"**Class**" shall be a reference to a Class of Notes being the Class A Notes or the Class J Notes and "**Classes**" shall be construed accordingly.

"**Class A Noteholders**" or "**Senior Noteholders**" means the holders of the Class A Notes.

"**Class A Notes**" or "**Senior Notes**" means the € 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060 issued by the Issuer in the context of the Securitisation.

"**Class A Notes Formula Redemption Amount**" means, in respect of any Payment Date, an amount equal to the lower of:

(a) the Principal Amount Outstanding of the Class A Notes as of the preceding Payment Date; and

(b) the Aggregate Notes Formula Redemption Amount.

"**Class J Noteholders**" or "**Junior Noteholders**" means the holders of the Class J Notes.

"**Class J Notes**" or "**Junior Notes**" means the € 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060 issued by the Issuer in the context of the Securitisation.

"**Class J Notes Formula Redemption Amount**" means, in respect to any Payment Date, an amount equal to the lower of:

(a) the Principal Amount Outstanding of the Class J Notes as of the preceding Payment Date; and

(b) the Aggregate Notes Formula Redemption Amount less the Class A Notes Formula Redemption Amount for that Payment Date.

"**Class J Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Class J Notes upon issue.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Collateral Portfolio**" means, on a given date, the aggregate of all Receivables owned by the Issuer and comprised in the Portfolio which are not (i) Defaulted Receivables as of that date or (ii) Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement and of the New Warranty and Indemnity Agreement.

"**Collateral Portfolio Outstanding Principal**" means, on a given date, the Outstanding Principal of the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 61 Q 03479 01600 000802249200, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collections**" means all amounts received by the Servicer or any other person 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.

"**Conditions**" means these terms and conditions of the Notes.

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

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Servicer**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means the corporate services agreement executed on 27 June 2018 in the context of the Previous Securitisation between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**CRA Regulation**" means the Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013.

"**Cumulative Gross Default Ratio**" means, with reference to each Quarterly Servicer's Report Date, the ratio between: (a) the sum of the Outstanding Principal as at the default date of all the Receivables which have been classified as Defaulted Receivables from the relevant Valuation Date up to the last day of the immediately preceding Quarterly Collection Period; and (b) the Collateral Portfolio Outstanding Principal calculated, with reference to the Receivables comprised in the Initial Portfolio, as at the Valuation Date of the Initial Portfolio and, with reference to the Receivables comprised in the New Portfolio, as at the Valuation Date of the New Portfolio.

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

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

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-

BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	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 legal or natural person who entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Loan or who has assumed the original Debtor's obligation under an *accollo*, or otherwise.

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree 239 Deduction**" means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

"**Defaulted Receivable**" means a Receivable classified by the Servicer as a "defaulted loan" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) or in respect of which at least one instalment is due and unpaid for more than 180 days.

"**Determination Date**" means:

(a) with respect to the Initial Interest Period, the day falling two Business Days prior to the Issue Date; and

(b) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

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

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS:

(1) the greater of (x) the rating one notch below the institution's Long-Term Critical obligations Rating ("**COR**") and (y) at least "BBB (high)" in respect of long-term debt public or private rating; or

(2) if COR is not currently maintained for the institution, at least "BBB (high)" in respect of long-term debt public or private rating; or

(3) if there is no such public or private rating, the DBRS Minimum Rating of at least "BBB (high)"; and

(ii) with respect to S&P: at least "A-" as a long-term rating.

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee (followed by, if requested, a legal opinion rendered by a reputable firm in the relevant jurisdictions) issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America and have at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee and the relating opinion have been notified to the Rating Agencies and comply with the Rating Agencies' criteria.

"**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 or repurchase transactions on such debt instruments with the followings 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 (high)" in respect of Senior Long-Term Debt and Deposit rating or "R-1 (low)" in respect of Short-Term Debt and Deposit rating, with regard to investments having a maturity of less than or equal to 30 (thirty) days, or (2) "AA (low)" in respect of Senior Long-Term Debt and Deposit rating or "R-1 (middle)" in respect of Short-Term Debt and Deposit, with regard to investments having a maturity between 31 (thirty-one) and 90 (ninety) days; 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;

(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) by an institution rated at least as follows by S&P: (i) "AA-" 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-1" 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:

(1) shall be immediately repayable on demand, disposable without penalty, cost or loss or have a maturity not later than its Eligible Investments Maturity Date;

(2) shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;

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:

(i) 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

(ii) 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;

(C) 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 the date falling 6 (six) Business Days prior to each Payment Date.

"**Euribor**" means:

(a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on the display page on Bloomberg (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month deposits in Euro will be substituted); or

(b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

(c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or

(d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11:00 a.m. (Brussels time) on the Determination Date; and

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(1) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal 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 the Determination Date; or

(2) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(3) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

"**Euro**", "**cents**" 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) No. 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.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Expenses**" means:

(a) any and all 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/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

"**Expenses Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, IBAN: IT 09 C 01030 61622 000001804471, as redesignated or renumbered from time to time or such other substitute account

as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**ExtraMOT PRO**" means the professional segment of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Final Maturity Date**" means the Payment Date falling in October 2060.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**First Payment Date**" means the Payment Date falling in October 2018.

"**First Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 12 July 2018 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.

"**Holder**" or "**holder**" means the ultimate owner of a Note.

"**Increase Date**" means 28 July 2021, or such other date on which the Additional Notes are issued.

"**Initial Interest Period**" means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Initial Junior Notes**" means the €66,351,000.00 of the Class J Notes issued by the Issuer on the Issue Date.

"**Initial Notes**" means the aggregate of the Initial Junior Notes and the Initial Senior Notes.

"**Initial Portfolio**" means the portfolio of Receivables purchased on 12 July 2018 by the Issuer pursuant to the terms and conditions of the First Receivables Purchase Agreement.

"**Initial Senior Notes**" means the €155,000,000.00 of the Class A Notes issued by the Issuer on the Issue Date.

"**Initial Notes Subscription Agreement**" means the subscription agreement in relation to the Initial Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Underwriter.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*accordi di ristrutturazione*" and "*piani di risanamento*" and any applicable proceeding provided under Legislative Decree No. 14 of 12 January 2019 (*Nuovo codice della crisi d'impresa e dell'insolvenza*) as from the date of its entry in force, each such expression bearing the

meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a pignoramento or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (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; or

(f) such company, entity or corporation becomes subject to any proceedings resulting from the implementation of directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**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.

"**Insurance Policy**" means, with reference to the Receivables comprised in the Mortgage Pool, an insurance policy taken out in relation to a Real Estate Asset.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in

accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Determination of Rate of Interest and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"**Issue Date**" means 25 July 2018.

"**Issuer**" means Valconca SPV S.r.l., a *società a responsabilità limitata* with sole quotaholder 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 with the companies register of Treviso-Belluno number 04934270267, enrolled in the register of special purpose vehicle held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreements, the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period; and

(viii) on the Payment Date on which all the Notes will be redeemed in full or otherwise cancelled, all of the funds then standing to the balance of the Expenses Account.

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

"**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.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear and Clearstream.

"**Mortgage**" means each mortgage granted on the relevant Real Estate Asset, pursuant to Italian law, in order to secure a specified Receivable comprised in the Mortgage Pool.

"**Mortgage Pool**" means the portion of the Portfolio which includes the Receivables secured by a Mortgage and identified as such in the relevant List of Receivables.

"**Most Senior Class of Notes**" means (i) the Senior Notes, and (ii) following the full repayment of all the Senior Notes, the Class J Notes.

"**New Portfolio**" means the portfolio of Receivables purchased on 16 July 2021 by the Issuer pursuant to the terms and conditions of the New Receivables Purchase Agreement.

"**New Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 16 July 2021 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.

"**New Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on 16 July 2021 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.

"**Noteholders**" means, together, the Senior Noteholders and the Class J Noteholders.

"**Notes**" means, together, the Senior Notes and the Class J Notes.

"**Notice**" means any notice delivered under or in connection with any Transaction Document.

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means Banca Popolare Valconca S.p.A.

"**Other Issuer Creditors**" means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Back-up Servicer Facilitator, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Principal Paying Agent, the Underwriter, the Account Bank and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments due on any subsequent Scheduled Instalment Date; and (ii) any Principal Instalments due but unpaid as at such date; and (iii) the Accrued Interest.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 28th day of April, July, October and January in each year or, if such day is not a Business Day, the immediately following Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 38 R 03479 01600 000802249201, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Portfolio**" means, collectively, the Initial Portfolio and the New Portfolio.

"**Post Trigger Notice Priority of Payments**" means the Priority of Payments set out in Condition 6.2 (*Post Trigger Notice Priority of Payments*).

"**Pre Trigger Notice Priority of Payments**" means the Priority of Payments set out in Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

"**Previous Notes**" means, together, the €99,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due October 2060 and the €19,581,000.00 Class J Residential Mortgage Backed Variable Return Notes due October 2060.

"**Previous Securitisation**" means the securitisation carried out by the Issuer on 28 June 2018, relating to receivables arisen from residential mortgage loan agreements entered into by the Originator and its customers and in the context of which the Previous Notes have been issued.

"**Principal Amount Outstanding**" means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

"**Principal Instalment**" means the principal component of each Instalment.

"**Principal Payment Amount**" shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

"**Principal Paying Agent**" means BNP Paribas Securities Services, Milan branch, Italian branch or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to or following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Prospectus**" means the prospectus of the Notes prepared by the Issuer in connection with the Securitisation.

"**Purchase Price**" means, as the case may be, the purchase price of the Initial Portfolio pursuant to the First Receivables Purchase Agreement and the purchase price of the New Portfolio pursuant to the New Receivables Purchase Agreement.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (and including) the first day of January, April, July and October of each year and ending respectively on (and including) 31 March, 30 June, 30 September and 31 December of each year;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period of the Initial Portfolio, the period commencing on the relevant Valuation Date and ending on 30 September 2018 (included) and, in the case of the first Quarterly Collection Period of the New Portfolio,

the period commencing on the relevant Valuation Date and ending on 30 September 2021 (included).

"**Quarterly Servicer's Report Date**" means the date falling 8 Business Days before each Payment Date.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch with IBAN: IT 28 M 01030 61622 000001790105 or such other substitute account.

"**Quotaholder**" means Stichting Farnese.

"**Quotaholder's Agreement**" means the agreement executed on 27 June 2018 in the context of the Previous Securitisation between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rating Agencies**" means DBRS and S&P.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure payment of a Receivable comprised in the Mortgage Pool.

"**Receivables**" means all rights and claims of the Issuer arising out from any Loan Agreement listed in each List of Receivables existing or arising from (and excluding) the relevant Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including the default interest) accrued on the Loans and not collected up to (but excluding) the relevant Valuation Date;

(c) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans from (and including) the relevant Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;

(e) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means each of the First Receivables Purchase Agreement and the New Receivables Purchase Agreement.

"**Reference Bank**" means 3 major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

"**Representative of the Noteholders**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Required Cash Reserve Amount**" means, in relation to each relevant Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, an amount equal to the higher of (without taking into account any principal payment to be made to the Noteholders on such Payment Date):

(a) Euro 1,100,000.00; and

(b) 2% of the Principal Amount Outstanding of the Senior Notes as of (a) the Increase Date with reference to the Payment Date immediately following the Increase Date or, otherwise (b) the preceding Payment Date (for the avoidance of doubt after the application of the respective Priority of Payments),

provided that (1) on the Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal on the Senior Notes on such Payment Date) is equal to or lower than the Required Cash Reserve Amount as calculated in accordance with item (b) above, (2) following the delivery of a Trigger Notice or (3) on the Final Maturity Date, the Required Cash Reserve Amount shall be equal to 0 (zero).

"**Retention Amount**" means an amount equal to €25,000, provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

"**Rules of the Organisation of the Noteholders**" or "**Rules**" means the rules of the organisation of the Noteholders attached as Exhibit to these Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to each Loan Agreement.

"**Securities Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with number 2249200, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) 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

(c) 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, all cash-flows deriving from both of them and any Eligible Investments purchased therewith.

"**S&P**" means (i) for the purpose of identifying the entity which will assign the credit rating to the Senior Notes, S&P Global Ratings Europe Limited, and (ii) in any other case, any entity belonging to the group of S&P Global Ratings, a division of S&P Global Inc. which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Servicer**" means Banca Popolare Valconca S.p.A., or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the agreement entered into on 12 July 2018 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Stichting Corporate Services Agreement**" means the agreement executed on 27 June 2018 in the context of the Previous Securitisation, between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited, or any other person for the time being acting as such pursuant to the Stichting Corporate Services Agreement.

"**Subscription Agreement**" means each of the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**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 present or future tax, levy, impost, duty charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying of any of the same, but excluding taxes or net income) imposed or levied by or on behalf of any tax authority in Italy.

"**Transaction Documents**" means, together, each Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the New Warranty and Indemnity Agreement, each Subscription Agreement, the Intercreditor Agreement, the Cash Allocation,

Management and Payments Agreement, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Master Definitions Agreement and the Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Transaction Party**" means any party to a Transaction Document.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events*).

"**Trigger Event Report**" means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

"**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 12 (*Trigger Events*).

"**Underwriter**" means Banca Popolare Valconca S.p.A.

"**Valuation Date**" means, as the case may be, (i) with respect to the Initial Portfolio, 30 June 2018 (excluded) and (ii) with respect to the New Portfolio, 30 June 2021 (excluded).

"**Variable Return**" means the amount, which may or may not be payable on the Class J Notes on each Payment Date subject to these Conditions, determined in accordance with Condition 7.13 (*Variable Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

"**Variable Return Amount**" has the meaning ascribed to that term in Condition 7.14 (*Calculation of the Variable Return*).

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on 12 July 2018 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.

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 the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other 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.

2.2.4 *Master Definitions Agreement*

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

3 DENOMINATION, FORM AND TITLE

3.1 *Denomination*

3.1.1 The Senior Notes are issued in the denomination of €100,000.

3.1.2 The Junior Notes are issued in the denomination of €1,000.

3.2 *Form*

The Notes are issued in bearer and dematerialised form and are 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 Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

3.3 *Title and Monte Titoli*

The Notes are and will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title have been and will be issued in respect of the Notes.

3.4 *The Rules*

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which shall constitute an integral and essential part of these Conditions.

4 STATUS, PRIORITY AND SEGREGATION

4.1 *Status*

The Notes constitute 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 Portfolio and pursuant to the exercise of the Issuer's Rights, as further specified in Condition 9.2 (*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 of article 1469 of the Italian civil code.

4.2 *Segregation by law*

By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer and any amount deriving therefrom will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.3 *Ranking*

4.3.1 In respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) on the Notes, prior to the delivery of a Trigger Notice and subject to the Pre Trigger Notice Priority of Payments:

(i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to repayment of principal due on the Senior Notes and to payment of any amount due on the Junior Notes; and

(ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class J Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and repayment of principal due on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount.

4.3.2 In respect of the obligation of the Issuer to repay principal due on the Notes, prior to the delivery of a Trigger Notice and subject to the Pre Trigger Notice Priority of Payments:

(i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest due on the Senior Notes, but in priority to payment of any amount due on the Junior Notes; and

(ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal due on the Senior Notes and in priority to the Variable Return due on the Junior Notes.

4.3.3 Following the delivery of a Trigger Notice and subject to the Post Trigger Notice Priority of Payments, in respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) and to repay principal on the Notes:

(i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and

(ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

4.3.4 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.

4.4 *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.

5 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 any of the Transaction Documents:

5.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Portfolio 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 the Previous Securitisation or with any further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.2 *Restrictions on activities*

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, the Previous Securitisation or any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* or *società collegata* each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 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

5.2.4 become the owner of any real estate asset including in the context of enforcement proceedings relating to a Real Estate Asset; or

5.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholders, or increase its capital, save as required by applicable law; or

5.4 *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, unless in order to comply with the provisions of law applicable to it as a financial intermediary; or

5.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of the Previous Securitisation or any further securitisations permitted pursuant to Condition 5.11 (*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

5.6 *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

5.7 *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 Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Expenses Account, the Quota Capital Account or any bank accounts opened in relation to the Previous Securitisation or any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or *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

5.10 *Corporate records, financial statements and book of account*

cease to maintain corporate records, financial statements and book of account separate from those of the Originator and any other person or entity; or

5.11 *Further securitisations*

carry out any other securitisation transactions 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 Senior Notes, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

6 PRIORITY OF PAYMENTS

6.1 *Pre Trigger Notice Priority of Payments*

Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

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

Second, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

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

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A Notes on such Payment Date;

Sixth, to credit into the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Required Cash Reserve Amount;

Seventh, to pay, *pari passu* and *pro rata*, (i) if no Acceleration Event has occurred the Class A Notes Formula Redemption Amount to the Class A Noteholders in respect of the Class A Notes on such Payment Date, or (ii) if an Acceleration Event has occurred the Principal Amount Outstanding in respect of the Class A Notes to the Class A Noteholders;

Eight, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the relevant Receivables Purchase Agreement;

Ninth, to pay, *pari passu* and *pro rata*, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Pre Trigger Notice Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata*, the Class J Notes Formula Redemption Amount to the Class J Noteholders until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Eleventh, to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

Twelfth, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Class J Notes Retained Amount on the Junior Notes.

6.2 *Post Trigger Notice Priority of Payments*

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses in accordance with applicable law relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A Notes on such Payment Date;

Sixth, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding in respect of the Class A Notes;

Seventh, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the relevant Receivables Purchase Agreement;

Eighth, to pay any amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Tenth to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

Eleventh, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, pari passu and pro rata, all amounts outstanding in respect of Class J Notes Retained Amount on the Junior Notes.

7 INTEREST AND VARIABLE RETURN

7.1 *Accrual of interest*

Each Senior Note bears interest on its Principal Amount Outstanding.

7.2 *Payment Dates and Interest Periods*

Interest on each Senior Note accrues on a daily basis and is payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date.

7.3 *Termination of interest accrual*

Each Senior 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 Senior 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 Senior Note until the day on which either all sums due in respect of such Senior Note up to that day are received by the relevant Senior Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Senior Noteholders.

7.4 *Calculation of interest*

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

7.5 *Rate of Interest*

7.5.1 The rate of interest applicable to the Senior Notes (the "**Rate of Interest**") for each Interest Period, including the Initial Interest Period, shall be the lower of:

(a) 3% per annum; and

(b) the higher of:

(i) zero; and

(ii) Euribor plus 0.50 per cent per annum.

7.5.2 For the avoidance of doubt, should the Euribor no longer be calculated or administered, or should it become illegal for the Issuer or the Principal Paying Agent to determine any amounts due to be paid, as at the relevant Payment Date, the applicable benchmark shall be such alternative rate which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities, as identified by the Representative of the Noteholders, in consultation with an independent financial advisor (the "**IFA**"), appointed by the Representative of the Noteholders, provided however that if the IFA determines that there is no clear market consensus as to whether any rate has replaced Euribor in customary market usage, the IFA shall determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Representative of the Noteholders, the Principal Paying Agent and the Noteholders.

7.6 *Determination of Rate of Interest and calculation of Interest Payment Amounts*

The Issuer shall on each Determination Date determine or cause the Principal Paying Agent to determine:

7.6.1 the Rate of Interest applicable to the Senior Notes for the next Interest Period beginning after such Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);

7.6.2 the Euro amount (the "**Interest Payment Amount**") payable as interest on each Senior Note in respect of such Interest Period calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of each Senior Note on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial 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 in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

By virtue of the application of Condition 7.5.1(b), on the Payment Date falling on 28 July 2021, the Interest Payment Amount payable in respect of all the Senior Notes will be equal to Euro 0.00 (zero).

7.7 *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 Determination Date), the Issuer (or the Principal Paying Agent, or the Corporate Servicer on its behalf) will cause:

7.7.1 the Rate of Interest for each Senior Note for the related Interest Period;

7.7.2 the Interest Payment Amount for each Senior Note for the related Interest Period; and

7.7.3 the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer and Monte Titoli (and, if applicable, Euroclear and Clearstream) and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Monte Titoli*) on or as soon as possible after the relevant Determination Date and, for so long as the Senior Notes are admitted to trading on ExtraMOT PRO, to be given to Borsa Italiana S.p.A.

7.8 *Amendments to publications*

The Rate of Interest and the Interest Payment Amount for each Senior 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.

7.9 *Determination by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine (or cause to be determined) the Rate of Interest or calculate the Interest Payment Amount for any Senior Note in accordance with this Condition 7 (*Interest and Variable Return*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1 determine (or cause to be determined) the Rate of Interest for each Senior Note at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

7.9.2 determine (or cause to be determined) the Interest Payment Amount for each Note of each Senior Note in the manner specified in Condition 7.6 (*Determination of Rate of Interest and calculation of Interest Payment Amounts*),

and any such determination shall be deemed to have been made by the Issuer.

It remains understood that the Representative of the Noteholders shall not be liable for any such calculation in the absence of gross negligence, wilful default, bad faith of the Representative of the Noteholders.

7.10 *Notifications to be final*

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Condition 7 (*Interest and Variable Return*), whether by the Reference Banks (or any of them), the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default or bad faith) be binding on all persons.

7.11 *Principal Paying Agent*

The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be a Principal Paying Agent. The Principal Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Principal Paying Agent is appointed notice of its appointment will be published in accordance with Condition 16 (*Notices*).

7.12 *Unpaid interest with respect to the Senior Notes*

Unpaid interest on the Senior Notes shall accrue no interest.

7.13 *Variable Return*

The Issuer may pay the Variable Return on the Principal Amount Outstanding of each Class J Note on each Payment Date, in accordance with the applicable Priority of Payments.

7.14 *Calculation of the Variable Return*

The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Calculation Agent to calculate, the Euro amount (the "*Variable Return Amount*") payable on each Class J Note in respect of such Interest Period.

The Variable Return Amount payable in respect of any Interest Period in respect of each Class J Note is calculated by multiplying the amounts available to make the payment in respect of the Variable Return on the Class J Notes, in accordance with the relevant Priority of Payments, by a fraction, the numerator of which is the then Principal Amount Outstanding of each Class J Note and the denominator of which is the then Principal Amount Outstanding of all the Class J Notes, and rounding down the resultant figure to the nearest cent.

7.15 *Publication of the Variable Return*

The Issuer will, on each Calculation Date, cause the determination of the Variable Return Amount in respect of each Class J Note to be notified forthwith by the Calculation Agent through the delivery of the Payment Report or the Trigger Event Report, as the case may be, to the Representative of the Noteholders, the Principal Paying Agent, the Corporate Servicer and the Servicer, and will cause notice of the Variable Return Amount in respect of each Class J Note to be given in accordance with Condition 16 (*Notices*).

7.16 *Determination or calculation by the Representative of the Noteholders*

If the Issuer does not for any reason determine or cause to be determined the Variable Return Amount in accordance with the foregoing provisions of this Condition 7 (*Interest and Variable Return*), the Representative of the Noteholders shall (having regard to the procedure described above) determine (or cause to be determined) the Variable Return Amount and any such determination and/or calculation shall be deemed to have been made by the Issuer. It remains understood that the Representative of the Noteholders shall not be liable for any such calculation in the absence of gross negligence, wilful default, bad faith of the Representative of the Noteholders.

7.17 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest and Variable Return*), whether by the Issuer or the Representative of the Noteholders, shall (in the absence of wilful default or bad faith) be binding on the Principal Paying Agent, the Calculation Agent, the Corporate Servicer, the Issuer, the Representative of the Noteholders and all Class J Noteholders and (in such absence as aforesaid) no liability to the Class J Noteholders shall attach to the Principal Paying 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.

7.18 *Principal Paying Agent*

The Issuer shall ensure that, so long as any of the Class J Notes remains outstanding, there shall at all times be a Principal Paying Agent.

8 REDEMPTION, PURCHASE AND CANCELLATION

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer shall redeem the Notes of each Class at their Principal Amount Outstanding, plus, with regard to the Senior Notes, any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*), 8.4 (*Optional redemption for taxation reasons*) and 8.13 (*Early Redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).

8.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Notes in full on the Final Maturity Date, then the Notes shall be deemed to be discharged in full and any amount in respect of principal, interest, Variable Return or other amounts due and payable in respect of the Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

8.2 *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 Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause:

8.2.1 the Senior Notes to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of the Senior Notes determined on the related Calculation Date; and

8.2.2 each Class J Note to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Class J Note determined on the related Calculation Date.

8.3 *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments subject to the following:

8.3.1 that the Issuer has given not more than 60 and not less than 30 days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with

Condition 16 (*Notices*) of its intention to redeem the Notes; and

8.3.2 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will on the relevant Payment Date have the funds, not subject to the interests of any person, required to redeem (a) all the Senior Notes in accordance with this Condition, (b) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Senior Notes, (c) all the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and (d) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Junior Notes,

it being understood that pursuant to the Receivables Purchase Agreements, the Issuer has granted to the Originator, in accordance with article 1331 of the Italian civil code, an option right pursuant to which the Originator may repurchase, without recourse, from the Issuer the outstanding Portfolio, in accordance with the provisions of article 58 of the Consolidated Banking Act and subject to the conditions set out in the Receivables Purchase Agreements, at a purchase price which (together with the other Issuer Available Funds) shall be sufficient to pay at least (a) the Senior Notes at their Principal Amount Outstanding, (b) the Junior Notes at their Principal Amount Outstanding or the lower amount determined by a Meeting of the Junior Noteholders, (c) the accrued and unpaid interest on the Senior Notes and (d) any other payment in priority to or *pari passu* with any payment due under paragraphs from (a) to (c) above in accordance with the Post Trigger Notice Priority of Payments.

8.4 *Optional redemption for taxation reasons*

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem in whole (but not in part) the Senior Notes and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding, in accordance with the Post Trigger Notice Priority of Payments, on any Payment Date:

8.4.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction but irrespective of whether such Tax Deduction arises or may arise from any change in the tax law of Italy or any change in the official interpretation of the tax law of Italy); or

8.4.2 after the date of a change in the tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

8.4.3 that the Issuer has given not more than 60 and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition

16 (*Notices*) of its intention to redeem all (but not some only) of the Senior Notes and/or the whole or part of the Junior Notes; and

8.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) a certificate duly signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will, on the relevant Payment Date, have the funds, not subject to the interests of any other person, to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Class J Notes (or, in case of redemption in part of the Class J Notes, the relevant portion of its outstanding liabilities in respect of the Class J Notes, the Class J Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments.

8.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*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.

8.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) the aggregate principal payment (if any) due on each Note on the next following Payment Date and the Principal Payment Amount (if any) due on each Note; and

(c) the Principal Amount Outstanding of each Note on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note).

8.6.2 The principal amount redeemable in respect of each Note (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the principal payment due in respect of such Note, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of the Notes, in accordance with the relevant Priority of Payments, on such date by a fraction, the numerator of

which is the then Principal Amount Outstanding of the Notes and the denominator of which is the then Principal Amount Outstanding of all the Notes of the same Class, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of the Notes.

8.7 *Calculation by the Representative of the Noteholders in case of Issuer's default*

If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of each Note, the Principal Payment Amount in respect of each Note or the Principal Amount Outstanding in relation to each Note in accordance with this Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to each Note to be notified immediately after calculation (through the Payments Report or the Trigger Event Report) to the Representative of the Noteholders and the Principal Paying Agent, and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to each Note of each Class to be given in accordance with Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date and, for so long as the Senior Notes are admitted to trading on ExtraMOT PRO, to be given to Borsa Italiana S.p.A.

8.9 *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.10 *Notice Irrevocable*

Any such notice as is referred to in Condition 8.3 (*Optional redemption*), Condition 8.4 (*Optional redemption for taxation reasons*) and Condition 8.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.3 (*Optional redemption*) Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes at their Principal Amount Outstanding.

8.11 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.12 *Cancellation*

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

8.13 *Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*

Unless previously redeemed in full, the Issuer may redeem the Class J Notes in whole (but not in part) on any Payment Date following the date on which all the Senior Notes have been redeemed in full through the transfer to the Class J Noteholders of the then outstanding Portfolio, along with any Issuer Available Funds (but net of any amounts to be paid by the Issuer in priority to any payment due to the Class J Noteholders in accordance with the Post Trigger Priority of Payments), in full satisfaction of its payment obligations under the Class J Notes, provided that the transferee is the sole Class J Noteholder, holding 100% of the Class J Notes. The transfer of the Portfolio and any Issuer Available Funds, as described above, shall cause the full and irrevocable satisfaction of any and all Issuer's obligations under the Class J Notes, regardless of the status and value of the Portfolio at the time of the transfer and irrespective of the actual receipt by the transferee of any proceeds or collection under the Portfolio. Notice to the Class J Noteholders of redemption of the Class J Notes hereunder shall be given by the Issuer in accordance with Condition 16 (*Notices*).

9 LIMITED RECOURSE AND NON PETITION

9.1 *Noteholders not entitled to proceed directly against Issuer*

9.1.1 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 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 9.1.1 shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for, or to making an administration order against, or to the winding up or liquidation of, the Issuer;

9.1.2 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 notes, two years and one day) after the date on which the Previous Notes or any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, 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 any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholders may then only proceed subject to the provisions of this Conditions and the Rules, provided further that this Condition 9.1.2 shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party; and

9.1.3 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.

9.2 *Limited recourse obligations of Issuer*

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

9.2.1 each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the 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;

9.2.2 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 Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and

9.2.3 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 Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets 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 discharged in full.

10 PAYMENTS

10.1 *Payments through Monte Titoli*

Payment of any principal, interest and Variable Return in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli 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 Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 *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.

10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Change of Principal 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 Principal Paying Agent and to appoint additional or other paying agents provided that (for as long as the Senior Notes are admitted to trading on ExtraMOT PRO and should the rules of ExtraMOT PRO so require) the Issuer will at all times maintain a paying agent with a Specified Office in the Republic of Italy. The Issuer will cause at least 10 days' prior notice of any change in or addition to the Principal Paying Agent or its Specified Office to be given in accordance with Condition 16 (*Notices*).

11 TAXATION

11.1 *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 or the Principal Paying Agent or any paying agent, as the case may be, appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Principal Paying Agent or any paying agent (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

11.3 *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.

11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Principal Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

12 TRIGGER EVENTS

12.1 *Trigger Events*

Each of the following events is a "**Trigger Event**":

12.1.1 *Non-payment*

the Issuer defaults in the payment of the Interest Payment Amount on the Senior Notes and/or principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2 *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 due and payable on the Most Senior Class of Notes) 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

12.1.3 *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

12.1.4 *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.

12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 13 (*Enforcement*) the Representative of the Noteholders may, in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall deliver a written notice (a "**Trigger Notice**") to the Issuer.

12.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

12.3.1 in the case of the occurrence of any of the events mentioned in Condition 12.1.2 (*Breach of other obligations*) and Condition 12.1.4 (*Unlawfulness*), the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole

opinion materially prejudicial to the interests of the Noteholders; and

12.3.2 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.

12.4 *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 6.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

13 ENFORCEMENT

13.1 *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.

13.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Condition 13.1 (*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:

13.2.1 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

13.2.2 (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.

13.3 *Sale of Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio 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.

14 THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1 *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.

14.2 *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.

15 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.

16 NOTICES

16.1 *Notices given through Monte Titoli*

Any notice regarding the Notes of any Class, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2 *Notices in the Republic of Italy*

16.2.1 As long as the Senior Notes are admitted to trading on ExtraMOT PRO, and the rules of such multilateral trading facility so require, any notice to Senior Noteholders given by or on behalf of the Issuer shall also be published on the website https://www.securitisation-services.com/it. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

16.2.2 In addition, as so long as the Senior Notes are admitted to trading on ExtraMOT PRO, any notice regarding the Senior Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time.

16.3 *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 multilateral trading facility on which the Senior 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.

17 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 Reference Banks (or any of them), the Principal Paying Agent or any paying agent appointed

under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Reference Banks, the Principal Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18 GOVERNING LAW AND JURISDICTION

18.1 *Governing Law of Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2 *Governing Law of Transaction Documents*

All the Transaction Documents (except for the Stichting Corporate Services Agreement which is governed by Dutch law) and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3 *Jurisdiction of courts*

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.

18.4 *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 of and subscription for the € 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060 (the "**Senior Notes**") and the € 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060 (the "**Class J Notes**"), issued by Valconca SPV S.r.l. 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 Variable Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Variable 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 change the quorum required to validly hold any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(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, Variable 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 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) a change to this definition.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Principal Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Principal Paying Agent or under its control 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

(iii) the surrender to the Principal 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 Principal 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 Principal 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.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting Certificate 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.

"**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.

"**Condition**" means a condition of the terms and conditions of the Notes.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**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.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with article 83-quater of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Most Senior Class of Noteholders**" means (i) the Senior Noteholders, and (ii) at any date following the date of full repayment of all the Senior Notes, the Junior Noteholders.

"**Most Senior Class of Notes**" means (i) the Senior Notes, and (ii) at any date following the date of full repayment of all the Senior 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 Principal 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 Principal Paying Agent (a) the office specified against its name in clause 22.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 17.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional

or other paying agent appointed pursuant to Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) 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 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) 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 12 (*Trigger Events*).

"**Trigger Notice**" means a notice described as such in Condition 12.2 (*Delivery of 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 Principal Paying Agent or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time; or

(b) a certificate issued by the Principal Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Principal Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"W**ritten Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**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 Principal 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 Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) 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 Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Principal Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Principal 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 Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Principal 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 Monte Titoli 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 Monte Titoli 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 Amount Outstanding 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 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 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 notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders, the Principal Paying Agent and any other agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), 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 Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent 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 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding 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 Amount Outstanding of the Notes then outstanding in that Class or Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or Classes whatever the Principal Amount Outstanding 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 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or Classes whatever the Principal Amount Outstanding 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 Amount Outstanding 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 Amount Outstanding of the Notes so held or represented in such Class;

provided that if in respect of any Class of Notes the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be one Voters for the purpose of forming a quorum.

10. **ADJOURNMENT FOR WANT OF QUORUM**

10.1 If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.2 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.3 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.3.1 no Meeting may be adjourned more than once for want of a quorum; and

10.3.2 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 a 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. 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 a quorum).

13. **PARTICIPATION**

13.1 The following categories of persons may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 the directors and the auditors of the Issuer;

13.1.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.1.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.1.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.1.6 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 Amount Outstanding 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 €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 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 any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

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 12 (*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 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 Portfolio 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**

No Extraordinary Resolution of any Class of Noteholders to approve any matter (other than a Basic Terms Modification) shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu*

with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to with such Class would be materially prejudiced by the absence of such sanction.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 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 any resolution passed at a Meeting of the Senior 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 Principal 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 Servicer 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 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 9 (*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 Rule 26 shall not prejudice the right if any Noteholder, under Condition 9.1.2, 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, 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 13 August 2010 number 141 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 of and subscription for 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 months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (Identity of the 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 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 Senior Notes have a rating 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, 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 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 Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Portfolio;

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 Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio 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 Portfolio 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 Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damages 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 certificate of material prejudice pursuant to Condition 12.3.1 on the basis of an opinion formed by it in good faith;

31.2.17 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.

31.3 **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 regarded 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 Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time, 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 **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 as ground to believe that the then current rating of the Senior 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 Senior 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.

32.8 **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 party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact prima facie within the knowledge of such party; or

32.8.3 as to such 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.

32.9 **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 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 Most Senior Class of Notes then outstanding; and

33.1.3 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 5.11 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 the 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 Amount Outstanding 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 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 AN ENFORCEMENT 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 Portfolio. 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 it 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.

ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated weighted average life of the Senior Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolio and a number of other relevant facts are unknown.

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

The following table shows the estimated weighted average life of the Senior Notes and was prepared based on the characteristics of the Receivables included in the Portfolio as at the relevant Valuation Date and on additional assumptions, including the following:

(a) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(b) the constant prepayment rate as per table below, has been applied to the Portfolio in homogeneous terms;

(c) no Trigger Event occurs in respect of the Notes;

(d) no optional redemption pursuant to Condition 8.3 (*Optional Redemption*) and no redemption for taxation pursuant to Condition 8.4 (*Optional redemption for taxation reasons*) occur in respect of the Notes;

(e) the terms of the Receivables will not be affected by any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(f) no variation in the interest rates;

(g) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

(h) all the Receivables included in the Portfolio bearing a fixed rate as at the Effective Date have been considered to bear such rate until their maturity date;

(i) all the Receivables included in the Portfolio bearing a floating rate as at the Effective Date have been considered to bear such rate until their maturity date;

(j) the fees and the costs payable under the Transaction Documents by the Issuer in connection with the Securitisation under the items from First to Fourth of the Pre Trigger Notice Priority of Payments have been included;

(k) no positive or negative interest accrues on the accounts;

(l) no Acceleration Event occurs;

(m) the Increase Date has been assumed to be 28 July 2021.

The actual performance of the Receivables are likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

Constant Prepayment Rate (% per annum)	**Estimated Weighted Average Life (years)**	**Estimated Maturity (Payment Date falling on)**
0%	3.16	28 October 2028
2%	2.86	28 October 2027
4%	2.61	28 April 2027
6%	2.40	28 October 2026
8%	2.22	28 April 2026
10%	2.06	28 January 2026

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Initial Notes Subscription Agreement

The Underwriter has, pursuant to the Initial Notes Subscription Agreement dated on 24 July 2018 between the Issuer, the Underwriter and the Representative of the Noteholders, agreed to subscribe and pay the Issuer for the Initial Notes at their Issue Price of 100 per cent of their respective notional amounts upon issue.

The Additional Notes Subscription Agreement

The Underwriter has, pursuant to the Additional Notes Subscription Agreement dated on 27 July 2021 between the Issuer, the Underwriter and the Representative of the Noteholders, agreed to subscribe and pay the Issuer for the Additional Notes at their Issue Price of 100 per cent of their respective notional amounts upon increase.

The Conditions

Under the Conditions the obligations of the Issuer to make payment in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

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

Each of the Issuer and the Underwriter has, pursuant to the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer or the Notes save as contained in the Prospectus or as approved for such purpose by the Issuer or the Underwriter or which is a matter of public knowledge.

General

Persons into whose hands this Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

EEA standard restriction

The Underwriter has represented, warranted and undertaken to the Issuer that it has not made and will not make an offer of the Senior Notes to the public in any Member State of the European Economic Area (the "**Member State**") except that it may make an offer of the Notes to the public:

(a) if the Issuer expressly specifies that an offer of those Notes may be made other than pursuant to article 1, paragraph 4, of the Prospectus Regulation (a "**Public Offer**"), following the date of

publication of a prospectus in relation to such Notes which has been approved by the competent authority in the relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(d) at any time in any other circumstances falling within article 1, paragraph 4, of the Prospectus Regulation,

provided that no such offer of the Notes referred to in (b) to (d) above shall require the Issuer or any Underwriter to publish a prospectus pursuant to article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State and the expression "*Prospectus Regulation*" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

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

The Underwriter has agreed that it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the offering of the Notes, within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the such Notes within the United States or to, or for the account or benefit of, any U.S. person.

In addition, until 40 days after the commencement of the offering of the Notes, any 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 Securities Act.

United Kingdom

The Underwriter has, pursuant to the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement, represented, warranted and undertaken to the Issuer and the Underwriter that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The Underwriter has, pursuant to the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Financial Laws Consolidation Act and article 34-ter, paragraph 1, letter (b) of the CONSOB regulation number 11971 of 14 May 1999 (as amended and integrated from time to time, "**CONSOB Regulation**") and in accordance with any applicable Italian laws and regulations.

Any offer of the Notes to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act, CONSOB Regulation number 20307 of 15 February 2018, the Consolidated Banking Act and any other applicable laws and regulations.

General

The Underwriter has, pursuant to the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement acknowledged that:

(a) no action has or will be taken by it which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations;

(b) the Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by it in accordance with Italian securities, tax and other applicable laws and regulations; and

(c) no application has been made by neither of them to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Prohibition of Sales to EEA Retail Investors

The Underwriter has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "*retail investor*" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), 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 Prospectus Regulation; and

(b) the expression "*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.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue, increase and performance of the Notes:

(i) the issue of the Initial Notes was authorised by a resolution of the quotaholder of the Issuer passed on 11 July 2018; and

(ii) the issue of the Additional Notes was authorised by a resolution of the quotaholder of the Issuer passed on 9 July 2021.

(2) 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.

(3) 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 31 December 2020 (being the date of its last audited financial statements) that is material in the context of the increase of the Notes.

(4) 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.

(5) Since 5 March 2018 (being the date of its incorporation), the Issuer has not commenced operations (other than purchasing the Previous Portfolio and the Initial Portfolio, authorising the issue of the Previous Notes and the Initial Notes and the entering into the documents referred to in the Previous Securitisation and in this Prospectus (and matters which are incidental or ancillary to the foregoing).

(6) The Issuer produces 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 are promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents are available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the date of this Prospectus, the Initial Senior Notes have been 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/EU managed by Borsa Italiana S.p.A. Application has been made for the Additional Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility "ExtraMOT", with effect from the Increase Date.

(8) The Notes are and will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (*a società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy) for the account of the relevant Monte Titoli Account Holders. If applicable, Monte Titoli shall act as depository for Euroclear and Clearstream. The Senior Notes have been accepted for clearance through Monte Titoli with the following ISIN code: IT0005340325.

(9) Copies of the following documents may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer and the Representative of the Noteholders at any time after the date of this Prospectus:

(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:

- First Receivables Purchase Agreement;
- New Receivables Purchase Agreement;
- Servicing Agreement;
- Warranty and Indemnity Agreement;
- New Warranty and Indemnity Agreement;
- Intercreditor Agreement;
- Cash Allocation, Management and Payments Agreement;
- Mandate Agreement;
- Quotaholder's Agreement;
- Stichting Corporate Servicing Agreement;
- Corporate Services Agreement; and
- Master Definitions Agreement.

(10) So long as any of the Senior Notes remains outstanding, copies of the Payments Reports and of the Investors Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders, respectively, on each Calculation Date and on each date on which it is produced. The Payments Reports will be produced quarterly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest (or Variable Return) in respect of each Note.

(11) The Calculation Agent is authorised to make available each Investors Report to Noteholders on a quarterly basis via the Calculation Agent's internet website currently located at www.securitisation-services.com. It is not intended that Investors Report will be made available in any other format. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

(12) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €120,000.00 (excluding servicing fees and any VAT, if applicable).

GLOSSARY

These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

"**Acceleration Event**" means any of the following events:

(a) the Cumulative Gross Default Ratio on any Quarterly Collection Period has exceeded 10%;

(b) the Issuer has exercised its right to terminate the Servicing Agreement.

"**Account Bank**" means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

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

"**Accrued Interest**" means the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not yet due.

"**Additional Notes**" means, collectively, the Additional Senior Notes and the Additional Junior Notes.

"**Additional Junior Notes**" means a nominal amount of € 23,710,000.00 of the Class J Notes issued by the Issuer on the Increase Date.

"**Additional Senior Notes**" means a nominal amount of € 362,600,000.00 of the Class A Notes issued by the Issuer on the Increase Date.

"**Additional Notes Subscription Agreement**" means the subscription agreement in relation to the Additional Notes entered into on or about the Increase Date between the Issuer, the Representative of the Noteholders, the Originator and the Underwriter.

"**Adjustment Purchase Price**" means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1.1 of each Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of such agreements.

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

$$A + J - CP - R$$

where:

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

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

CP = the Collateral Portfolio Outstanding Principal on the last day of the immediately preceding Quarterly Collection Period (for avoidance of doubt, the Collateral Portfolio Outstanding Principal takes into account as reduction any principal amount effectively set-off by the

borrowers (or Debtors) or any principal amount commingled with assets of the Servicer in case an Insolvency Event in respect of the Servicer occurred);

R = the Required Cash Reserve Amount calculated with reference to the relevant Payment Date;

"**Agreement for the Extension of the Corporate Services Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders in order to extend the Corporate Services Agreement, 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.

"**Agreement for the Extension of the Quotaholder's Agreement**" means the agreement entered into on or about the Issue Date between the Quotaholder, the Issuer and the Representative of the Noteholders in order to extend the Quotaholder's Agreement, 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.

"**Agreement for the Extension of the Stichting Corporate Services Agreement**" means the agreement entered into on or about the Issue Date between the Quotaholder, the Stichting Corporate Services Provider and the Issuer in order to extend the Stichting Corporate Services Agreement, 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.

"**Arranger**" means Banca Finanziaria Internazionale S.p.A.

"**Article 6**" means the article 6 of the Securitisation Regulation.

"**Back-up Servicer Facilitator**" means Banca Finanziaria Internazionale S.p.A.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

"**Business Day**" means any day on which TARGET2 (or any successor thereto) is open.

"**Calculation Agent**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the date falling 5 Business Days before each Payment Date.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Originator, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Account Bank, the Corporate Servicer, the Calculation Agent, the Principal Paying Agent and the Cash Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Manager**" means Banca Popolare Valconca S.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Manager Report**" means the report to be prepared and delivered by the Cash Manager in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Manager Report Date**" means the date falling 1 Business Day prior to each Calculation Date, being the date on which the Cash Manager Report will be delivered by the Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve**" means a reserve created on the Issue Date with a portion of the proceeds of the issue of the Initial Notes and increased on the Increase Date with a portion of the proceeds of the issue of the Additional Notes, to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 15 S 03479 01600 000802249202, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Increased Amount**" means Euro 2,954,494.76.

"**Cash Reserve Initial Amount**" means the Euro 3,100,000.00.

"**Class**" shall be a reference to a Class of Notes being the Class A Notes or the Class J Notes and "**Classes**" shall be construed accordingly.

"**Class A Noteholders**" or "**Senior Noteholders**" means the holders of the Class A Notes.

"**Class A Notes**" or "**Senior Notes**" means the € 517,600,000.00 Class A Series 2 Asset Backed Floating Rate Notes due October 2060 issued by the Issuer in the context of the Securitisation.

"**Class A Notes Formula Redemption Amount**" means, in respect of any Payment Date, an amount equal to the lower of:

(a) the Principal Amount Outstanding of the Class A Notes as of the preceding Payment Date; and

(b) the Aggregate Notes Formula Redemption Amount.

"**Class J Noteholders**" or "**Junior Noteholders**" means the holders of the Class J Notes.

"**Class J Notes**" or "**Junior Notes**" means the € 90,061,000.00 Class J Series 2 Asset Backed Variable Return Notes due October 2060 issued by the Issuer in the context of the Securitisation.

"**Class J Notes Formula Redemption Amount**" means, in respect to any Payment Date, an amount equal to the lower of:

(a) the Principal Amount Outstanding of the Class J Notes as of the preceding Payment Date; and

(b) the Aggregate Notes Formula Redemption Amount less the Class A Notes Formula Redemption Amount for that Payment Date.

"**Class J Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Class J Notes upon issue.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Collateral Portfolio**" means, on a given date, the aggregate of all Receivables owned by the Issuer and comprised in the Portfolio which are not (i) Defaulted Receivables as of that date or (ii) Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement and of the New Warranty and Indemnity Agreement.

"**Collateral Portfolio Outstanding Principal**" means, on a given date, the Outstanding Principal of the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 61 Q 03479 01600 000802249200, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Period**" means a Monthly Collection Period or a Quarterly Collection Period, as applicable.

"**Collections**" means all amounts received by the Servicer or any other person 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.

"**Comparable Assets**" means assets having characteristics comparable to the Receivables and held in the balance sheet of the Originator.

"**Conditions**" means the terms and conditions of the Notes.

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

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Servicer**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means the corporate services agreement executed on 27 June 2018 in the context of the Previous Securitisation between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**CRA Regulation**" means the Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013.

"**Credit and Collection Policy**" means the procedures for the collection and recovery of Receivables attached as annex 3 to the Servicing Agreement.

"**Credit Enhancement"** means the ratio between the Principal Amount Outstanding of the Class J Notes and the Principal Amount Outstanding of the Notes.

"**Criteria**" means (i) with respect to the Initial Portfolio, the criteria set forth in schedule 1 to the First Receivables Purchase Agreement and (ii) with respect to the New Portfolio, the criteria set forth in schedule 1 to the New Receivables Purchase Agreement, on the basis of which the Receivables are identified as "pool" (*in blocco*), pursuant to the articles 1 and 4 of the Securitisation Law.

"**Cumulative Gross Default Ratio**" means, with reference to each Quarterly Servicer's Report Date, the ratio between: (a) the sum of the Outstanding Principal as at the default date of all the Receivables which have been classified as Defaulted Receivables from the relevant Valuation Date up to the last day of the immediately preceding Quarterly Collection Period; and (b) the Collateral Portfolio Outstanding Principal calculated, with reference to the Receivables comprised in the Initial Portfolio, as at the Valuation Date of the Initial Portfolio and, with reference to the Receivables comprised in the New Portfolio, as at the Valuation Date of the New Portfolio.

"**Data Repository**" means the securitisation repository authorised by ESMA and enrolled in the register held by it pursuant to article 10 of the Securitisation Regulation appointed in respect of the Securitisation.

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

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

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B

B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	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 legal or natural person who entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Loan or who has assumed the original Debtor's obligation under an *accollo*, or otherwise.

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree 239 Deduction**" means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

"**Defaulted Receivable**" means a Receivable classified by the Servicer as a "defaulted loan" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) or in respect of which at least one instalment is due and unpaid for more than 180 days.

"**Delinquent Receivable**" means a Receivable in respect of which at least one instalment is due and unpaid for more than 30 days.

"**Determination Date**" means:

(a) with respect to the Initial Interest Period, the day falling two Business Days prior to the Issue Date; and

(b) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

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

(a) whose unsecured and unsubordinated debt obligations, with respect to DBRS, are at least BBB with respect to:

(i) the greater of (x) if the Long-Term Critical obligations Rating ("**COR**") exists, the rating one notch below the institution's COR and (y) the institution issuer rating or long term unsecured debt or deposit rating; or

(ii) if there is no such public rating, a private rating supplied by DBRS; or

(iii) if there is no such public or private rating, the DBRS Minimum Rating;

(c) whose issuer credit rating (ICR), with respect to S&P, is at least "BBB";

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee (followed by, if requested, a legal opinion rendered by a reputable firm in the relevant jurisdictions) issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America and have at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee and the relating opinion have been notified to the Rating Agencies and comply with the Rating Agencies' criteria.

"**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 followings 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" in respect of Senior Long-Term Debt and Deposit rating or "R-2 (high)" in respect of Short-Term Debt and Deposit rating, with regard to investments having a maturity of less than or equal to 30 (thirty) days, or (2) "A (low)" in respect of Senior Long-Term Debt and Deposit rating or "R-1 (low)" in respect of Short-Term Debt and Deposit, with regard to investments having a maturity between 31 (thirty-one) and 90 (ninety) days; 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:

(1) shall be immediately repayable on demand, disposable without penalty, cost or loss or have a maturity not later than its Eligible Investments Maturity Date;

(2) shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;

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:

(i) 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

(ii) 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;

(C) 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 the date falling 6 (six) Business Days prior to each Payment Date.

"**Euribor**" means:

(a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on the display page on Bloomberg (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month deposits in Euro will be substituted); or

(b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

(c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or

(d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11:00 a.m. (Brussels time) on the Determination Date; and

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(1) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal 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 the Determination Date; or

(2) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(3) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

"**Euro**", "**cents**" 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) No. 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.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Expenses**" means:

(a) any and all 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/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

"**Expenses Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, IBAN: IT 09 C 01030 61622 000001804471, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**ExtraMOT PRO**" means the professional segment of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A.

"**ExtraMOT Market**" means the multilateral trading facility managed and organised by the italian stock exchange named ExtraMOT.

"**ExtraMOT Market Rules**" means the rules of the ExtraMOT Market issued by the italian stock exchange and in force from 8 June 2009, as amended and supplemented from time to time.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Final Maturity Date**" means the Payment Date falling in October 2060.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**First Payment Date**" means the Payment Date falling in October 2018.

"**First Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 12 July 2018 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.

"**Holder**" or "**holder**" means the ultimate owner of a Note.

"**Increase Date**" means 28 July 2021, or such other date on which the Additional Notes are issued.

"**Individual Purchase Price**" means, in respect of each Receivable, an amount, calculated as at the relevant Valuation Date, equal to the aggregate of (i) all the Principal Instalments not yet due; (ii) any Principal Instalment due but unpaid as at such date; (iii) any Interest Instalment due but unpaid as at such date and (iv) the Accrued Interest as at such date.

"**Initial Interest Period**" means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Initial Junior Notes**" means the €66,351,000.00 of the Class J Notes issued by the Issuer on the Issue Date.

"**Initial Notes**" means the aggregate of the Initial Junior Notes and the Initial Senior Notes.

"**Initial Portfolio**" means the portfolio of Receivables purchased on 12 July 2018 by the Issuer pursuant to the terms and conditions of the First Receivables Purchase Agreement.

"**Initial Senior Notes**" means the €155,000,000.00 of the Class A Notes issued by the Issuer on the Issue Date.

"**Initial Notes Subscription Agreement**" means the subscription agreement in relation to the Initial Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Underwriter.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*accordi di ristrutturazione*" and "*piani di risanamento*" and any applicable proceeding provided under Legislative Decree No. 14 of 12 January 2019 (*Nuovo codice della crisi d'impresa e dell'insolvenza*) as from the date of its entry in force, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (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; or

(f) such company, entity or corporation becomes subject to any proceedings resulting from the implementation of directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**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.

"**Insurance Policy"** means, with reference to the Receivables comprised in the Mortgage Pool, an insurance policy taken out in relation to a Real Estate Asset.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Determination of Rate of Interest and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"**Investors Report**" means the report to be prepared and delivered by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 25 July 2018.

"**Issue Price**" means, (i) in respect of a Class of Initial Notes, 100% of the Principal Amount Outstanding of the Initial Notes of the relevant Class upon issue; and (ii) in respect of a Class of Additional Notes,

100% of the notional amount of the Additional Notes of the relevant Class upon issue, multiplied by the relevant Pool Factor as at the Increase Date.

"**Issuer**" means Valconca SPV S.r.l., a *società a responsabilità limitata* with sole quotaholder 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 with the companies register of Treviso-Belluno number 04934270267, enrolled in the register of special purpose vehicle held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreements, the Warranty and Indemnity Agreement and the New Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period; and

(viii) on the Payment Date on which all the Notes will be redeemed in full or otherwise cancelled, all of the funds then standing to the balance of the Expenses Account.

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

"**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.

"**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.

"**List of Receivables**" means, as the case may be, (i) the list of the Receivables included in the Initial Portfolio attached as annex 2 to the First Receivables Purchase Agreement and (ii) the list of the Receivables included in the New Portfolio attached as annex 2 to the New Receivables Purchase Agreement.

"**Loan**" means each loan granted to a Debtor, on the basis of a Loan Agreement pursuant to which the Issuer has title to enforce a Receivable (or portion thereof) against the relevant Debtor.

"**Loan Agreement**" means each loan agreement entered into between the Originator and a Debtor from which each Receivable included in the Initial Portfolio or in the New Portfolio arises.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear and Clearstream.

"**Monthly Collection Period**" means:

(a) each period commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of each month; and

(b) in the case of the first Monthly Collection Period of the Initial Portfolio, the period commencing on the relevant Valuation Date and ending on (and including) the last calendar day of July 2018 and, in the case of the first Monthly Collection Period of the New Portfolio, the period commencing on the relevant Valuation Date and ending on (and including) the last calendar day of July 2021.

"**Monthly Servicer's Report**" means the report to be delivered by the Servicer, on each Monthly Servicer's Report Date, in accordance with clause 5.1 of the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the twelfth day of each month or, if such day is not a Business Day, the immediately following Business Day and, in the case of the first Monthly Servicer's Report Date, 13 August 2018.

"**Mortgage**" means each mortgage granted on the relevant Real Estate Asset, pursuant to Italian law, in order to secure a specified Receivable comprised in the Mortgage Pool.

"**Mortgage Pool**" means the portion of the Portfolio which includes the Receivables secured by a Mortgage and identified as such in the relevant List of Receivables.

"**Mortgagor**" means any person (including the Debtor or a third party) who has granted a Mortgage in favour of the Originator, to secure the repayment of the Receivables comprised in the Mortgage Pool and/or its assignee.

"**Most Senior Class of Notes**" means (i) the Senior Notes, and (ii) following the full repayment of all the Senior Notes, the Class J Notes.

"**New Portfolio**" means the portfolio of Receivables purchased on 16 July 2021 by the Issuer pursuant to the terms and conditions of the New Receivables Purchase Agreement.

"**New Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 16 July 2021 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.

"**New Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on 16 July 2021 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.

"**Noteholders**" means, together, the Senior Noteholders and the Class J Noteholders.

"**Notes**" means, together, the Senior Notes and the Class J Notes.

"**Notice**" means any notice delivered under or in connection with any Transaction Document.

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means Banca Popolare Valconca S.p.A.

"**Other Issuer Creditors**" means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Back-up Servicer Facilitator, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Principal Paying Agent, the Underwriter, the Account Bank and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments due on any subsequent Scheduled Instalment Date; (ii) any Principal Instalment due but unpaid as at such date; (iii) any Interest Instalment due but unpaid as at such date; and (iv) the Accrued Interest.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments due on any subsequent Scheduled Instalment Date; and (ii) any Principal Instalments due but unpaid as at such date; and (iii) the Accrued Interest.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 28th day of April, July, October and January in each year or, if such day is not a Business Day, the immediately following Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 38 R 03479 01600 000802249201, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Pool Factor**" means, at the Increase Date, the following percentages:

(x) in respect of the Senior Notes, 41.588002%; and

(y) in respect of the Junior Notes, 100%.

"**Portfolio**" means, collectively, the Initial Portfolio and the New Portfolio.

"**Post Trigger Notice Priority of Payments**" means the Priority of Payments set out in Condition 6.2 (*Post Trigger Notice Priority of Payments*).

"**Previous Notes**" means, together, the €99,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due October 2060 and the €19,581,000.00 Class J Residential Mortgage Backed Variable Return Notes due October 2060.

"**Previous Securitisation**" means the securitisation carried out by the Issuer on 28 June 2018, relating to receivables arisen from residential mortgage loan agreements entered into by the Originator and its customers and in the context of which the Previous Notes have been issued.

"**Previous Portfolio**" means the portfolio of receivables collateralising the Previous Notes issued in the context of the Previous Securitisation.

"**Pre Trigger Notice Priority of Payments**" means the Priority of Payments set out in Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

"**Principal Amount Outstanding**" means the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

"**Principal Instalment**" means the principal component of each Instalment.

"**Principal Payment Amount**" shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

"**Principal Paying Agent**" means BNP Paribas Securities Services, Milan branch, Italian branch or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to or following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Prospectus**" means this prospectus.

"**Purchase Price**" means, as the case may be, the purchase price of the Initial Portfolio pursuant to the First Receivables Purchase Agreement and the purchase price of the New Portfolio pursuant to the New Receivables Purchase Agreement.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (and including) the first day of January, April, July and October of each year and ending respectively on (and including) 31 March, 30 June, 30 September and 31 December of each year;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period of the Initial Portfolio, the period commencing on the relevant Valuation Date and ending on 30 September 2018 (included) and, in the case of the first Quarterly Collection Period of the New Portfolio, the period commencing on the relevant Valuation Date and ending on 30 September 2021 (included).

"**Quarterly Servicer's Report**" means the report to be delivered by the Servicer, on each Quarterly Servicer's Report Date, in accordance with clause 5.2 of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the date falling 8 Business Days before each Payment Date.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch with IBAN: IT 28 M 01030 61622 000001790105 or such other substitute account.

"**Quotaholder**" means Stichting Farnese.

"**Quotaholder's Agreement**" means the agreement executed on 27 June 2018 in the context of the Previous Securitisation between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rating Agencies**" means DBRS and S&P.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Mortgage Pool.

"**Receivables**" means all rights and claims of the Issuer arising out from any Loan Agreement listed in each List of Receivables existing or arising from (and excluding) the relevant Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including the default interest) accrued on the Loans and not collected up to (but excluding) the relevant Valuation Date;

(c) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans from (and including) the relevant Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;

(e) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means each of the First Receivables Purchase Agreement and the New Receivables Purchase Agreement.

"**Reference Bank**" means 3 major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

"**Regulatory Technical Standards**" means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Representative of the Noteholders**" means Banca Finanziaria Internazionale S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Required Cash Reserve Amount**" means, in relation to each relevant Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, an amount equal to the higher of (without taking into account any principal payment to be made to the Noteholders on such Payment Date):

(a) Euro 1,100,000.00; and

(b) 2% of the Principal Amount Outstanding of the Senior Notes as of (a) the Increase Date with reference to the Payment Date immediately following the Increase Date or, otherwise (b) the preceding Payment Date (for the avoidance of doubt after the application of the respective Priority of Payments),

provided that (1) on the Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal on the Senior Notes on such Payment Date) is equal to or lower than the Required Cash Reserve Amount as calculated in accordance with item (b) above, (2) following the delivery of a Trigger Notice or (3) on the Final Maturity Date, the Required Cash Reserve Amount shall be equal to 0 (zero).

"**Retention Amount**" means an amount equal to €25,000, provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

"**Rules of the Organisation of the Noteholders**" or "**Rules**" means the rules of the organisation of the Noteholders attached as Exhibit to these Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to each Loan Agreement.

"**Securities Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with number 2249200, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securities Act**" means the U.S. Securities Act of 1993, as amended.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Regulation**" means (i) the Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and (ii) any other rule, technical standard or official interpretation adopted by the European Commission or any regulatory, tax or governmental authority implementing and/or supplementing the same.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) 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

(c) 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, all cash-flows deriving from both of them and any Eligible Investments purchased therewith.

"**S&P**" means (i) for the purpose of identifying the entity which will assign the credit rating to the Senior Notes, S&P Global Ratings Europe Limited, and (ii) in any other case, any entity belonging to the group of S&P Global Ratings, a division of S&P Global Inc. which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Servicer**" means Banca Popolare Valconca S.p.A., or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the agreement entered into on 12 July 2018 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Solvency II Directive**" means Directive 2009/138/EC, as amended from time to time.

"**Solvency II Regulation**" means Delegated Regulation 2015/35/EU, as amended from time to time.

"**Stichting Corporate Services Agreement**" means the agreement executed on 27 June 2018 in the context of the Previous Securitisation between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited, or any other person for the time being acting as such pursuant to the Stichting Corporate Services Agreement.

"**Subscription Agreement**" means each of the Initial Notes Subscription Agreement and the Additional Notes Subscription Agreement.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**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 present or future tax, levy, impost, duty charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying of any of the same, but excluding taxes or net income) imposed or levied by or on behalf of any tax authority in Italy.

"**Transaction Documents**" means, together, each Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the New Warranty and Indemnity Agreement, each Subscription Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Master Definitions Agreement and this

Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Transaction Party**" means any party to a Transaction Document.

"**Transparency Investors Report**" means the report to be delivered by the Calculation Agent, on each Transparency Report Date, in accordance with clause 5.5 of the Cash, Allocation, Management and Payments Agreement.

"**Transparency Report Date**" means, before the delivery of a Trigger Notice and starting from the Increase Date, the fifteenth day of February, May, August and November.

"**Transparency Servicer's Report**" means the report to be delivered by the Servicer, on each Transparency Report Date, in accordance with clause 5.3 of the Servicing Agreement.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events*).

"**Trigger Event Report**" means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

"**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 12 (*Trigger Events*).

"**Underwriter**" means Banca Popolare Valconca S.p.A.

"**Valuation Date**" means, as the case may be, (i) with respect to the Initial Portfolio, 30 June 2018 (excluded) and (ii) with respect to the New Portfolio, 30 June 2021 (excluded).

"**Variable Return**" means the amount, which may or may not be payable on the Class J Notes on each Payment Date subject to these Conditions, determined in accordance with Condition 7.13 (*Variable Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

"**Variable Return Amount**" has the meaning ascribed to that term in Condition 7.14 (*Calculation of the Variable Return*).

"**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 12 July 2018 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.

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