COLT SPV S.R.L.

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

Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes due February 2040

Issue Price: 100 per cent

Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040

Issue Price: 100 per cent

Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040

Issue Price: 100 per cent

This information memorandum (the "**Information Memorandum**") contains information relating to the issue by Colt SPV S.r.l., a *società a responsabilità limitata* incorporated pursuant to the Securitisation Law (as defined below) with quota capital of Euro 10,000.00 fully paid up, having its registered office at Via V. Alfieri,1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 05355840264, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni di vigilanza in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35980.2 (the "**Issuer**") of the Series 2 Notes (as defined below).

On 19 December 2022 (the "**Initial Issue Date**"), the Issuer has issued Euro 375,000,000 Class A Asset Backed Floating Rate Notes due February 2040 (the "**Class A-1 Notes**"), the Euro 79,100,000 Class B Asset Backed Floating Rate Notes due February 2040 (the "**Class B-1 Notes**") and the Euro 116,012,000 Class J Asset Backed Fixed Rate and Variable Return Notes due February 2040 (the "**Class J-1 Notes**" and, together with the Class A-1 Notes and the Class B-1 Notes, the "**Series 1 Notes**").

In addition, on 14 December 2023 (the "**Subsequent Issue Date**"), the Issuer will issue Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Senior Notes**"), the Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Mezzanine Notes**" and, together with the Senior Notes, the "**Rated Notes**") and the Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Variable Return Notes due February 2040 (the "**Class J-2 Notes**" and, together with the Class J-1 Notes, the "**Junior Notes**"; the Class J-2 Notes, together with the Class A-2 Notes and the Class B-2 Notes, the "**Series 2 Notes**"; the Series 2 Notes, together with the Series 1 Notes, the "**Notes**").

This document constitutes a "*prospetto informativo*" for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time (the "**Securitisation Law**"). This Information Memorandum constitutes also the admission document of the Class A-2 Notes and the Class B-2 Notes for the admission to trading on the professional segment ("**Euronext Access Milan Professional Segment**") of the multilateral trading facility "Euronext Access Milan" operated by Borsa Italiana S.p.A. The Class J-2 Notes are not being offered pursuant to this Information Memorandum and no application has been made to list the Class J-2 Notes on any stock exchange. The Series 2 Notes will be issued on the Subsequent Issue Date.

The net proceeds of the offering of the Series 1 Notes has been applied by the Issuer on the Initial Issue Date to fund, *inter alia*, the purchase of a portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises (respectively, the "**Initial Portfolio**", the "**Initial Receivables**" and the "**Initial Loans**") pursuant to loan agreements entered into between illimity Bank S.p.A. ("**illimity**" or the "**Originator**") and the relevant Debtors, purchased by the Issuer under the terms of a receivables purchase agreement entered into between the Issuer and the Originator pursuant to the Securitisation Law on 6 December 2022 (as amended from time to time, the "**Initial Receivables Purchase Agreement**"). The Initial Loans are secured by, *inter alia*, (i) guarantees granted by the Central Guarantee Fund for SME (the "**CGFS Fund**") managed by Mediocredito Centrale S.p.A. ("**MCC**" or the "**CGFS Manager**"), established under Italian Law 662/1996 (the "**MCC Guarantees**"); or (ii) guarantees granted by the SACE S.p.A. ("**SACE**") pursuant to Italian Law Decree 8 April 2020, No. 23, converted with amendments into law 5 June 2020, No. 40 (as from time to time amended and supplemented, the "**Liquidity Decree**") (a "**SACE Guarantee**").

The net proceeds of the offering of the Series 2 Notes will be applied by the Issuer on the Subsequent Issue Date to fund, *inter alia*, the purchase of an additional portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises (respectively, the "**Subsequent Portfolio**", the "**Subsequent Receivables**" and the "**Subsequent Loans**"; the Subsequent Portfolio, together with the Initial Portfolio, the "**Portfolio**"; the Subsequent Receivables, together with the Initial Receivables, the "**Receivables**"; the Subsequent Loans, together with the Initial Loans, the "**Loans**") pursuant to loan agreements, purchased by the Issuer under the terms of an additional receivables purchase agreement entered into between the Issuer and illimity pursuant to the Securitisation Law on 5 December 2023 (the "**Subsequent Receivables Purchase Agreement**" and, together with the Initial Receivables Purchase Agreement, the "**Receivables Purchase Agreements**"). Certain Subsequent Loans are secured by, *inter alia*, (i) guarantees granted by the CGFS Fund managed by MCC, established under the MCC Guarantees; or (ii) guarantees granted by the SACE pursuant to Italian Law Decree 17 May 2022, No. 50, converted with amendments into law 15 July 2022, No. 91 (as from time to time amended and supplemented, the "**Aid Decree**") (together with the Sace Guarantee above, the "**Sace Guarantees**").

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

By operation of Italian Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the securitisation of the Portfolio (the "**Securitisation**" or the "**Transaction**"). Amounts derived from the Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that

the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

Interest on the Series 2 Notes will accrue on a daily basis and will be payable on 26 February 2024 (the relevant "**First Payment Date**") and thereafter quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 25th calendar day of February, May, August and November (or, if such day is not a Business Day, the immediately succeeding Business Day) (each such dates, a "**Payment Date**").

The Class A-2 Notes and the Class B-2 Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an "**Interest Period**") (provided that the first Interest Period shall commence on (and include) the Subsequent Issue Date and end on (but exclude) the relevant First Payment Date) in respect of the Class A-2 Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 months (the "**Three Month Euribor**") (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 2.05% *per annum* (the relevant "**Class A Margin**") (the Three Month Euribor plus the relevant Class A Margin, the "**Senior Notes Interest Rate**"), provided that the Senior Notes Interest Rate (being the Three Month Euribor plus the Class A Margin) applicable on each of the Class A-2 Notes shall not be negative.

The Class B-2 Notes will bear interest on their Principal Outstanding Amount from and including the Subsequent Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an "**Interest Period**") (provided that the first Interest Period shall commence on (and include) the Subsequent Issue Date and end on (but exclude) the relevant First Payment Date) in respect of the Class B-2 Notes (the "**Mezzanine Notes Interest Rate**") will be the Euribor for 3 months (the "**Three Month Euribor**") (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 2.75% *per annum* (the relevant "**Class B Margin**") (the Three Month Euribor plus the Class B Margin, the "**Mezzanine Notes Interest Rate**"), provided that the Mezzanine Notes Interest Rate (being the Three Month Euribor plus the Class B Margin) applicable on each of the Class B-2 Notes shall not be negative.

The Class J-2 Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate of 5.05% *per annum* (the relevant "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate and the Mezzanine Notes Interest Rate, the "**Interest Rates**"). A Variable Return may or may not be payable on the Class J-2 Notes on each Payment Date in accordance with the Conditions.

The Class A-2 Notes are expected, on issue, to be rated "AA-(sf)" by ARC Ratings, S.A. ("**ARC Ratings**"), "AA(sf)" by DBRS Ratings GmbH ("**DBRS**") and "Aa3(sf)" by Moody's Investors Service España, S.A. ("**Moody's**"). The Class B-2 Notes are expected, on issue, to be rated "BB(sf)" by ARC Ratings, "B(high)(sf)" by DBRS and "B2(sf)" by Moody's. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) no. 1060/2009 on credit rating agencies, as subsequently amended (the "**EU CRA Regulation**"), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. As at the date of this Information Memorandum, each of Arc Ratings, DBRS and Moody's (together, the "**Rating Agencies**") is established in the European Union and is registered under the EU CRA Regulation, as evidenced in the latest update of the list published by ESMA on its website (being, as at the date of this Information Memorandum, www.esma.europa.eu).

As at the date of this Information Memorandum, payments of interest and Additional Return and other proceeds in respect of the Series 2 Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree number 239 of 1 April 1996 ("**Decree number 239**"), as amended and supplemented from time to time, and any related regulations. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Series 2 Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Series 2 Notes. For further details see the section entitled "*Taxation in the Republic of Italy*".

The Series 2 Notes will be direct, secured and limited recourse obligations solely of the Issuer. In particular, the Series 2 Notes will not be obligations or responsibilities of, or guaranteed by, any of the Other Issuer Creditors (as defined below). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Subsequent Issue Date, the Series 2 Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan, including any depository banks appointed by Euroclear and Clearstream). Euronext Securities Milan shall act as depository for Euroclear and Clearstream. The Series 2 Notes will at all times be in book entry form and title to the Series 2 Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time (the "**Joint Regulation**"). No physical document of title will be issued in respect of the Series 2 Notes.

Before the Payment Date falling in February 2040 (the "**Final Maturity Date**"), the Series 2 Notes 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 Series 2 Notes the actual maturity of which is therefore uncertain.

The Series 2 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Series 2 Notes are being offered and/or sold only outside the United States in accordance with Regulation S 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 (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a further description of certain restrictions on offers and sales of the Series 2 Notes see the section entitled "*Subscription, Sale and Selling Restrictions*" below.

The Issuer has not been registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(7) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. In

addition, the Issuer is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule (as defined in this Information Memorandum) under the Dodd-Frank Wall Street Reform and Consumer Protection Act in reliance on the loan securities exclusion thereunder. No assurance can be given as to the availability of the exclusion or exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Series 2 Notes. Any prospective investor in the Series 2 Notes, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule. See the section entitled "*Risk Factors – Legal and Regulatory Risks – Effects of the Volcker Rule on the Issuer*" for further information.

U.S. RISK RETENTION – The transaction is not intended to involve the retention by a sponsor for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), in reliance on an exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non U.S. transactions. Accordingly, and notwithstanding the foregoing, the Series 2 Notes may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Person. No assurance can be given as to the availability of the foreign safe harbor under the U.S. Risk Retention Rules and investors should consult their own legal and regulatory advisors with respect to such matters.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Series 2 Notes has led to the conclusion that: (i) the target market for the Series 2 Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as from time to time amended and/or supplemented, "**MiFID II**"); and (ii) all channels for distribution of the Series 2 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Series 2 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 Series 2 Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Series 2 Notes has led to the conclusion that: (i) the target market for the Series 2 Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (as from time to time amended and/or supplemented, the "**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (as from time to time amended and/or supplemented, the "**UK MIFIR**"); and (ii) all channels for distribution for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Series 2 Notes (a "**Distributor**") should take into consideration the Manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention And Product Governance Sourcebook (as from time to time amended and/or supplemented, the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respec" of the "otes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

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

BENCHMARK REGULATION – Amounts payable under the Class A-2 Notes and the Class B-2 Notes will be calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Information Memorandum, EMMI is authorised as benchmark administrator and included on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of Regulation (EU) No. 2016/1011.

Under the Intercreditor Agreement, the Originator has undertaken that it will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (as subsequently amended, the "**EU Securitisation Regulation**") and the relevant applicable technical standards in accordance with Article 6(3)(d) of the EU Securitisation Regulation (which does not take into account any corresponding national measures). As at the Subsequent Issue Date, such material net economic interest is represented by the retention of the first loss tranche (*i.e.* the Junior Notes), which is not less than 5% of the nominal value of the securitised exposures, as required by the text of Article 6(3)(d) of the EU Securitisation Regulation.

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

In addition, illimity Bank S.p.A. (as Notes Subscriber) and/or any assignee which belongs to the Originator's banking group, may, subject in any case to any risk retention requirement applicable to such entities, use the Series 2 Notes as collateral in repurchase transactions and/or as collateral in connection with liquidity and/or open market operations with qualified investors (including J.P. Morgan SE). Prospective Noteholders should be aware that interests of any repo counterparty and/or securities lending counterparty (and expression of voting rights) may not be aligned to the interest of the other Noteholders.

EURO SYSTEM ELIGIBILITY – The Class A-2 Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee and neither the Issuer nor the Arrangers or the Originator nor any other person takes responsibility for the Class A-2 Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the Class A-2 Notes satisfying the Eurosystem eligibility criteria (as amended from time to time). In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A-2 Notes for the above purpose prior to their issuance or to their rating and listing and if the Class A-2 Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A-2 Notes at any time. The assessment and/or decision as to whether the Class A-2 Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank. None of the Issuer, the Originator, the Arrangers or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A-2 Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A-2 Notes at any time.

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

CONSOB AND BORSA ITALIANA HAVE NOT EXAMINED NOR APPROVED THE CONTENT OF THIS INFORMATION MEMORANDUM.

Each prospective investor in the Series 2 Notes should consult with its own legal, accounting and other advisors to determine whether, and to what extent, an investment in the Securitisation is a suitable investment for such prospective investor.

For a discussion of certain risks and other factors that should be considered in connection with this Information Memorandum and an investment in the Series 2 Notes, see the section entitled "*Risk Factors*".

Dated 14 December 2023

Arrangers

J.P. Morgan SE

illimity Bank S.p.A.

Notes Subscriber

illimity Bank S.p.A.

NOTICE TO INVESTORS

Responsibility for Information

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

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

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

*Banca Finanziaria Internazionale S.p.A. has provided the information included in this Information Memorandum in the section headed "*The Calculation Agent, the Representative of the Noteholders, the Corporate Services Provider and the Back-up 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 and has been accurately reproduced.*

*The Bank of New York Mellon SA/NV – Milan Branch has provided the information included in this Information Memorandum in the section headed "*The Account Bank and the Paying Agent*" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of The Bank of New York Mellon SA/NV – 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 and has been accurately reproduced.*

The Arrangers (save for illimity with respect to the information contained in this Information Memorandum in relation to which it is responsible jointly with the Issuer), the Notes Subscriber (save for illimity with respect to the information contained in this Information Memorandum in relation to which it is responsible jointly with the Issuer) and the Representative of the Noteholders have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Arrangers (save for illimity with respect to the information contained in this Information Memorandum in relation to which it is responsible jointly with the Issuer), the Notes Subscriber (save for illimity with respect to the information contained in this Information Memorandum in relation to which it is responsible jointly with the Issuer) and the Representative of the Noteholders or any of them as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer or illimity (in any capacity), in connection with the Series 2 Notes or their distribution.

No person has been authorised to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Arrangers, the Notes Subscriber, the Representative of the Noteholders, the Issuer, the Quotaholder, the Originator, (in any capacity) or any other party to the Transaction Documents or any other person. Neither the delivery of this Information Memorandum nor any offering, sale or delivery of any of the Series 2 Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer, the Originator or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Information Memorandum.

Other business relations

*In addition to the interests described in this Information Memorandum, prospective Noteholders should be aware that each of the Arrangers and their related entities, associates, officers or employees (each a "**Relevant Entity**") may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Series 2 Notes, the Issuer or any other party to the Transaction Documents, both on its own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Series 2 Notes, the Issuer or any other party to the Transaction Documents may affect the value of the Series 2 Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.*

Selling restrictions

The distribution of this Information Memorandum and the offer, sale and delivery of the Series 2 Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum (or any part of it) comes are required by the Issuer and the Notes Subscriber to inform themselves about, and to observe, any such restrictions. Neither this Information Memorandum nor any part of it constitutes an offer, or may be used for the purpose of an offer, to sell any of the Series 2 Notes, or a solicitation of an offer to buy any of the Series 2 Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Information Memorandum can only be used for the purposes for which it has been issued.

*The Series 2 Notes may not be offered or sold directly or indirectly, and neither this Information Memorandum nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Series 2 Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor an "*offerta al pubblico di prodotti finanziari*") of the Series 2 Notes to the public in the Republic of Italy. Accordingly, the Series 2 Notes may not be offered, sold or delivered, and neither this Information Memorandum nor any other offering material relating to the Series 2 Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Series 2 Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Series 2 Notes and the distribution of this Information Memorandum see the section entitled "*Subscription, Sale and Selling Restrictions*" below.*

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

Investors' responsibility to consult advisors

This Information Memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, illimity (in any capacity), the Arrangers that any recipient of this Information Memorandum should purchase any of the Series 2 Notes. Each person contemplating making an investment in the Series 2 Notes must make its own investigation and analysis of the Receivables, the Portfolio and the Issuer and the terms of the offering including the merits and the risks involved, and its own determination of the suitability of any such investment, with particular reference to its own investment, objectives and experience and any other factors which may be relevant to it in connection with such an investment. Any investor in the Series 2 Notes should be able to bear the economic risk of an investment in the Series 2 Notes for an indefinite period of time.

Neither the Issuer, illimity (in any capacity), the Arrangers nor the Representative of Noteholders accepts responsibility to investors for the regulatory treatment of their investment in the Series 2 Notes (including (but not limited to) whether any transaction or transactions pursuant to which the

*Series 2 Notes are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of the EU Securitisation Regulation and the domestic implementing regulations and the application of such articles to any such transaction) in any jurisdiction or by any regulatory authority. If the regulatory treatment of an investment in the Series 2 Notes is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to the sections headed "*Risk factors*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.*

The contents of this Information Memorandum should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Series 2 Notes.

Interpretation

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

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

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

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

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

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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, Additional Return, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other unknown 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 Information Memorandum are intended to lessen some of these risks for holders of the Rated Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Rated Notes of interest or repayment of principal on such Rated 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 Information Memorandum and reach their own views prior to making any investment decision.

Word and expressions defined in the section headed "Terms and Conditions" or elsewhere in this Information Memorandum have the same meanings in this section.

RISK FACTORS IN RELATION TO THE ISSUER

Issuer's ability to meet its obligations under the Notes

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 Calculation Agent, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Corporate Services Provider, the Back-up Servicer, the Stichting Corporate Services Provider, the Quotaholder, the Arrangers or any other party to the Securitisation, other than the Issuer. 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.

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Portfolio, the Cash Reserve and the Set-Off Reserve 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 Additional Return on the Notes or to repay the Notes in full.

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, from the Portfolio, (ii) the amounts standing to the credit of the Cash Reserve Account; (iii) the amounts standing to the credit of the Set-Off Reserve Account and (iv) 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 on the Notes, or to repay the Notes in full.

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 mitigated in respect of the Senior Notes through the support provided to the Issuer in respect of interest 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. With respect to the Rated Notes, this risk is mitigated by the credit support provided by the Junior Notes and, with reference to the payment of interest on the Senior Notes, the availability of the Cash Reserve. 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 illimity Bank 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 the Originator (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 pursuant to the terms of the Servicing Agreement, then the Issuer may terminate the appointment of the Servicer. It is not certain that a suitable alternative servicer could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. 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.

The ability of an alternative 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.

Prospective investors should note that such risk is mitigated by the provision of the Servicing Agreement pursuant to which, upon the occurrence of a Servicer Termination Event, the Servicer shall continue to carry out their activity until an eligible entity which meets the requirements for a substitute servicer provided for by the Servicing Agreement has been appointed. Moreover, under the Back-up Servicing Agreement, Banca Finanziaria Internazionale S.p.A. has undertaken to act as Back-up Servicer with the task of replacing the Servicer in case of occurrence of a Servicer Termination Event. For further details, see the sections entitled "*Description of the Transaction Documents – The Servicing Agreement" and "Description of the Transaction Documents – The Back-up Servicing Agreement*".

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

The timely payment of amounts due on the Notes will depend on the performance of other parties to the Securitisation, including, without limitation, the ability of the Servicer, the Originator, the Calculation Agent, the Paying Agent and the Account Bank to duly perform their obligations under the relevant Transaction Documents. The performance of all the Transaction Parties of their respective obligations may be influenced by the solvency of each relevant party. The inability of any of the above-mentioned third parties to provide their services to the Issuer (including any failure arising from circumstances beyond their control, such as pandemics) may ultimately affect the Issuer's ability to make payments on the Notes.

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Account Bank or the Servicer, the Collections held at the time the insolvency occurs would be lost or temporary unavailable to the Issuer.

Indeed, although article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the issuer or the servicer with an account bank (whether before or during the relevant insolvency proceeding of such account bank) will not be subject to suspension of payments or will not be deemed to form part of the estate of the servicer or the account bank, as the case may be, and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof. In addition, pursuant to article 95-*bis* of the Consolidated Banking Act, the liquidation and reorganisation proceedings of an account bank would be governed by the laws of the member state in which the relevant account bank has been licensed; therefore in the event that an account bank is a foreign entity, there is a risk that the insolvency receiver of the same may disregard the provisions of article 3, paragraph 2-*bis* and 2-*ter*, of the Securitisation Law.

Prospective Noteholders should note that, in order to mitigate any such risk of commingling: (i) pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into the Collection Account by no later than the second Business Day following the relevant collection or reconciliation and (ii) pursuant to the Cash Allocation, Management and Payments Agreement, it is required the Account Bank shall at all times be an Eligible Institution. In addition, pursuant to the Servicing Agreement, within 15 (fifteen) calendar days following receipt of a termination notice or following the date on which the relevant resignation is effective, as the case may be,, the Servicer shall, *inter alia*, instruct in writing the Debtors and the Guarantors to make future payments relating to the Receivables directly into the Collection Account. No assurance can be given that all data necessary to make such notifications will be available and that the Debtors will comply with such payment instructions.

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

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Issuer's rights, title and interest in and to the Portfolio and the other Segregated Assets are

segregated (*costituiscono patrimonio separato*) from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Securitisation.

Pursuant to the Conditions and the Intercreditor Agreement, until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any Further Securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer. However, the breach of the non-petition clause in the Intercreditor Agreement may give to the Issuer the right to a claim for damages but it would not necessarily prevent the petition filed in breach of such provision from being deemed to have been validly filed.

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

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

The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any further securitisation (each, a "**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. For further details, see the following paragraph entitled "*Further Securitisations*" of this section entitled "*Risk Factors*".

Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to any creditors of the Issuer (other than the Issuer Creditors) in relation to the Securitisation, as a result of which the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

Further securitisations

The Issuer may carry out Further Securitisations in addition to the Securitisation described in this Information Memorandum, 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 receivables. On a winding up of such a company such assets will only be available to the holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

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

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 Rated Notes and that they consider the suitability of such Rated Notes as an investment in light of their own circumstances and financial condition.

No communication (written or oral) received from the Issuer, the Servicer, the Originator or the Arrangers 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 Originator or the Arrangers as investment advice or as a recommendation to invest in the Rated Notes.

If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses.

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.

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 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.

As a result of such mismatch, an increase in the level of the Euribor could adversely impact the ability of the Issuer to make payments on the relevant Notes.

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

The Rated Notes are linked to the Euro Interbank Offered Rate ("**Euribor**"). 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 any Notes 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 applies, as subsequently amended, from 1 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. It will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of benchmarks of unauthorised administrators.

The Benchmarks Regulation could have a material impact on the Rated 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 Rated Notes. While (i) an amendment may be made under Condition 7.16 (*Fallback provisions*) to change the base rate on the Rated Notes from Euribor to a Successor Rate (or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an Alternative Benchmark Rate) under certain circumstances broadly related to Euribor dysfunction or discontinuation and subject to certain conditions being satisfied and (ii) the Issuer is under an obligation to appoint an Independent Adviser which must be an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets to determine a Successor Rate (or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an Alternative Benchmark Rate) in accordance with Condition 7.16 (*Fallback provisions*), there can be no assurance that any such amendments will be made or, if made, that they (a) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Rated Notes or (b) will be made prior to any date on which any of the risks described in this risk factor may become relevant. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes.

Yield and payment considerations

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

In addition, the yield to maturity, the amortisation and the weighted average life of the Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Loans, the exercise by the Originator of its right to repurchase individual Receivables or the outstanding Portfolio pursuant to the Receivables Purchase Agreement, any settlement by the Servicer in relation to Receivables in accordance with the provisions of the Servicing Agreement and/or the early redemption of the Notes pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*).

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

Calculations as to the estimated weighted average life of the Rated Notes are based on various assumptions relating also to unforeseeable circumstances (for further details, see the section headed "*Expected maturity and weighted average life of the Rated Notes*"). No assurance can be given that such assumptions and estimates will be accurate and, therefore, calculations as to the estimated weighted average life of the Rated Notes must be viewed with considerable caution.

Subordination

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any Further Securitisation which may be carried out by the Issuer since the corporate object of the Issuer, as contained in its by-laws (*statuto*), is limited to the carrying out of securitisation transactions and activities related or ancillary thereto and the Issuer has provided certain covenants in the Intercreditor Agreement and the other Transaction Documents which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions. Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to third party creditors (which rank ahead of all other items in the applicable Order of Priority), as a result of which the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

The rights of the Noteholders to receive payments of interest and repayment of principal on the Rated Notes as well as payments of interest, Variable Return and repayment of principal on the Junior Notes are subordinated to the payment of certain costs, expenses, fees, taxes and other amounts and to the rights of the Representative of the Noteholders and other parties to receive certain amounts due under the Transaction Documents. This includes in respect of any proceeds of enforcement and collection of the security created by the Issuer which will be applied in accordance with the Post Enforcement Priority of Payments.

The subordination of amounts payable under the Notes to the items in priority thereto may result in the Noteholders not being repaid in full in the event the Issuer has insufficient funds. Please see the section headed "*Terms and Conditions of the Notes – Status, Segregation and Ranking*" for details of the subordination provisions.

Noteholders should also have particular regard to the factors identified in the sections headed

"Transaction Overview – Credit Structure" and "*Transaction Overview –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 Rated Notes and interest 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.

Certain material interests

Certain parties to the transaction may perform multiple roles. In particular: (i) illimity Bank S.p.A. is, in addition to being the Originator, also the Arranger, the Servicer and the Notes Subscriber; (ii) Banca Finanziaria Internazionale S.p.A. is, in addition to being the Corporate Services Provider, also the Representative of the Noteholders, the Calculation Agent and the Back-up Servicer; (iii) The Bank of New York Mellon SA/NV – Milan Branch is, in addition to being the Account Bank, also the Paying Agent.

In addition, each of the Arranger is a global financial institution that provides a wide range of financial services to a diversified global client base. As such, the Arrangers may be involved in a broad range

of transactions both for its own account and that of other persons which may result in actual or potential conflicts of interest arising in the ordinary course of business. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party.

Accordingly, conflicts of interest may exist or may arise as a result of parties to the Securitisation:

(a) having previously engaged or in the future engaging in transactions with other parties to the Securitisation;

(b) having multiple roles in the Securitisation; or

(c) carrying out other transactions for third parties.

The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. The aforementioned parties may engage in commercial relationships and provide general banking, investment and other financial services to the Debtors and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders.

In addition, illimity Bank S.p.A. (as Notes Subscriber) and/or any assignee which belongs to the Originator's banking group, may use the Notes, in full or in part, as collateral in repurchase transactions and/or as collateral in connection with liquidity and/or open market operations with qualified investors (including J.P. Morgan SE). Prospective Noteholders should be aware that interests of any repo counterparty and/or securities lending counterparty (and expression of voting rights) may not be aligned to the interest of the other Noteholders.

Market for the Rated Notes

Although an application has been made to Euronext Access Milan Professional Segment for the Rated Notes to be listed on the official list of Euronext Access Milan Professional Segment and to be admitted to trading on professional segment Euronext Access Milan Professional Segment of the multilateral trading facility Euronext Access Milan operated by Borsa Italiana S.p.A., there is currently no active and liquid secondary market for the Rated Notes. 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 the Rated Notes will develop or, if a secondary market does develop in respect of any of the Rated Notes, that it will provide the holders of such Rated Notes with the liquidity of investments or that any such liquidity will continue for the life of such Rated

Notes. Consequently, any purchaser of the 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.

Limited nature of credit ratings assigned to the Rated Notes

The credit rating assigned to the Rated Notes reflects the Rating Agencies' assessment only of the likelihood of (i) payment of interest in a timely manner (pursuant to the Transaction Documents) with respect to the Senior Notes, (ii) ultimate payment of interest prior to the redemption in full of the Senior Notes with respect to the Mezzanine Notes and the ultimate repayment of principal on or before the Final Maturity Date with respect to the Rated Notes, not that such repayment of principal and payment of interest will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement.

Additionally, prior to the Issue Date, the Issuer, the Rating Agencies and the Arrangers have been provided by an external credit rating agency with independent ratings issued on the exposures comprised in the Portfolio. The Rating Agencies took such independent ratings into account as part of its transaction analysis. Prospective investors may access information related to such ratings upon request via the Issuer to, and subject to the conditions requested by, the external credit rating agency.

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

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

Future events such as any deterioration of the Portfolio, the unavailability or the delay in the delivery of information, the failure by the parties to the Transaction Documents to perform their obligations under the Transaction Documents and the revision, suspension or withdrawal of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation could have an adverse impact on the credit ratings of the Rated Notes, which may be subject to revision or

withdrawal at any time by the assigning Rating Agency. A rating is not a recommendation to purchase, hold or sell the Rated Notes. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the EU CRA Regulation, unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation.

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 Rated Notes has declined or is in question. If any rating assigned to the Rated Notes is lowered or withdrawn, the value of the Rated Notes may be affected.

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

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 (as amended from time to time) 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 Arrangers, the Originator 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.

RISK FACTORS IN RELATION TO THE PORTFOLIO

No independent investigation in relation to the Receivables

None of the Issuer, the Arrangers nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Receivables and the relevant Loan Agreements nor has any of them undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables which have been assigned and transferred 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 Agreements. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty will be that the Originator repurchases the Receivables which do not comply with any such representation and warranty and/or complies with certain indemnity obligations undertaken in favour of the Issuer pursuant to the Warranty and Indemnity Agreements (see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreements*", below). The repurchase and indemnification obligations undertaken by the Originator under the Warranty and Indemnity Agreements give rise to unsecured claims of the Issuer and no assurance can be given that the Originator will pay the relevant amounts if and when due.

Claw back of the sales of the Receivables

Assignments executed under the Securitisation Law are subject to revocation on judicial liquidation under article 166 of the Insolvency Code.

As expressly stated under article 4, paragraph 4, of the Securitisation Law, in relation to securitisation transactions carried out under the Securitisation Law, the 1 year and 6 months terms set out under article 166 of the Insolvency Code are reduced, respectively, to 6 months and 3 months.

In respect of the Originator such risk is mitigated by the fact that, according to the Receivables Purchase Agreements, the Originator, in respect of the relevant Portfolio, has provided the Issuer with (i) a solvency certificate signed by an authorised officer of the Originator; and (ii) a good standing certificate issued by the competent companies' register (*certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura*) stating that the Originator is not subject to any insolvency proceeding. Furthermore, under the Warranty and Indemnity Agreements, the Originator has represented that it was solvent as at the date thereof and such representation shall be deemed to be repeated on the Issue Date.

In addition, (i) in case of repurchase by the Originator of the Portfolio or individual Receivables in accordance with the relevant Receivables Purchase Agreement or the Warranty and Indemnity Agreements, or (ii) disposal of the Portfolio following the service of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) or 8.4 (*Optional redemption for taxation reasons*), the payment of the relevant purchase price may be subject to

clawback pursuant to article 166, paragraph 1 or 2, of the Insolvency Code. However, pursuant to the Receivables Purchase Agreements or the Warranty and Indemnity Agreements or the Intercreditor Agreement, analogous certificates evidencing the solvency of the Originator or the third party purchaser, as the case may be, shall be provided to the Issuer.

Furthermore, prospective investors in the Notes should consider that (i) any statement contained in the solvency certificates above mentioned to the effect that the Originator exists and has not been submitted to insolvency proceedings applicable to it cannot be relied on as a conclusive evidence that the Originator is still existing and is solvent and that no such proceedings have been initiated before a court, nor that an order by an authority having jurisdiction over the Originator has been already issued as at the date of such certificate, and (ii) whether or not the Issuer was, or ought to have been, aware of the state of insolvency of the Originator at the time of execution of the Receivables Purchase Agreements or any transfer agreement entered into thereafter pursuant to article 12 of the Receivables Purchase Agreements or article 4.6 of the Warranty and Indemnity Agreements is a factual analysis with respect to which a court may in its discretion consider all relevant circumstances including, but not limited to, the reliance by the Issuer and/or any of its representatives or agents on the representations made by the Originator in the Warranty and Indemnity Agreements and in the solvency certificates issued by the Originator from time to time.

Clawback of other payments made to the Issuer

According to article 4, paragraph 3, of the Securitisation Law, payments made by a Debtor to the Issuer are not subject to any clawback (*revocatoria*) according to article 166 of the Insolvency Code, nor to any declaration of ineffectiveness (*declaratoria di inefficacia*) pursuant to article 164, paragraph 1 of the Insolvency Code.

Save for what described above, all other payments made to the Issuer by any party to the Transaction Documents after the filing of petition which has been followed by the opening of the judicial liquidation pursuant to the Insolvency Code or in the year or the 6 (six) months preceding the opening of the judicial liquidation, as the case may be, may be subject to clawback (*revocatoria*) according to article 166 of the Insolvency Code (or any equivalent rules under the applicable jurisdiction of incorporation of such party). Please note that, under certain circumstances, the term of the suspected period is extended to 1 or 2 years for intercompany transactions. In case of application of article 166, paragraph 1, of the Insolvency Code, the relevant payment will be set aside and clawed back if the Issuer does not give evidence that it did not have knowledge of the state of insolvency of the relevant party when the payments were made, whereas, in case of application of article 166, paragraph 2, of the Insolvency Code, the relevant payment will be set aside and clawed back if the receiver gives evidence that the Issuer had knowledge of the state of insolvency of the relevant party. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the

time of the payment is a question of fact with respect to which a court in its discretion may consider all relevant circumstances.

Performance of the Portfolio

The Portfolio comprises Receivables deriving from Loans classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's guidelines as at the relevant Cut-Off Date. For further details, see the section entitled "The Portfolio". There can be no guarantee that the Debtors will not default under such Loans or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Debtors to repay the Loans.

The recovery of overdue amounts in respect of the Loans will be affected by the length of enforcement proceedings in respect of the Loans, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken. Factors which can have a significant effect on the length of the proceedings include the following: (i) certain courts may take longer than the national average to enforce the Loans, and (ii) more time will be required for the proceedings if it is necessary first to obtain a payment injunction (*decreto ingiuntivo*) or if any Debtor raises a defence or counterclaim to the proceedings.

However, as at the Issue Date it must to be taken into consideration that the Portfolio is guaranteed for the 78% of the Outstanding Principal of the Receivables by MCC Guarantees or SACE Guarantees (collectively, the "**Public Guarantees**"), for a weighted average guaranteed amount equal to 87%, and therefore in case of default by the relevant Debtors and subsequent successful enforcement of the relevant Public Guarantee by the Issuer, with reference to such Receivables, the Issuer would recover the amounts due under the such Loans up to the percentage of the relevant Loan secured by the CGFS Fund or SACE (each a "**Public Guarantor**") (as the case may be) under the relevant Public Guarantee (for further information on the enforcement of the Public Guarantees, please make reference to the risk factors headed "*Management of the MCC Guarantees*" and "*Management of the SACE Guarantees*").

However, with reference to the Receivables secured by the Public Guarantees, prospective Noteholders should be aware that, as better described below in the risk factors headed "*Management of the MCC Guarantees*" and "*Management of the SACE Guarantees*", in case the relevant Public Guarantee is not successfully enforced towards the relevant Guarantor, the relevant Receivable should be considered as an unsecured receivable. In this respect, please also refer to the risk factor headed "*Recoveries under the Loans*".

Management of the MCC Guarantees

The Portfolio comprises Loans which, as at the relevant Cut-Off Date, are secured by the MCC Guarantee granted by the CGFS Fund also pursuant to the combined operation of Italian Law 662/1996

and article 13, paragraph 1, letter (m) of the Liquidity Decree (see the section entitled "*The Portfolio*" below). The MCC Guarantee covers up to 90% of the amount of the relevant Loan.

The main characteristics of the MCC Guarantees are regulated by, *inter alia,* the operational provisions of the CGFS Fund (as amended and supplemented from time to time, the "**CGFS Operational Provisions**"). The CGFS Operational Provisions include, *inter alia*, provisions on the enforcement, confirmation, ineffectiveness and revocation of the guarantees generally granted or issued by the CGFS Fund, which also applies in respect of the MCC Guarantees.

As a consequence, for (i) the transfer of the MCC Guarantees by the Originator to the Issuer, the Originator shall be required to carry out all necessary formalities and actions on its side provided under the CGFS Operational Provisions; (ii) the maintenance and, if applicable, the successful enforcement of the MCC Guarantees, the Issuer – through the Servicer and/or the Back-Up Servicer – needs to carry out all necessary formalities and actions provided under the CGFS Operational Provisions.

Even though the CGFS Operational Provisions have been applied and tested to other guarantees issued in the past years by the CGFS Fund, given the fact that the MCC Guarantees are regulated also by the recent Liquidity Decree (which applies with respect to certain Receivables), the application of the CGFS Operational Provisions remains partly untested with reference to certain MCC Guarantees. Therefore, it is uncertain which events may have an impact on the possibility to successfully enforce the MCC Guarantees and to receive from MCC the relevant payment for the recovery of the overdue amounts in respect of the relevant Loan.

As a consequence of the above, in case the relevant Public Guarantee is not successfully enforced towards the relevant Guarantor, the relevant Receivable should be considered as an unsecured receivable. In this respect, please also refer to the risk factor headed "*Recoveries under the Loans*".

In order to mitigate the risk arising from such uncertainty, under the Transaction, (i) the Originator – in the relevant Receivables Purchase Agreement – has undertaken to, *inter alia*, perform any activity which shall be necessary in order to validly transfer to the Issuer the relevant MCC Guarantee and to render such transfer enforceable towards the relevant Public Guarantor; and (ii) the Servicer – in the Servicing Agreement – has undertaken to carry out, on behalf of the Issuer, and, if necessary, to cooperate with the Originator, to carry out all the activities necessary to, *inter alia* (a) ensure that the transfer of the MCC Guarantees is valid and effective and enforceable towards the relevant Public Guarantor, in accordance with the applicable laws and regulations and the CGFS Operational Provisions; (b) maintain the validity, effectiveness and enforceability of the MCC Guarantees towards the relevant Public Guarantor; and (c) ensure the enforcement of the MCC Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the CGFS Operational

Provisions. In this respect, prospective Noteholders should consider the risks highlighted under the paragraph entitled "*The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of other parties to the Securitisation*" above.

Furthermore, the Servicer, under the Back-Up Servicing Agreement, undertook to take all actions to allow the step in of the Back-up Servicer also in respect of the management of the MCC Guarantees, and the Back-Up Servicer undertook to take over the role of the Servicer and to promptly carry out the necessary steps to manage the MCC Guarantees also vis-à-vis the CGFS Fund.

Management of the SACE Guarantees

The Portfolio comprises Loans which have been granted by the Originator pursuant to the provisions of (i) article 13, paragraph 1, letter (m) of the Liquidity Decree; or (ii) article 15 of the Law Decree of 17 May 2022 No. 50, converted into law with amendments by Law of 15 July 2022, No 91; and which, as at the relevant Cut-Off Date, are secured by the SACE Guarantee (see the section entitled "*The Portfolio*" below). The SACE Guarantee covers up to 90% of the amount of the relevant Loan.

The main characteristics of the SACE Guarantee are regulated by the Liquidity Decree, the general conditions of the *Garanzia Italia* or the general conditions of the *Garanzia SupportItalia*, as the case may be, (together, the "**SACE General Conditions**"), the terms and conditions of the specific SACE Guarantee and, as applicable, the operational provisions of the SACE Guarantee (the "**SACE Operational Provisions**"). The abovementioned law, regulations and guidelines include, *inter alia*, provisions on the enforcement, confirmation, ineffectiveness and revocation of the SACE Guarantees.

As a consequence, for (i) the transfer of the SACE Guarantees by the Originator to the Issuer, the Originator shall be required to carry out all necessary formalities and actions on its side provided under, *inter alia*, the relevant SACE General Conditions and the SACE Operational Provisions; (ii) the maintenance and, if applicable, the successful enforcement of the SACE Guarantees, the Issuer – through the Servicer and/or the Back-Up Servicer – needs to carry out all necessary formalities and actions provided under, *inter alia*, the relevant SACE General Conditions and the SACE Operational Provisions.

Given the fact that (i) the SACE Guarantees are regulated by the recent Law Decrees, the terms and conditions of the relevant SACE Guarantee, the relevant SACE General Conditions and the application of the SACE Operational Provisions, the application of such regulations and guidelines remains untested; and (ii) the SACE Operational Provisions does not indicate a specific procedure for the transfer of the SACE Guarantees to third parties (including Italian securitisation vehicles), the relevant procedure has to be agreed on a case by case basis with SACE, in order to avoid possible negative impacts on the possibility to successfully enforce the SACE Guarantees and to recover from SACE the overdue amounts in respect of the relevant Loan; in this respect, the Originator has liaised with SACE.

As a consequence of the above, in case the relevant Public Guarantee is not successfully enforced towards the relevant Guarantor, the relevant Receivable should be considered as an unsecured receivable. In this respect, please also refer to the risk factor headed "*Recoveries under the Loans*".

In order to mitigate the risk arising from such uncertainty, under the Transaction, (i) the Originator – in the Receivables Purchase Agreements – has undertaken to, *inter alia*, perform any activity which shall be necessary in order to validly transfer to the Issuer the relevant SACE Guarantee and to render such transfer enforceable towards the relevant Public Guarantor and has undertaken – under the Intercreditor Agreement and the Subscription Agreements, – to retain, on an on-going basis, a material net economic interest of not less than 15 (fifteen) per cent. in the Securitisation in accordance with laws, regulations and operation provisions applicable to the relevant SACE Guarantees; and (ii) the Servicer – in the Servicing Agreement – has undertaken to carry out, on behalf of the Issuer, and, if necessary, to cooperate with the Originator, to carry out all the activities necessary to, *inter alia* (a) ensure that the transfer of the SACE Guarantees is valid and effective and enforceable towards the relevant Public Guarantor, in accordance with the applicable laws and regulations and the SACE Operational Provisions; (b) maintain the validity, effectiveness and enforceability of the SACE Guarantees towards the relevant Public Guarantor; and (c) ensure the enforcement of the SACE Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the SACE Operational Provisions. In this respect, prospective Noteholders should consider the risks highlighted under the paragraph entitled "*The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of other parties to the Securitisation*" above.

Furthermore, the Servicer, under the Back-Up Servicing Agreement, undertook to take all actions to allow the step in of the Back-up Servicer also in respect of the management of the SACE Guarantees, and the Back-Up Servicer undertook to take over the role of the Servicer and to promptly carry out the necessary steps to manage the SACE Guarantees also vis-à-vis SACE.

Bullet Loans

The Portfolio comprises Loans which are structured with "bullet" payment. These Loans, also known as non-amortising bullet loans, are a type of loan where the principal amount is paid in a lump sum at the end of the loan term, instead of being spread out over the course of the loan through regular instalment payments. Since the principal amount is not being paid down over time, Debtors may face a larger repayment obligation at the end of the loan term. This can be challenging if the relevant Debtor is unable to secure sufficient funds to repay the Loan in full and therefore the Issuer is subject to the risk that a default by a Debtor in its payment obligations under the relevant Loan Agreement may adversely impact the performance of the overall Portfolio.

However, as at the Subsequent Issue Date it must to be taken into consideration that the Receivables

structured with "bullet" payment are the 9% of the Outstanding Principal of the Portfolio.

Concentration risk

A deterioration in economic conditions could have an adverse effect on the ability of the Debtors to make payments on the Loans and result in losses on the Notes.

Considering the nature of the Portfolio comprising large exposures with a limited number of Debtors, the Issuer is subject to the risk that a default by a Debtor in its payment obligations under the relevant Loan Agreement may adversely impact the performance of the overall Portfolio. The risk arises from the fact that a more concentrated portfolio implies a lower degree of diversification of Debtor credit risk and therefore the returns on the underlying assets are more correlated to the payment of the amounts due under each Loan Agreement by the relevant Debtor. If the timing and payment of the Loans is adversely affected, then payments on the Notes could be materially reduced and/or delayed and could ultimately result in losses on the Notes.

Recoveries under the Loans

Following a default by a Debtor under a Loan, the Servicer will be required to take steps to recover the sums due under the relevant Loan, in accordance with its Credit and Collection Policies and Servicing Agreement.

The Loans provides that if any Debtor fails to pay in due time any amount due thereunder, the lender is entitled to take steps to terminate its agreement with the relevant Debtor under the relevant Loan and to require immediate repayment of all amounts advanced and/or due under such Loan in accordance with its terms (see the section headed "*Description of the Transaction Documents - The Servicing Agreement*", below).

The Servicer may take steps to recover the deficiency from the Debtor. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the Debtor if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of, and the time involved in carrying out, legal proceedings against the Debtor and the possibility for challenges, defences and appeals by the Debtor, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Loan.

In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor's (or guarantor's) goods (*pignoramento mobiliare*) or real estate assets (*pignoramento immobiliare*), if the lender has previously been granted a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

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

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

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

Changes in the Portfolio's composition

During the life of the Securitisation, the characteristics of the Portfolio may become different from the ones that such Portfolio had as at the relevant Cut-Off 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:

Servicing of the Portfolio – under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as renegotiations 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 Loan Agreements. 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;

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 relevant 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 their capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreements provide that the Originator may exercise the repurchase option of individual Receivables only if: (i) the aggregate of the Receivables repurchased during four consecutive Collection Periods does not exceed

10% of the aggregate of the Outstanding Principal of the Portfolio as at the relevant Cut-Off Date; and (ii) the aggregate of the Receivables repurchased during the Securitisation does not exceed 20% of the aggregate of the Outstanding Principal of the Portfolio as at the relevant Cut-Off Date.

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, number 2593/2003, number 2593/2003, number 21095/2004 as confirmed by judgment number 24418/2010 of the same Court) have held that such practices may not be defined as customary practices ("*uso normativo*").

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 interministerial committee of credit and saving (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). The new regulation was applicable to intermediaries as of 1st October 2016. The Originator has timely complied with the new regulation.

Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*"), as amended and supplemented from time to time (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree

issued by the Italian Ministry of Economy and Finance (the "**Usury Rates**") (the last such Decree having been issued on 27 September 2023 and being applicable for the quarterly period from 1 October 2023 to 31 December 2023. Any provision in loan agreements imposing interest exceeding the Usury Rates is null and void and no interest will be due in respect of the loan pursuant to article 1815(2) of the Italian Civil Code.

In addition, even though the applicable Usury Rate are not exceeded, interest and other advantages and/or remunerations might be held usurious if: (i) they are disproportionate to the sum lent (taking into account, in evaluating such condition, the specific terms and conditions of the transaction and the average rate usually applied to similar transactions); and (ii) the person who paid or accepted to pay the relevant amounts was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

In some judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Moreover, according to a certain interpretation of the Usury Law (which was generally considered, in the Italian legal community, to have been accepted in the above mentioned rulings of the Italian Supreme Court (*Corte di Cassazione*), if at any point in time the rate of interest payable on a loan (including a loan entered into before the entry into force of the Usury Law or a loan which, when entered into, was in compliance with the Usury Law) exceeded the then applicable Usury Rate, the contractual provision providing for the borrower's obligation to pay interest on the relevant loan became null and void in its entirety.

On 29 December 2000, the Italian Government issued law decree No. 394 ("*Interpretazione autentica della legge 7 marzo 1996, n. 108*") (the "**Decree 394/2000**"), turned into Law No. 24 of 28 February 2001 ("*Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo 1996, n. 108, recante disposizioni in materia di usura*"), which clarified the uncertainty over the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rate applicable at the time the relevant loan agreement or such other credit facility was entered into or the interest rate was agreed. Decree 394/2000 also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000. The Italian Constitutional Court (*Corte Costituzionale*) has rejected, with decision no.

29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed upon between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

Certain decisions of the Italian Supreme Court (*Corte di Cassazione*) have applied the above principle and have, therefore, deemed lawful (also from a civil law perspective) interest rates which were compliant with the Usury Threshold as at the time of the execution of the financing agreements but exceeded such threshold thereafter. On the other hand, according to other decisions of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the statutory usury rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable statutory usury rates against which the former must be compared.

To solve such a contrast between different Italian Supreme Court (*Corte di Cassazione*) decisions:

(i) a recent decision by the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rates as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law. In this respect, due to the recent date of this last decision, it remains unclear how such decision will be applied by the merit courts; and

(ii) the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the 'type' of rate which determined the breach shall be deemed as null and

void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.

In addition to the above it is to be noted that if the Usury Law were to be applied to the Notes, the amounts payable by the Issuer to the Noteholders may be subject to reduction, renegotiation or repayment.

Prospective Noteholders should note that under the Warranty and Indemnity Agreement, the Originator has (i) represented that the interest rates applicable on the Loans have always been applied, owed and received in full compliance with the laws applicable from time to time (including, in particular, the Usury Law, where applicable), and (ii) undertaken to indemnify the Issuer for the non-compliance of the interest rate applicable to the Loan Agreements with the provisions of the Usury Law.

Debtors may become subject to a debt restructuring arrangement or a court-supervised liquidation in accordance with the Insolvency Code

Pursuant to article 2, letter (c) of the Insolvency Code, "over-indebtedness" (*sovraindebitamento*) occurs either in a situation of crisis or in a situation of insolvency concerning consumers (*consumatori*), professionals (*professionisti*), minor enterprises (*imprenditori minori*), agricultural enterprises (*imprenditori agricoli*) and innovative start-ups (start-up *innovative*) pursuant to Law Decree no. 179 of 18 October, 2012, converted, with amendments, into Law no. 221 of 17 December, 2012 who/which are in a situation of crisis or insolvency, as well as to any other debtor which cannot be subject to judicial liquidation (*liquidazione giudiziale*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*) or other liquidation procedures (*procedure liquidatorie*) provided under the Civil Code or special laws for the case of crisis or insolvency.

Pursuant to article 65 of the Insolvency Code, the debtors indicated under article 2, letter (c) of the Insolvency Code (i.e. consumers, professionals, minor enterprises, agricultural enterprises, innovative start-ups and the other debtors which cannot be subject to judicial liquidation, compulsory administrative liquidation or other liquidation procedures provided under the Civil Code or special laws for the case of crisis or insolvency) may propose solutions to the over-indebtedness crisis (*soluzioni della crisi da sovraindebitamento*) according to the provisions of the chapter II or title V, chapter IX of the Insolvency Code.

Prospective Noteholders should note that, as at the relevant Cut-Off Date, all the Receivables comprised or which shall comprise in the Portfolio were or shall be classified as performing (*in bonis*) by the Originator. However, it cannot be excluded that any Debtor may become subject to any such proceedings after the relevant Transfer Date and therefore the collection of Receivables may be

adversely affected under the relevant provisions of the Insolvency Code.

Article 120-*quater* of the Consolidated Banking Act

Article 120-*quater* of the Consolidated Banking Act provides that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the 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**"), 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 (thirty) business 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 per cent 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.

As a result of the Subrogation, the rate of prepayment of the Loans might materially increase; such event might have an impact on the yield to maturity of the Notes.

Rights of set-off of Debtors

Under general principles of Italian law, a borrower is entitled to exercise rights of set-off in respect of amounts due under such loan against any amounts payable by the relevant originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the receivables in the Official Gazette pursuant to article 58, second paragraph, of the Consolidated Banking Act and the registration of such sale with the competent companies' register have been made.

Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolio to the Issuer pursuant to the Receivables Purchase Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Debtors shall not be entitled to exercise any set-off right against their claims against the Originator which arises after the date of such

publication and registration.

On 24 December 2013, Decree No. 145 came into force providing expressly that, from the date of publication of the notice of transfer of the receivables in the Official Gazette, the debtors will not be entitled to set-off any claim arisen after such date with the amounts due to the special purpose vehicle in relation to the receivables. Decree No. 145 has been converted into Italian Law No. 9 of 21 February 2014.

The transfer of the Initial Receivables from the Originator to the Issuer has been (i) published in the Official Gazette No. 143, Part II, of 10 December 2022 and (ii) registered on the Companies Register of Treviso-Belluno on 7 December 2022. Under the terms of the Initial 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 Initial Portfolio as a result of the exercise by any relevant Debtor of a right of set-off.

The transfer of the Subsequent Receivables from the Originator to the Issuer has been (i) published in the Official Gazette No. 146, Part II, of 12 December 2023 and (ii) registered on the Companies Register of Treviso-Belluno on 6 December 2023. Under the terms of the Subsequent 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 Subsequent Portfolio as a result of the exercise by any relevant Debtor of a right of set-off.

In order to mitigate such risk of set-off, under the Warranty and Indemnity Agreements, the Originator has given certain representations and warranties and undertaken certain indemnity obligations aimed at addressing and protecting the Issuer from such set-off risk. For further details, see the section entitled "*Description of the Transaction Documents - The Warranty and Indemnity Agreements*"; moreover, starting from the Issue Date, the risk of any shortfall due to the exercise of set-off rights by the Debtors against the Originator and the latter's inability to comply with the aforementioned indemnity obligations provided for by the Warranty and Indemnity Agreements is further mitigated, with respect to the Rated Notes by the Set-Off Reserve established in the Set-Off Reserve Account. For further details, see the sections entitled "*The Accounts*" and "*Credit Structure*".

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

In a macroeconomic context where the economic condition of the Italian small and medium enterprises' sector was affected by the financial crisis and experienced increasing levels of loan defaults starting from the end of 2008, in order to introduce measures aimed at supporting companies struck by the financial crisis, on the 3rd of 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 PMI 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 the 30th of 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 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 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 shall be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension 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 (also considering the costs that would have been incurred in case the suspension or extension had been granted with respect to the original loan).

On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the July 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention provides for three 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 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 was to be submitted by 31

December 2017.

On 12 June 2015 further clarifications with respect to the implementation of the 2015 PMI Convention have been issued by the ABI. In particular, ABI 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 2015 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the 2015 PMI Convention in respect of securitised claims. In any case ABI has further clarified that in case a suspension or extension under the 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 "**2019 PMI Convention**"). The 2019 PMI Convention provides for two 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 93 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 to be submitted by 31 December 2020.

In addition, on 6 March 2020, ABI and the associations of the representative of the companies signed an addendum to the 2019 SMEs Convention (the "**Addendum**"), according to which, *inter alia*, the initiatives provided under (i) and (ii) above set out in the 2019 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 conditions set out under the 2019 PMI Convention are not modified. In addition, on 22 May 2020, ABI and the associations of representatives of the companies signed a second addendum to the 2019 PMI Convention (the "**Second Addendum**"), according to which, *inter alia*, the initiatives provided under (i) and (ii) above relating to the 2019 PMI Convention have been extended, until 30 September 2020, to loans outstanding as at 31 January 2020 granted in favour of companies damaged by the epidemiological emergency "COVID 19". The Second Addendum provides that all other conditions set out under the 2019 PMI Convention, as modified by the Addendum, are not modified. In addition, on 17 December 2020, ABI and the associations of

representatives of the companies signed a new addendum to the 2019 PMI Convention (the "**New Addendum**" and, together with the Addendum and the Second Addendum, the "**Addenda to the 2019 PMI Convention**"), according to which, *inter alia*, the 12-months suspension of payments provided under (i) above relating to the 2019 PMI Convention, as modified by the Addendum and the Second Addendum, has been shortened to a 9-months suspension.

It should be considered that the Originator has adhered to the 2019 PMI Convention and to the Addenda to the 2019 PMI Convention.

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.

RISKS RELATING TO TAX CONSIDERATIONS

Substitute tax under the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed "*Taxation in the Republic of Italy*" of this Information Memorandum, be subject to a Decree 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Decree 239 Deduction. Decree 239 Deduction, if applicable is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer shall not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders shall receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

For further details see the section headed "*Taxation in the Republic of Italy*".

Tax treatment of the Issuer

According to the guidelines issued by the Italian tax authorities with the Circular Letter of 6 February 2003, No. 8/E, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the securitisation transaction. Such conclusion is based on the fact that, during the securitisation process, the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the

originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

It is, however, possible that the Ministry of the 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.

Registration tax on transfer of receivables

A transfer of receivables falls within the scope of VAT in the event and to the extent that (i) it has a "financial purpose" pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above mentioned Presidential Decree. Should the Italian tax authorities argue that the transfer of receivables does not fall within the scope of VAT, a 0.5% registration tax (pursuant to the provisions of article 6 of Tariff – Part I attached to Presidential Decree of 26 April 1986, No. 131 and article 49 of the above mentioned Presidential Decree) would be payable on the nominal value of the transferred receivables in case of registration (even in case of use pursuant to article 6 of the Presidential Decree of 26 April 1986, No. 131) of the transfer agreement or of any other agreement recalling the transfer agreement which is executed by the same parties and subject to registration, pursuant to *enunciazione* principle provided for by article 22 of the same Presidential Decree.

U.S. Foreign Account Tax Compliance Act (FATCA)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions, including the Republic of Italy, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Rated Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Rated Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Rated Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register. Further, Rated Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially

modified after such date and/or characterised as equity for U.S. tax purposes. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Rated Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Rated Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

RISKS RELATING TO OTHER LEGAL AND REGULATORY CONCERNS

Application of the Securitisation Law has a limited interpretation

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Information Memorandum, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Information Memorandum. In addition to that, in the last years certain amendments have been introduced to the

Securitisation Law. For details with respect to such amendments, please see section headed "*Selected aspects of Italian Law – The Securitisation Law*".

Non-compliance with the EU Securitisation Regulation may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity of the Notes

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019. The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes). From 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. In addition, further amendments to the EU Securitisation Regulation regime may be introduced as a result of its wider review by the European Commission.

Certain European-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under article 5 of the EU Securitisation Regulation with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements. If the relevant European-regulated institutional investor elects to acquire or holds the Notes having failed to comply

with one or more of these requirements, as applicable to them under their respective EU regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors. Certain aspects of the requirements of the EU Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Information Memorandum generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation and any corresponding national measures which may be relevant.

Prospective investors should note that there can be no assurance that the information in this Information Memorandum or to be made available to investors in accordance with article 7 of the EU Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation.

Prospective investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

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.

The EU Banking Reform Package includes Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD**

II"). BRRD II provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements applying from January 2022. The BRRD II is subject to transposition in Italy by means of the European Delegation Law (Law No. 53/2021) of 22 April 2021 in the implementation of which a draft Legislative Decree transposing BRRD II has been filed in August 2021 with the competent Parliament Committees for their examination. The BRRD II has been implemented in Italy by Legislative Decree no. 285 of 30 November 2021.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD (as implemented by the BRRD II), 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 (as implemented by the BRRD II), 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.

Any bank being party to the Transaction Documents (including the Originator) may be subject to the provision of BRRD as implemented in the country of the relevant entity. Therefore, in case of any such bank is subject to a resolution, the exercise of the powers by the relevant resolution authority may affect the Transaction Documents and the rights and obligations of the parties thereto in accordance with the above.

Implementation of, and amendments to, the Basel II framework may affect the regulatory capital and liquidity treatment of the Notes

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 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**") and Regulation No. 575/2013 as amended by from time to ("**CRR**"). On 7 June 2019 the following, *inter alia*, were published on the Official Journal of the EU: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"), (ii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("**CRR II**"), and (iii)the BRRD II, and entered into force on 27 June 2019. Certain portions of the new rules apply as from 27 June 2019 while others apply as from January 2022. The new rules implement the Basel Committee's finalised Basel III reforms dated December 2017. 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 Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The 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 framework including Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments 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 Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments have and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III will depend on the particular asset structure of each credit institution and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the guidelines resulting from the transposition of the above mentioned provisions.

The implementation of Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments could affect the risk weighting of 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.

Accordingly, recipients of this Information Memorandum should consult their own advisers as to the consequences and effects the implementation of the CRD IV and of the CRD V, the CRR II, the BRRD II and any of its expected amendments could have on them.

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 changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their 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 changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their 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 changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their 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.

U.S. Risk Retention Requirements

The Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities on 24 December 2016 and generally require the "sponsor" of a "securitisation transaction" to retain at least 5 (five) per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations that they generally impose.

The Securitisation is not intended to involve the retention by the Originator of at least 5 (five) per cent. of the credit risk of the Issuer for the purposes of compliance with the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption for non-US transactions provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Information Memorandum as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 (twenty-five) per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Originator that it is a Risk Retention U.S. Person and obtain the written consent of the Originator, which will be monitoring the level of Notes purchased by, or for the account or benefit of, Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

There can be no assurance that the requirement to obtain the Originator's written consent to the purchase of any Notes which are offered and sold by the Issuer being purchased by, or for the account

or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether failure of the transaction to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure of the Securitisation to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Issuer nor any of the other party involved in the Securitisation or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Information Memorandum complies as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Investment Company act status of the Issuer

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(7) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. Under the Subscription Agreement, the Issuer has represented that it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Information Memorandum, will not be required to be registered as an "investment company," as such term is defined in the Investment Company Act. Accordingly, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action.

Effects of the Volcker Rule on the Issuer

The Issuer was structured with the intent to meet the so-called Loan Securitization Exclusion from the definition of a "covered fund" for purposes of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). Although other statutory or regulatory exemptions under the Investment Company Act and the Volcker Rule and its related regulations may be available to the Issuer, this conclusion is based on the

exception from the "covered fund" definition provided for entities involved in the securitisation of loans. Under the Subscription Agreement, the Issuer has represented that it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Information Memorandum, should not be a "covered fund" within the meaning of the Volcker Rule.

The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds.

The Volcker Rule's prohibitions and lack of interpretative guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Arrangers or any other person makes any representation to any prospective investor regarding the application of the Volcker Rule to the Issuer or to such prospective investor's investment in the Notes, as of the date hereof or at any time in the future. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

Change of law

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

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

MACRO-ECONOMIC AND MARKET RISKS

Impact of Russia-Ukraine war

The Russia-Ukraine war started in February 2022 with the attack and invasion of Ukraine by Russia.

This war, and the trade restrictions and sanctions as well as counter-reactions associated with it, are causing increases in the price of energy and other raw materials and inflation, although the extent of such consequences cannot still be fully predicted. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the performance of the Securitisation. Should any of these circumstances occur, the performance of the Portfolio may deteriorate and, as result, the amounts payable under the Notes might be affected.

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

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

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

The UK left the EU on 31 January 2020 at 11pm, and the transition period ended on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the European Economic Area. The EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**") which governs the relations between the EU and the UK following the end of the transition period entered into force on 1 May 2021.

The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in this Act ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The Trade and Cooperation Agreement is only part of the overall package of agreements between the EU and UK relating to the UK's leaving the EU. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen, including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

The exit of the United Kingdom from the European Union, and 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 or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of sterling and/or the euro, more in general, increase in financial markets volatility, reduction of global markets liquidities. Should any of these circumstances occur, the performance of the Portfolio may deteriorate and, as result, the amounts payable under the Notes might be affected.

Geographic concentration risks

The Receivables arise from Loans in respect of which the Debtors, at the time of the disbursement of the relevant Loans, were resident in the Republic of Italy. A deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household incomes could have an adverse effect on the ability of the Debtors to make payments on the Loans and result in losses on the Notes.

Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of Italy. To the extent that specific geographic regions in Italy have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) than other regions in Italy, a concentration of the Loans in such a region may exacerbate the risks relating to the Loans described in this section. Certain geographic regions in Italy rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Loans in that region or the region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases) in a particular region or geopolitical instabilities, including Russia's invasion of Ukraine and the implication on the global economy (such as the increase of energy and oil prices or the inflation), may weaken economic conditions and negatively impact the ability of affected Debtors to make timely payments on the Loans. This may affect receipts on the Loans. If the timing and payment of the Loans is adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes. For an overview of the geographical distribution of the Loans, see the section headed "*The Portfolio*". Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the

ability of the Issuer to satisfy its obligations under the Notes.

Projections, forecast and estimates

Any projections, forecasts and estimates set out in this Information Memorandum, 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

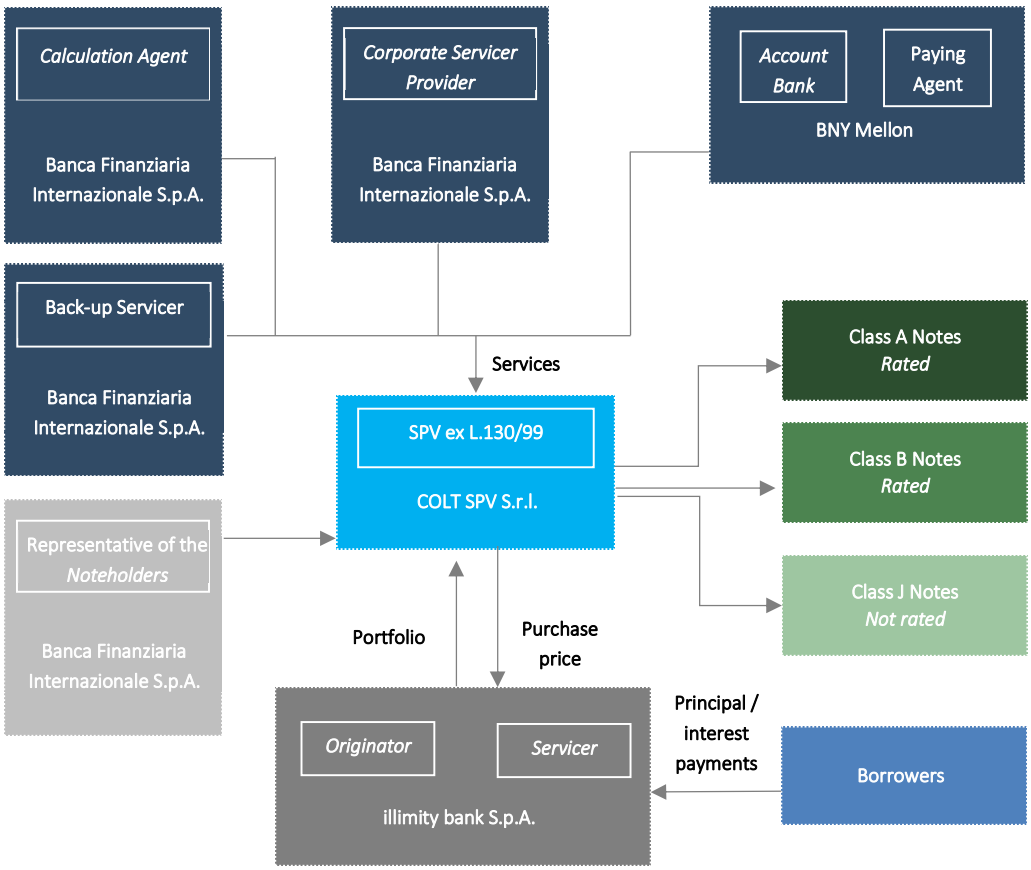
Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to 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 Information Memorandum 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 Information Memorandum.

Simultaneous occurrence of several risk factors

As risks described in this section can occur simultaneously, a simultaneous occurrence of two or more of such risks would be capable of rendering an investment in the Notes riskier.

The Issuer believes that the risks described above are the principal risks inherent in the Securitisation for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes are exhaustive. While the various structural elements described in this Information Memorandum 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 any Class 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.

TRANSACTION DIAGRAM



TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transactions and assets underlying the Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Information Memorandum 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 Information Memorandum. All capitalised words and expressions used in this transaction overview, not otherwise defined herein, shall have the meanings ascribed to such words and expressions elsewhere in this Information Memorandum.

1. THE PRINCIPAL PARTIES

Issuer	**COLT SPV S.R.L.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso – Belluno No. 05355840264, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35980.2 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law (the "**Issuer**"). The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Information Memorandum, subject to the terms and conditions specified under Condition 5.11 (*Covenants – Further securitisations*).
Originator	**ILLIMITY BANK 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 Soperga 9, 20124 Milan, Italy, share capital of Euro 54,513,905.72 paid up, fiscal code and enrolment with the companies register of Milan – Monza – Brianza – Lodi No. 03192350365, enrolled under No. 5710 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Gruppo illimity Bank S.p.A., enrolled in the register of banking groups held by the Bank of Italy pursuant to article

64 of the Consolidated Banking Act ("**illimity** or the "**Originator**").

Servicer

ILLIMITY, acting as servicer pursuant to the Servicing Agreement or any person from time to time acting as servicer (the "**Servicer**").

Calculation Agent

BANCA FINANZIARIA INTERNAZIONALE S.P.A., *breviter* "**BANCA FININT S.P.A.**", a bank incorporated under the laws of Italy as a "*società per azioni*", having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "Fondo Interbancario di Tutela dei Depositi" and of the "*Fondo Nazionale di Garanzia*"("**BANCA FININT**"), acting as calculation agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as calculation agent (the "**Calculation Agent**").

Back-up Servicer

BANCA FININT, acting as back-up servicer pursuant to the Back-up Servicing Agreement or any person from time to time acting as back-up servicer (the "**Back-up Servicer**").

Representative of the Noteholders

BANCA FININT, acting as representative of the noteholders pursuant to the Subscription Agreements, the Intercreditor Agreement and the Mandate Agreement or any person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders**").

Account Bank

THE BANK OF NEW YORK MELLON SA/NV - MILAN BRANCH, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulevard Anspachlaan 1 - B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milano Monza Brianza Lodi number 09827740961, enrolled as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant

	to article 13 of the Consolidated Banking Act ("**BoNY**"), acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as account bank (the "**Account Bank**").
Paying Agent	**BONY**, acting as paying agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as paying agent (the "**Paying Agent**").
Corporate Services Provider	**BANCA FININT**, acting as corporate services provider pursuant to the Corporate Services Agreement or any person from time to time acting as corporate services provider (the "**Corporate Services Provider**").
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, and registered in England and Wales at no. 02548079, acting as stichting corporate services provider ("**WT**" or the "**Stichting Corporate Services Provider**").
Quotaholder	**STICHTING QUARZO**, a foundation (Stichting) incorporated under the laws of The Netherlands and having its registered office at Locatellikade 1, 1076AZ Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the no. 86538128, Italian fiscal code no. 91051580263 (the "**Quotaholder**").
Reporting Entity	**ILLIMITY**, acting as reporting entity or any person from time to time acting as reporting entity (the "**Reporting Entity**").
Arrangers	**J.P. MORGAN SE**, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany ("**JP Morgan SE**"), acting as arranger or any person from time to time acting as arranger (an "**Arranger**"); **ILLIMITY,** acting as arranger or any person from time to time acting as arranger (an "**Arranger**" and, together with JP Morgan SE, the "**Arrangers**").

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

In the context of a securitisation transaction carried out in December 2022 by the Issuer (the "**Original Securitisation**"), on 19 December 2022 (the "**Initial Issue Date**"), the Issuer issued:

(i) Euro 375,000,000 Class A Asset Backed Floating Rate Notes February 2040 (the "**Class A-1 Notes**");

(ii) Euro 79,100,000 Class B Asset Backed Floating Rate Notes due February 2040 (the "**Class B-1 Notes**"); and

(iii) Euro 116,012,000 Class J Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-1 Notes**" and, together with the Class A-1 Notes and the Class B-1 Notes, the "**Series 1 Notes**").

In the context of the restructuring of the Original Securitisation (the "**Restructuring**"), on 14 December 2023 (the "**Subsequent Issue Date**") the Issuer will issue:

(i) Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes February 2040 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Senior Notes**");

(ii) Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Mezzanine Notes**"); and

(iii) Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-2 Notes**" and, together with the Class J-1 Notes, the "**Junior Notes**"; the Class J-2 Notes, together with the Class A-2 Notes and the Class B-2 Notes, the "**Series 2 Notes**"; following the Subsequent Issue Date, the Series 2 Notes, together with the Series 1 Notes, the "**Notes**").

The proceeds of the offering of the Series 2 Notes, will be also used in order to, *inter alia*, pay the purchase price for the purchase of an additional portfolio of monetary claims (respectively, the "**Subsequent Portfolio**" and the "**Subsequent Receivables**") sold by illimity, including by way of set-off.

The Subsequent Portfolio has been purchased by the Issuer under the terms of an additional transfer agreement between the Issuer and the Originator pursuant to the Securitisation Law

executed on 5 December 2023 (the "**Subsequent Receivables Purchase Agreement**").

"**Issue Date**" means (i) in respect of the Series 1 Notes, the Initial Issue Date, and (ii) in respect of the Series 2 Notes, the Subsequent Issue Date.

Issue price

The Series 1 Notes has been issued at the following percentages of their principal amount:

Class	Issue Price
Class A-1 Notes	100 per cent
Class B-1 Notes	100 per cent
Class J-1 Notes	100 per cent

The Series 2 Notes will be issued at the following percentages of their principal amount:

Class	Issue Price
Class A-2 Notes	100 per cent
Class B-2 Notes	100 per cent
Class J-2 Notes	100 per cent

Interest on the Senior Notes

The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to (i) with reference to the Class A-1 Notes, 2% *per annum*; and (ii) with reference to the Class A-2 Notes, 2.05% *per annum* (each, a "**Class A Margin**"), *provided that* the relevant Senior Notes Interest Rate (being the Three Month Euribor plus the relevant Class A Margin) applicable on each of the Senior Notes shall not be negative.

The Three Month Euribor applicable to the Senior Notes for each Interest Period 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 relevant First Interest Period, where the applicable Euribor will be determined two Business Days prior to the relevant Issue Date).

Interest on the Mezzanine Notes

The rate of interest applicable from time to time in respect of the Mezzanine Notes (the "**Mezzanine Notes Interest Rate**") will be the Three Month Euribor (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to (i) with reference to the Class B-1 Notes, 2.7% *per annum*; and (ii) with reference to the Class B-1 Notes, 2.75% *per annum* (each, a "**Class B Margin**"), *provided that* the relevant Mezzanine Notes Interest Rate (being the Three Month Euribor plus the relevant Class B Margin) applicable on each of the Mezzanine Notes shall not be negative.

The Three Month Euribor applicable to the Mezzanine Notes for each Interest Period 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 relevant First Interest Period, where the applicable Euribor will be determined two Business Days prior to the relevant Issue Date).

Interest on the Junior Notes

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the relevant Issue Date at the rate equal to (i) with reference to the Class J-1 Notes, 5% *per annum*; and (ii) with reference to the Class J-1 Notes, 5.5% *per annum*, (each, a "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate and the Mezzanine Notes Interest Rate, the "**Interest Rates**").

Additional Return on the Junior Notes

An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the Conditions.

"**Additional Return**" means:

(i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Twelfth* (included) of the Pre Enforcement Priority of Payments; or

(ii) on each Payment Date on which the Post Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments;

plus, for the avoidance of doubt,

(iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.

Payment Date

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 25th calendar day of February, May, August and November (or, if such day is not a Business Day, the immediately succeeding Business Day) (each such dates, a "**Payment Date**").

"**First Payment Date**" means (i) with reference to the Series 1 Notes, the 27 February 2023; and (ii) with reference to the Series 2 Notes, the 26 February 2024.

Unpaid Interest

Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the applicable Priority of Payments), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest.

Form and denomination

The denomination of the Class A-1 Notes and the Class B-1 Notes are, and the Class B-2 Notes will be, Euro 100,000 and integral multiples of Euro 10,000 in excess thereof. The denomination of the Class A-2 Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The denomination of the Class J-1 Notes are, and the Class J-2 Notes will be, Euro 10,000 and integral multiples of Euro 1,000 in excess thereof.

The Series 1 Notes are held, and the Series 2 Notes will be held, in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan, including any depository banks appointed by Euroclear and Clearstream). The Series 1 Notes are, and the Series 2 Notes will be, accepted for clearance by Euronext Securities Milan with effect from the relevant Issue Date. The Series 1 Notes are, and the Series 2 Notes will, at all times be in book entry form and title to the Series 1 Notes are, and the Series 2 Notes will be, evidenced by book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Withholding on the Notes

As at the date hereof, payments of interest, Additional Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree No. 239 of 1 April 1996. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

Mandatory redemption

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the applicable Priority of Payments, if and to the extent that on the immediately preceding Calculation Date, it is determined that there are sufficient Issuer Available Funds which may be applied for this purpose.

Optional redemption

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

(i) giving not more than 60 days and not less than 30 days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes in accordance with Condition 16 (*Notices*); and

(ii) having produced, prior to the notice referred to in paragraph (i) above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

"**Clean Up Option Date**" means the Payment Date on which the Principal Outstanding Amount of the Senior Notes is equal or lower than 10% of the Principal Outstanding Amount of the Notes upon the relevant issue.

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); or

(ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including

taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation,

and provided that the Issuer:

(a) has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) has produced evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments,

the Issuer may redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued and unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments.

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

"**Tax Deduction**" means any deduction or withholding on account of Tax.

Final Maturity Date

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Outstanding Amount

(together with all accrued and unpaid interest thereon) on the Payment Date falling in February 2040 (the "**Final Maturity Date**").

Segregation of Issuer's Rights

The Issuer has no assets other than the Receivables and the Issuer's Rights as described in this Information Memorandum.

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 and all cash-flows deriving from both of them (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 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*

(i) the Issuer defaults in the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or the amount of principal due and

payable on the Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;

(ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

(b) *Breach of representations and warranties*

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

(c) *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to (a) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(d) *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

(e) *Winding up etc.*

an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms

of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer; or

(f) *Unlawfulness*

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

then the Representative of the Noteholders,

(1) in the case of a Trigger Event under items (a), (d) and (e) above, shall; and

(2) in the case of a Trigger Event under items (b), (c) and (f) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 12.3 is met, shall,

give a written notice to the Issuer declaring that the Notes have immediately become due and payable in full at their Principal Outstanding Amount, together with interest accrued and unpaid thereon and that thereafter the Post Enforcement Priority of Payments shall apply (a "**Trigger Notice**").

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;

(ii) until the date falling two years and one day after the date on which the Notes and any other 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 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 or similar proceeding in relation to the Issuer, unless a Trigger Notice has been served or an insolvency or similar proceeding has occurred and the Representative of the Noteholders, having become bound to do so, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

(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 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

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the 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 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, which is appointed by the initial Noteholders in the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

Rating

The Class A-1 Notes and the Class B-1 Notes have been rated with the following ratings on the Initial Issue Date, as confirmed or upgraded on or about the Subsequent Issue Date by the relevant Rating Agency:

Class	Arc Ratings	DBRS	Moody's
Class A-1 Notes	AA-(sf)	AA(sf)	Aa3(sf)
Class B-1 Notes	BB(sf)	B(high)(sf)	B2(sf)

No rating has been assigned to the Class J-1 Notes.

The Class A-2 Notes and the Class B-2 Notes are expected to be assigned the following ratings on the Subsequent Issue Date:

Class	Arc Ratings	DBRS	Moody's
Class A-2 Notes	AA-(sf)	AA(sf)	Aa3(sf)
Class B-2 Notes	BB(sf)	B(high)(sf)	B2(sf)

No rating will be assigned to the Class J-2 Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) no. 1060/2009 on credit rating agencies, as subsequently amended (the "**EU CRA Regulation**"), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation.

As at the date of this Information Memorandum, each of Arc Ratings, DBRS and Moody's (together, the "**Rating Agencies**") is established in the European Union and is registered under the EU CRA Regulation, as evidenced in the latest update of the list published by ESMA on its website (being, as at the date of this Information Memorandum, www.esma.europa.eu).

Listing and admission to trading

Application has been made for the Senior Notes and the Mezzanine Notes to be listed and admitted to trading on the professional segment Euronext Access Milan Professional

Segment of the multilateral trading facility "Euronext Access Milan" managed by Borsa Italiana S.p.A.

No application has been made to list or admit to trading the Junior Notes on any stock exchange.

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

Governing Law The Notes and any non-contractual obligations arising out thereof will be governed by, and shall be construed in accordance with, Italian Law.

Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds On each Calculation Date, the available funds of the Issuer (the "**Issuer Available Funds**") in respect of the immediately following Payment Date are constituted by the aggregate of (without duplication):

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables and credited into the Collection Account during the immediately preceding Collection Period;

(ii) all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Enforcement Priority of Payments (or, in the case of the relevant First Payment Date, all amounts transferred on the Cash Reserve Account on the relevant Issue Date);

(iii) an amount equal to the sum of (a) the relevant Set-Off Loss, as indicated in the relevant Quarterly Servicer's Report and (b) the relevant Set-Off Reserve Released Amount;

(iv) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;

(v) 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;

(vi) all amounts received by the Issuer from the Originator pursuant to the Initial Receivables Purchase Agreement, the Subsequent Receivables Purchase Agreement, the Initial Warranty and Indemnity Agreement, the Subsequent Warranty and Indemnity Agreement, the Servicing Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(vii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the relevant First Payment Date) paid on the Payments Account on the relevant Issue Date as issue price of the Notes in excess of any amount to be paid by the Issuer on the relevant Issue Date;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

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

Pre Enforcement Priority of Payments

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of an optional redemption of the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption*

for taxation reasons), or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the "**Pre Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account, (b) to credit the Retention Amount into the Expenses Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Stichting Corporate Services Provider, the Back-up Servicer, the Corporate Services Provider and the Servicer;

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

Fifth, to credit the Cash Reserve Required Amount into the Cash Reserve Account;

Sixth, in case no Subordination Event has occurred, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Mezzanine Notes on such Payment Date;

Seventh, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Eighth, following the occurrence of a Subordination Event, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Mezzanine Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of Mezzanine Notes on such Payment Date;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

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

Twelfth, to pay, *pari passu* and *pro rata* the Principal Outstanding Amount of the Junior Notes until the Principal Outstanding Amount is equal to the Junior Notes Retained Amount; and

Thirteenth, to pay, *pari passu* and *pro rata,* the Additional Return on the Junior Notes.

Post Enforcement Priority of Payments

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the "**Post Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account; and (b) to credit the Retention Amount into the Expenses Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Stichting Corporate Services Provider, the Back-up Servicer, the Corporate Services Provider and the Servicer;

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

Fifth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

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

Seventh, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Mezzanine Notes on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Tenth, to pay, *pari passu* and *pro rata* the Principal Outstanding Amount of the Junior Notes until the Principal Outstanding Amount is equal to the Junior Notes Retained Amount; and

Eleventh, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

"**Cumulative Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, as indicated in the relevant Quarterly Servicer's Report, between:

(a) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the Subsequent Cut-Off Date and the Collection Date immediately preceding such Calculation Date; and

(b) the aggregate of the Outstanding Principal, as at the Subsequent Cut-Off Date, of the Receivables.

"**Junior Notes Retained Amount**" means an amount equal to (a) Euro 10,000 or (b) zero, 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.

"**Principal Outstanding Amount**" means, in relation to a certain date and to any Note, the nominal amount due for that Note as at the relevant Issue Date, *minus* the amounts in respect of principal that have been paid in relation to such Note prior to such date.

"**Subordination Event**" means the event which occurs when, prior to the service of a Trigger Notice, the Cumulative Default Ratio is higher than 5%.

4. TRANSFER AND SERVICING OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest on the Senior Notes and on the Mezzanine Notes and interest and Additional Return on the Junior Notes and of repayment of principal on the Notes will be the Collections made in respect of (i) the Initial Portfolio purchased by the Issuer on 6 December 2022 pursuant to the terms of the Initial Receivables Purchase Agreement; and (ii) the Subsequent Portfolio purchased by the Issuer on 5 December

2023 pursuant to the terms of the Subsequent Receivables Purchase Agreement.

The Initial Portfolio and the Subsequent Portfolio have 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 Initial Receivables Purchase Agreement and the Subsequent Receivables Purchase Agreement.

Servicing of the Portfolio

On 6 December 2022, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer, *inter alia*: (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables on behalf of the Issuer in compliance with the Securitisation Law; and (iii) has agreed to administer, service and enforce the Collateral Guarantees on behalf of the Issuer in compliance with the Securitisation Law and the relevant Collateral Guarantees' Documentation.

In the context of the Restructuring, on or about the Subsequent Issue Date, the Servicer and the Issuer, *inter alios*, entered into a general amendment agreement pursuant to which, *inter alia*, the Servicing Agreement has been amended in order to extend the relevant services to the Subsequent Portfolio.

5. CREDIT STRUCTURE

Cash Reserve

On or prior to the Initial Issue Date, the Issuer has established a reserve fund in the Cash Reserve Account for an amount equal to Euro 11,250,000 (the "**Cash Reserve**") and on or prior to the Subsequent Issue Date the Cash Reserve Account has been credited with an amount equal to Euro 7,385,567, to be summed up to the amounts credited to the Cash Reserve Account on the immediately preceding Payment Date.

The amount standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments is applied and, together with the other Issuer Available Funds, will

be available for making the payments in accordance with the Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments.

On each Payment Date on which the Pre Enforcement Priority of Payments is applied, to the extent there are Issuer Available Funds applicable for that purpose, the Cash Reserve Account will be credited with an amount equal to the Cash Reserve Required Amount on such Payment Date in accordance with Pre Enforcement Priority of Payments.

"Cash Reserve Required Amount" means an amount equal to the higher of:

(a) 4% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding the relevant Payment Date; and

(b) 1% of the Principal Outstanding Amount of the Senior Notes upon the relevant issue,

provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

Set-Off Reserve

On or prior to the Initial Issue Date, the Issuer has established a reserve fund in the Set-Off Reserve Account for an amount equal to Euro 23,929,000 (the "**Set-Off Reserve**") and on or prior to the Subsequent Issue Date the Set-Off Reserve Account has been credited with an amount equal to Euro 13,112,910, to be summed up to the amounts credited to the Set-Off Reserve Account on the immediately preceding Payment Date.

The amount standing to the credit of the Set-Off Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Pre Enforcement Priority of Payments applies:

(i) for an amount equal to the relevant Set-Off Loss; and

(ii) for an amount equal to the relevant Set-Off Reserve Released Amount,

and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Pre Enforcement Priority of Payments.

The amount standing to the credit of the Set-Off Reserve Account will form part of the Issuer Available Funds on the Payment Date immediately following the delivery of a Trigger Notice and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Post Enforcement Priority of Payments.

"**Set-Off Loss**" means, with reference to each Payment Date, the cumulative offset amounts by the Debtors (to the extent that the Originator has not indemnified the Issuer in respect of such amounts in accordance with the provisions of the Initial Warranty and Indemnity Agreement and the Subsequent Warranty and Indemnity Agreement) during the Collection Period immediately preceding such Payment Date, as reported in the relevant Quarterly Servicer's Report.

"**Set-Off Reserve Released Amount**" means, with reference to each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount equal to the positive difference between (i) the balance of the Set-Off Reserve Account on the relevant Calculation Date, net of any payment to be made on the immediately following Payment Date to pay the relevant Set-Off Loss, and (ii) the Set-Off Reserve Required Amount with reference to such Payment Date.

"**Set-Off Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to Euro 37,041,910 *minus* (a) the cumulative offset amounts by the Debtors (to the extent that the Originator has not indemnified the Issuer in respect of such amounts in accordance with the provisions of the Initial Warranty and Indemnity Agreement and the Subsequent Warranty and Indemnity Agreement) as of the Collection Date preceding such Payment Date as reported in the Quarterly Servicer's Report; and (b) all the amounts withdrawn by the relevant Debtors after (i) 10 December 2022 for Debtors in relation to the Initial Receivables only and (ii) 12 December 2023 for the other Debtors, in relation to such deposits (net of any amount guaranteed by the Italian Government on the deposits)

or in relation to other financial obligation otherwise extinguished, as reported in the Quarterly Servicer's Report; provided that the Set-Off Reserve Required Amount shall not in any case be lower than the lesser of (x) Euro 8,443,074 and (y) the outstanding amount of the Loans of such relevant Debtors, as indicated in the relevant Quarterly Servicer's Report and *further provided that* the Set-Off Reserve Required Amount will be equal to 0 (zero) 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 are sufficient to repay in full on such Payment Date the Rated Notes.

As at Subsequent Issue Date, the sum of the amounts under items (a) and (b)(i) of the definition of Set-Off Reserve Required Amount is equal to Euro 16,545,837.

Retention holder and retention requirements

The Originator will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the EU Securitisation Regulation in accordance with Article 6(3)(d) of the EU Securitisation Regulation (which does not take into account any corresponding national measures). As at the Subsequent Issue Date, such material net economic interest will be comprised of an interest in the first loss tranche (being the Junior Notes), as required by the text of Article 6(3)(d) of the EU Securitisation Regulation.

In addition, the Originator, for so long as the Notes are outstanding will retain, on an on-going basis, a material net economic interest of not less than 15 (fifteen) per cent. in the Securitisation in accordance with laws, regulations and operation provisions applicable to the SACE Guarantees. As at the relevant Issue Date, such material net economic interest will be represented by the retention of the first loss tranche (being the Junior Notes), which is not less than 15% of the nominal value of the Receivables (for the avoidance of doubts, the percentage under this paragraph and the paragraph above shall not be deemed cumulative).

Reporting Entity

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

article 7(2) of the EU Securitisation Regulation. In such capacity as Reporting Entity, the Originator has fulfilled before pricing or shall fulfil after the relevant Issue Date the information requirements pursuant to points (a), (b), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information on the website of European DataWarehouse GMBH (being, as at the date of this Information Memorandum, https://editor.eurodw.eu/).

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention undertaking of the Originator

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

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation as required by Article 6(1) of the EU Securitisation Regulation in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Subsequent Issue Date, such material net economic interest will be represented by the retention of the first loss tranche (being the Junior Notes), which is not less than 5% of the nominal value of the securitised exposures;

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) procure that any change to the manner in which such retained interest is held in accordance with paragraph (b) above will be disclosed in the ESMA Investors Report; and

(d) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

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

In addition, under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken to, *inter alios*, the Issuer and the Representative of the Noteholders that it will retain, on an on-going basis, a material net economic interest of not less than 15 (fifteen) per cent. in the Securitisation in accordance with laws, regulations and operation provisions applicable to the SACE Guarantees; as at the Issue Date, such material net economic interest will be represented by the retention of the first loss tranche (being the Junior Notes), which is not less than 15% of the nominal value of the Receivables; for the avoidance of doubts, the percentage under this paragraph and the paragraph above shall not be deemed cumulative.

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator as the reporting entity pursuant to article 7 of the EU Securitisation Regulation (the "**Reporting Entity**") and the parties had acknowledged that the Originator (in its capacity as Reporting

Entity) shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information to the holders of a position in the Securitisation, the competent authorities referred to under article 29 of the EU Securitisation Regulation and, upon request, to potential noteholders on the Securitisation Repository.

As to pre-pricing disclosure requirements set out under article 7 of the EU Securitisation Regulation:

(a) the Reporting Entity has represented to the Representative of the Noteholders that, before the pricing, it has made available by means of publication through the Securitisation Repository, the information under points (b) and (c) of the first subparagraph of article 7(1) of the EU Securitisation Regulation; and

(b) in case of transfer of any Notes by illimity to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing, through the Securitisation Repository, the information under points (b) and (c) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

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

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity (with the cooperation of the Calculation Agent) to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Securitisation Repository the Loan by Loan Report (simultaneously with the ESMA Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date,;

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

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting

Entity (with the cooperation of the Calculation Agent) to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Securitisation Repository (simultaneously with the Loan by Loan Report and the ESMA Investors Report) by no later than one month after each Payment Date; it remains understood that, in accordance with the Cash Allocation, Management and Payments Agreement, in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation has been notified to the Calculation Agent or the Calculation Agent is in any case aware of any such information, the Calculation Agent shall promptly prepare the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity (with the cooperation of the Calculation Agent) to make the Inside Information and Significant Event Report available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Securitisation Repository without undue delay; and

(d) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession),

in each case in accordance with the requirements provided by the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

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

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

(b) to ensure that the competent supervisory authorities pursuant to article 29 of the EU Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the EU Securitisation Regulation.

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

In addition, in order to ensure that the disclosure requirements set out under article 7 of the EU Securitisation Regulation are fulfilled by illimity (in its capacity as Reporting Entity), under the

Intercreditor Agreement each party to such agreement (other than illimity) has undertaken to provide the Reporting Entity with any further information which from time to time is required under the EU Securitisation Regulation that is not covered under the Intercreditor Agreement.

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

THE PORTFOLIO

Initial Portfolio

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

The Initial Receivables comprised in the Initial Portfolio arise out of loans granted to small and medium-sized enterprises which (i) as at the relevant Transfer Date, are existing and; (ii) as at the relevant Cut-Off Date, are classified as performing by the Originator.

The Initial Portfolio comprises Initial Receivables arising from Loan Agreements guaranteed by, *inter alia*, MCC Guarantees or SACE Guarantees.

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

The Initial 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.

The Initial Portfolio comprises of large exposures with a limited number of Debtors (in this respect, see section headed "*Risk Factors – Concentration risk*").

As at the relevant Transfer Date, the nominal value (including, *inter alia*, principal and accrued interest) of all the Initial Receivables comprised in the Initial Portfolio amounted to Euro 534,172,572.14.

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

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

Subsequent Portfolio

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

The Subsequent Receivables comprised in the Subsequent Portfolio arise out of loans granted to small and medium-sized enterprises which (i) as at the relevant Transfer Date, are existing and; (ii) as at the relevant Cut-Off Date, are classified as performing by the Originator.

The Subsequent Portfolio comprises Initial Receivables arising from Loan Agreements guaranteed by, *inter alia*, MCC Guarantees or SACE Guarantees.

All Subsequent Receivables comprised in the Subsequent Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the relevant Criteria listed in the Subsequent Receivables Purchase Agreement and repeated (following translation in English language) in this Information Memorandum (see the section headed "*The Criteria – Subsequent Portfolio*", below).

The Subsequent 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.

The Subsequent Portfolio comprises of large exposures with a limited number of Debtors (in this respect, see section headed "*Risk Factors – Concentration risk*").

As at the relevant Transfer Date, the nominal value (including, *inter alia*, principal and accrued interest) of all the Subsequent Receivables comprised in the Subsequent Portfolio amounted to Euro 220,988,269.

The Subsequent Receivables comprised in the Subsequent Portfolio have been transferred to the Issuer, together with the relevant Collateral Guarantees, pursuant to the terms of the Subsequent Receivables Purchase Agreement.

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

The Criteria

The Criteria – Initial Portfolio

The receivables assigned by the Originator to the Issuer arise out of Loans which are existing at the relevant Transfer Date and which, at the relevant Cut-Off Date and/or at the different date indicated in the relevant criteria, met the following criteria (to be considered as cumulative where not otherwise provided) (the "**Criteria**") (such receivables are listed in an electronic register available for consultation from the Transfer Date, upon request of the relevant debtors:

(a) derive from loans granted by illimity Bank S.p.A. and which are owned by illimity Bank S.p.A.;

(b) derive from loans granted to legal entities incorporated under Italian law and having their registered office in Italy;

(c) derive from loans that are governed by Italian law;

(d) have not been classified as "*non-performing loans*" or "*unlikely to pay*" in accordance with the provisions of Bank of Italy Regulation No. 272 of 30 July 2008 (*Matrice dei Conti*), as amended and supplemented;

(e) derive from performing loans and in relation to which there are no instalments which are past due and unpaid for more than 30 calendar days from the relevant due date;

(f) derive from loans denominated in Euro which do not provide for the conversion into another currency and which provide that all payments by the debtor shall be made in Euro;

(g) derive from loans that are fully disbursed as of 31 October 2022 (included);

(h) derive from floating rate loans exclusively indexed to: (a) the 3-month Euribor or (b) the 6-month Euribor;

(i) derive from loans with a spread rate higher than or equal to 1% *per annum*;

(j) derive from loans whose principal amount outstanding is equal to or higher than Euro 410,000 and equal to or lower than Euro 25,000,000;

(k) derive from loans providing for the payment by the relevant debtors of quarterly or semi-annual instalments;

(l) derive from loans whose amortisation period ends after 28 February 2023 (included);

(m) derive from loans that are not subject to any payment suspension;

(n) derive from loans in respect of which at least one instalment (including interest-only or pre-amortisation) has been paid as at 31 October 2022;

(o) derive from loans whose assigned debtors belong to one of the following ATECO code categories 126; 812; 1031; 1039; 1061; 1083; 1310; 1320; 2042; 2229; 2331; 2361; 2444; 2511; 2573; 2751; 2814; 2829; 2892; 2896; 2899; 2932; 3011; 3250; 3514; 4120; 4291; 4321; 4322; 4531; 4540; 4641; 4645; 4646; 4651; 4711; 4791; 5020; 5229; 5610; 5829; 6201; 6202; 6399; 6810; 6820; 7010; 7022; 7219; 7740; 8121; 8220; 8559; 8623; 9603,

with exclusion of:

(i) loans granted to persons who are, as of 31 October 2022, directors and/or employees of the Originator;

(ii) loans granted pursuant to agreements entered into by the Originator with, or guaranteed by, funds for the prevention of usury;

(iii) loans granted by a group of banks organised "in pool" or that have been syndicated;

(iv) loans granted to companies which, as at 31 October 2022, are participated by the Originator;

(v) loans granted with funding made available by third parties other than the Originator.

The Criteria – Subsequent Portfolio

The receivables assigned by the Originator to the Issuer arise out of Loans which are existing at the relevant Transfer Date and which, at the relevant Cut-Off Date and/or at the different date indicated in the relevant criteria, met the following criteria (to be considered as cumulative where not otherwise provided) (the "**Criteria**") (such receivables are listed in an electronic register available for consultation from the Transfer Date, upon request of the relevant debtors:

(a) derive from loans granted by illimity Bank S.p.A. and which are owned by illimity Bank S.p.A.;

(b) derive from loans granted to legal entities incorporated under Italian law and having their registered office in Italy;

(c) derive from loans that are governed by Italian law;

(d) have not been classified as "*non-performing loans*" or "*unlikely to pay*" in accordance with the provisions of Bank of Italy Regulation No. 272 of 30 July 2008 (*Matrice dei Conti*), as amended and supplemented;

(e) derive from performing loans and in relation to which there are no instalments which are past due and unpaid for more than 30 calendar days from the relevant due date;

(f) derive from loans denominated in Euro which do not provide for the conversion into another currency and which provide that all payments by the debtor shall be made in Euro;

(g) derive from loans that are fully disbursed as of 31 October 2023 (included);

(h) derive from loans exclusively indexed to: (a) the 3-month Euribor or (b) the 6-month Euribor;

(i) derive from loans with a spread rate higher than or equal to 1.25% *per annum*;

(j) derive from loans whose principal amount outstanding is equal to or higher than Euro 88,900 and equal to or lower than Euro 30,000,000;

(k) except for the loan with NDG 26207923 and loan ID 00L4262079231 expressly included, derive from loans providing for the payment by the relevant debtors of quarterly or semi-annual instalments;

(l) derive from loans whose amortisation period ends after 30 May 2024 (included);

(m) derive from loans that are not subject to any payment suspension;

(n) derive from loans in respect of which at least one instalment (including interest-only or pre-amortisation) has been paid as at 31 October 2022;

(o) derive from loans whose assigned debtors belong to one of the following ATECO code categories 8292; 6820; 3250; 6420; 4636; 8623; 3102; 6201; 2896; 642; 3522; 1320; 50; 1071; 4645; 2829; 4321; 1102; 6203; 4652; 5229; 1082; 2740; 1086; 1031; 6202; 2893; 701; 7733; 2042; 2932; 47115; 5610; 4322; 2815; 5210; 2611; 7022; 5829; 3514; 4540; 5020; 2892; 126; 7010; 2444; 3011; 1310; 2229; 4291; 2511; 2899; 1061; 4711; 812; 2361; 1039; 4646; 4651; 6810; 8559; 1083; 2814; 6399; 4531; 8121; 2751; 7219,

with exclusion of:

(i) loans granted to persons who are, as of 31 October 2023, directors and/or employees of the Originator;

(ii) loans granted pursuant to agreements entered into by the Originator with, or guaranteed by, funds for the prevention of usury;

(iii) loans granted by a group of banks organised "in pool" or that have been syndicated;

(iv) loans granted to companies which, as at 31 October 2023, are participated by the Originator;

(v) loans granted with funding made available by third parties other than the Originator.

Characteristics of the Portfolio

The Loan Agreements 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 relevant Receivables by the Issuer. The information in the following tables represents the characteristics of the Portfolio at 31 October 2023.

PORTFOLIO STRATIFICATION TABLES

Summary Statistics	Overall Portfolio
Number of loans	115
Number of debtors	81
2022 Portfolio	63%
2023 Portfolio	37%
Total Outstanding Balance (€)	583,686,802.32
Average Outstanding Balance per loan (€)	5,075,537.41
Average Outstanding Balance per Debtor (€)	7,206,009.91
Max Outstanding Balance per loan (€)	30,000,000.00
Max Outstanding Balance per Debtor (€)	30,000,000.00
Total Guaranteed Amount (€)	390,183,944.80
WA Term	5.75
WA Remaining Term	3.98
Exposure per top 1 debtor	5%
Exposure per top 5 debtors	21%
Exposure per top 10 debtors	36%

By 2022/2023	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)

portfolio split						
2022	51	44%	217,650,471.37	37%	75,540,000.00	19%
2023	64	56%	366,036,330.95	63%	314,643,944.80	81%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Outstanding Balance Bucket (€)	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
< 400k	2	2%	338,900.00	0%	-	0%
400k -1m	20	17%	13,927,270.34	2%	6,128,753.35	2%
1-5m	52	45%	151,146,027.69	26%	78,086,497.57	20%
5-10m	27	23%	184,032,104.89	32%	103,150,444.40	26%
10-15m	7	6%	86,375,000.00	15%	77,737,500.00	20%
15-20m	3	3%	48,554,999.50	8%	43,699,499.55	11%
20-25m	3	3%	69,312,499.90	12%	57,381,249.93	15%
25m +	1	1%	30,000,000.00	5%	24,000,000.00	6%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Guaranteed Amount Bucket (€)	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
< 400k	45	39%	130,689,043.12	22%	628,000.23	0%

400k -1m	10	9%	9,116,062.74	2%	7,157,753.29	2%
1-5m	36	31%	128,777,592.17	22%	106,804,497.40	27%
5-10m	13	11%	112,461,604.89	19%	101,215,444.40	26%
10-15m	6	5%	85,330,000.00	15%	76,797,000.00	20%
15-20m	3	3%	63,312,499.40	11%	51,981,249.48	13%
20-25m	2	2%	54,000,000.00	9%	45,600,000.00	12%
25m +	0	0%	-	0%	-	0%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Original Balance Bucket (€)	**Loan Count**	**Loan Count (%)**	**Outstanding Balance (€)**	**Outstanding Balance (%)**	**Guaranteed amount (€)**	**Guaranteed Amount (%)**
< 400k	2	2%	338,900.00	0%	-	0%
400k -1m	11	10%	7,138,625.00	1%	2,870,500.00	1%
1-5m	51	44%	121,514,013.84	21%	60,232,252.82	15%
5-10m	34	30%	192,632,397.94	33%	99,224,612.98	25%
10-15m	8	7%	86,045,366.14	15%	77,440,829.53	20%
15-20m	5	4%	76,704,999.50	13%	69,034,499.55	18%
20-25m	2	2%	48,999,999.90	8%	39,099,999.93	10%
25m +	2	2%	50,312,500.00	9%	42,281,250.00	11%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Guarantee type	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
FONDO DI GARANZIA PER LE PMI (60%)	2	2%	7,175,000.00	1%	4,305,000.00	1%
FONDO DI GARANZIA PER LE PMI (70%)	3	3%	4,848,575.19	1%	3,394,002.63	1%
FONDO DI GARANZIA PER LE PMI (75%)	1	1%	1,384,617.00	0%	1,038,462.75	0%
FONDO DI GARANZIA PER LE PMI (80%)	21	18%	59,388,454.87	10%	47,510,763.90	12%
FONDO DI GARANZIA PER LE PMI (90%)	11	10%	23,035,579.61	4%	20,732,021.65	5%
SACE S.P.A. (70%)	1	1%	24,999,999.90	4%	17,499,999.93	4%
SACE S.P.A. (80%)	3	3%	40,000,000.00	7%	32,000,000.00	8%
SACE S.P.A. (90%)	30	26%	293,004,104.38	50%	263,703,693.94	68%
NA	43	37%	129,850,471.37	22%	-	0%

Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Pre-amortisation	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
Yes	44	38%	293,074,999.40	50%	223,604,999.48	57%
No	71	62%	290,611,802.92	50%	166,578,945.32	43%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Pre Amortisation period (years)	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
No Pre amortisation	71	62%	290,611,802.92	50%	166,578,945.32	43%
<1	2	2%	24,800,000.00	4%	21,600,000.00	6%
1 to 2	10	9%	79,550,000.00	14%	49,650,000.00	13%
2 to 3	28	24%	155,224,999.40	27%	122,704,999.48	31%
3 +	4	3%	33,500,000.00	6%	29,650,000.00	8%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Bullet Amortisation	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
Yes	16	14%	53,956,551.94	9%	-	0%
No	99	86%	529,730,250.38	91%	390,183,944.80	100%

Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Term (years)	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
0 to 1	0	0%	-	0%	-	0%
1 to 2	1	1%	1,050,000.00	0%	-	0%
2 to 3	2	2%	35,000,000.00	6%	24,000,000.00	6%
3 to 4	5	4%	26,060,000.00	4%	13,320,000.00	3%
4 to 5	9	8%	22,558,884.25	4%	17,624,250.22	5%
5 to 6	49	43%	306,254,720.59	52%	241,834,759.00	62%
6 to 7	39	34%	120,959,127.36	21%	39,965,623.15	10%
7 to 8	10	9%	71,804,070.12	12%	53,439,312.42	14%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Remaining Term (years)	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
0 to 1	3	3%	6,478,571.75	1%	300,000.23	0%
1 to 2	10	9%	44,605,506.29	8%	26,347,375.00	7%
2 to 3	16	14%	56,920,218.86	10%	42,178,902.87	11%
3 to 4	40	35%	207,273,569.66	36%	135,827,525.21	35%
4 to 5	35	30%	177,892,935.76	30%	128,330,141.50	33%
5 to 6	9	8%	51,516,000.00	9%	22,100,000.00	6%

6 to 7	1	1%	15,000,000.00	3%	13,500,000.00	3%
7 to 8	1	1%	24,000,000.00	4%	21,600,000.00	6%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Maturity Date	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
2024	4	3%	6,888,571.75	1%	628,000.23	0%
2025	11	10%	49,015,818.78	8%	30,025,624.99	8%
2026	22	19%	94,449,281.36	16%	62,856,402.87	16%
2027	45	39%	242,229,560.81	41%	173,206,604.75	44%
2028	22	19%	100,587,569.62	17%	66,267,311.97	17%
2029	9	8%	51,516,000.00	9%	22,100,000.00	6%
2030	1	1%	15,000,000.00	3%	13,500,000.00	3%
2031	1	1%	24,000,000.00	4%	21,600,000.00	6%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Interest Base Type	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
Euribor 360 6m	43	37%	108,935,662.18	19%	25,300,765.42	6%
Euribor 360 3m	72	63%	474,751,140.14	81%	364,883,179.39	94%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Spread	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
1 to 2 %	2	2%	14,550,000.00	2%	12,150,000.00	3%
2 to 3%	13	11%	40,352,582.11	7%	33,978,085.63	9%
3 to 4%	62	54%	338,689,296.12	58%	256,653,361.06	66%
4 to 5%	29	25%	148,962,109.01	26%	87,402,498.11	22%
5 to 6%	4	3%	13,065,731.74	2%	-	0%
6 to 7%	2	2%	9,750,000.00	2%	-	0%
7+ %	3	3%	18,317,083.34	3%	-	0%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Interest Payment Frequency	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance(%)	Guaranteed amount (€)	Guaranteed Amount (%)
Quarterly	72	63%	474,751,140.14	81%	364,883,179.39	94%
Semi-annual	42	37%	107,885,662.18	18%	25,300,765.42	6%
Annual	1	1%	1,050,000.00	0%	-	0%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Region	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
North	94	82%	505,447,670.77	87%	340,374,231.38	87%

Centre	10	9%	29,195,176.25	5%	10,963,368.00	3%
South & Islands	11	10%	49,043,955.30	8%	38,846,345.42	10%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Sector	Loan Count	Loan Count (%)	Outstanding Balance (€)	Outstanding Balance (%)	Guaranteed amount (€)	Guaranteed Amount (%)
Metallurgy	2	2%	18,700,000.00	3%	16,830,000.00	4%
Energy	3	3%	30,248,351.84	5%	17,499,999.93	4%
Automotive	9	8%	115,092,104.76	20%	98,282,894.28	25%
Engineering	3	3%	31,212,500.00	5%	28,001,250.00	7%
Healthcare	3	3%	29,055,000.00	5%	20,749,500.00	5%
Construction Products	4	3%	5,058,644.77	1%	2,369,373.39	1%
Textile	3	3%	29,400,000.00	5%	20,160,000.00	5%
Logistics	1	1%	24,000,000.00	4%	21,600,000.00	6%
Food & Beverage	16	14%	71,754,166.65	12%	27,392,499.99	7%
Mechanics	10	9%	51,993,191.68	9%	28,960,810.01	7%
Services	13	11%	36,809,116.85	6%	20,012,500.00	5%
Shipping	3	3%	17,578,260.88	3%	15,820,434.79	4%
Home & Interior Design	2	2%	16,800,000.00	3%	15,120,000.00	4%

IT	10	9%	40,139,849.87	7%	23,315,378.77	6%
Cosmetics & Beauty	6	5%	12,300,000.00	2%	7,910,000.00	2%
Biomedical	4	3%	6,316,985.18	1%	3,799,002.41	1%
Holding	3	3%	7,100,000.00	1%	3,600,000.00	1%
Other	1	1%	4,250,000.00	1%	3,400,000.00	1%
Retail	2	2%	7,823,609.00	1%	7,041,248.10	2%
Restaurants	6	5%	6,700,437.51	1%	5,446,253.13	1%
Pharma	1	1%	1,692,000.00	0%	1,522,800.00	0%
Plastic & Rubber	1	1%	1,499,999.99	0%	1,349,999.99	0%
Electronics	7	6%	10,317,500.00	2%	-	0%
Hotel & Tourism	1	1%	4,317,083.34	1%	-	0%
Real Estate	1	1%	3,528,000.00	1%	-	0%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

By Company Size	**Loan Count**	**Loan Count (%)**	**Outstanding Balance (€)**	**Outstanding Balance (%)**	**Guaranteed amount (€)**	**Guaranteed Amount (%)**
SME	74	64%	278,611,221.60	48%	162,047,704.03	42%
Large	41	36%	305,075,580.72	52%	228,136,240.77	58%
Total	**115**	**100%**	**583,686,802.32**	**100%**	**390,183,944.80**	**100%**

Capacity to produce funds

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

THE ORIGINATOR AND THE SERVICER

illimity Bank S.p.A. ("**illimity**" and prior to the merger described below, Banca Interprovinciale S.p.A. ("**BIP**")) is a joint stock company (*società per azioni*) incorporated under Italian law. Its registered office is at Via Soperga 9, 20124 Milan, Italy and its telephone number is +390282849000. illimity is registered with the register of companies of Milan under number 03192350365 and with the register of banks held by the Bank of Italy under number 5710. The VAT number of the illimity Group is 12020720962 and its LEI code is 815600A029117B20DD63.

illimity was born by the reverse merger of SPAXS S.p.A. ("**SPAXS**") by incorporation into BIP with legal effect from 5 March 2019 and with tax and accounting effect from 1 January 2019.

Starting from 24 June 2019 illimity is the parent company of the illimity banking group (the "**illimity Group**"), registered with the register of banking groups held by the Bank of Italy under number 245, and with ABI code 3395.

The website of the Issuer is https://illimity.com/en. The information on the website of the issuer does not form part of this Information Memorandum, unless expressly incorporated by reference into this Information Memorandum.

illimity Group

On 17 July 2019 illimity received a communication by the Bank of Italy concerning the "Enrollment in the Register of Banking Groups and amendments to the articles of association". The Bank of Italy informed that it has registered in the Register of Banking Groups with no. 245, with effect from 24 June 2019, the illimity banking group composed by the Issuer (which is the parent company) and its subsidiaries at the time: Soperga RE, Friuli LeaseCo, River LeaseCo and Doria LeaseCo. The Bank of Italy also stated that there were no impediments to the acquisition of neprix and to the related outsourcing. As of 30 September 2023, the illimity banking group is composed by the Issuer (which is the parent company) and its subsidiaries Arec neprix S.p.A., illimity SGR S.p.A., Aporti S.r.l., Friuli SPV, S.r.l. Doria SPV S.r.l., River SPV S.r.l., Pitti SPV S.r.l., Kenobi SPV S.r.l., Dagobah SPV S.r.l., Sileno SPV S.r.l., Soperga RE S.r.l., Friuli LeaseCo S.r.l., Doria LeaseCo S.r.l., River LeaseCo S.r.l., Pitti LeaseCo S.r.l., Dagobah LeaseCo S.r.l., River Immobiliare S.r.l., Mida RE S.r.l. and SpicyCo 2 S.r.l..

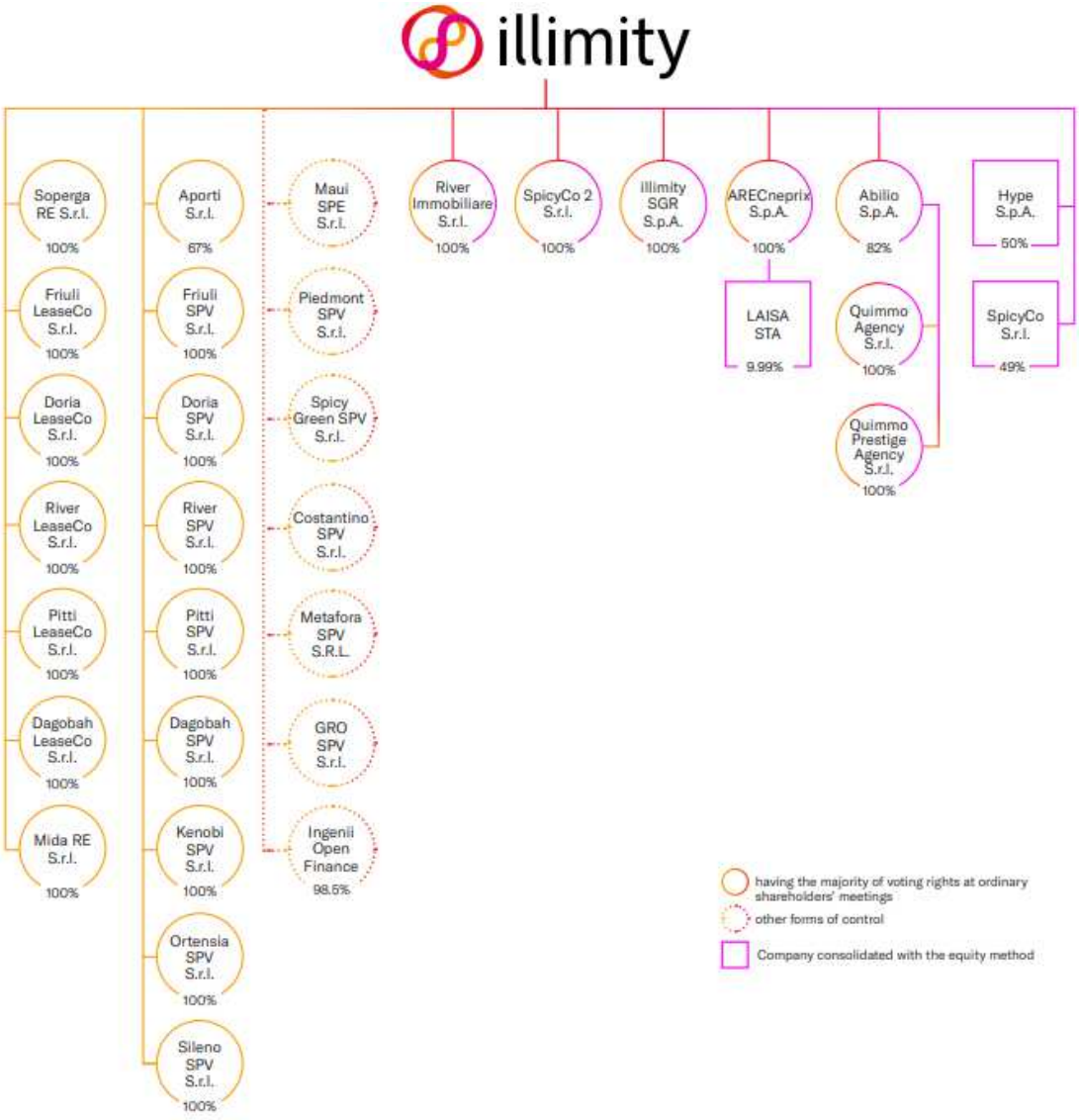
The illimity Group is engaged in the provision and management of credit through the Growth Credit, Distressed Credit, b-ilty and Investment Banking Divisions.

Specifically, illimity provides credit to high-potential SMEs, purchases distressed corporate credit, manages it through its own platform – Arec neprix S.p.A. – and offers direct digital banking services

through illimitybank.com. Moreover, the Group includes illimity SGR, which sets up and manages Alternative Investment Funds.

Starting on 30 June 2022, AREC S.p.A. entered the Group (and subsequently merged through a merger by incorporation into neprix S.r.l., which took effect for legal, accounting and tax purposes on 1 January 2023, resulting in the establishment of the company Arec neprix S.p.A.), a company through which illimity aims to strengthen its positioning and innovative approach to servicing distressed corporate loans. illimity Bank's business also makes use of the operations of the other Group companies. The scope of the Group includes the LeaseCos, which support the bank in the management of lease operations, the ReoCos, which are active in the management of the properties linked to the acquired portfolios, and Special Purpose Vehicles (SPVs) established to undertake securitisation operations.

The companies included in the scope of consolidation of illimity Group as at 30 September 2023 are the following:



Business Overview

illimity was born with the purpose to serve the most attractive segments of Italian SMEs through an innovative business model which combines the most advanced technologies with strong banking expertise.

illimity focuses on two sectors: (i) SMEs lending and services and (ii) SMEs distressed corporate credit. These are vast, growing markets with attractive return prospects and ever-changing .Illimity's core

businesses are already successful in terms of market positioning, business volumes, operational scale and profitability.

The Bank operates through an organisational structure comprising six operating segments:

Growth Credit Division: provides lending to SME businesses with high potential but with a non-optimal financial structure and/or with a low or no rating, including the segment of non-performing SME loans classified as UTP that require a specialist approach to aid business development and in some cases relaunch industrial activities. It also provides financing of the supply chain of the operators of Italian chains and industrial districts through the activity of recourse and non-recourse purchasing of customers' trade receivables, via a dedicated digital channel.

Investment Banking Division: defines and executes capital markets operations (both in the equity segment and the debt segment for corporate customers), for derivatives trading on own behalf and for third parties, and also structures structured finance transactions for funding and capital optimisation purposes to support the other units of the bank.

Distressed Credit Division: active in the purchase and servicing of secured and unsecured corporate distressed credit, provision of financing solutions to other distressed credit investors as well as management of corporate distressed credit portfolios and underlying assets using specialised servicing platforms.

B-ilty: the first digital offering 100% dedicated to small and medium-sized enterprises. A complete range of digital financial services that are easy to use with transparent terms and conditions: a current account, debit and credit cards, but also payment collection tools, credit to fund working capital and investments, insurance cover products, and the services of the best partners on the market to support entrepreneurs in developing their business.

Digital Division (previously named the CIO Division): is responsible for managing the Bank's ICT services (Information and Communication Technologies) and setting the development strategy for its IT systems, as well as continually identifying the most innovative technologies to propose technologically advanced solutions to the competent business units. They also coordinate the demand management process with the relevant units and are in charge of managing and optimising the efficiency of the funding platform. The Digital Division is also responsible for digital customer operations and holds the role of business continuity and crisis manage.

Asset Management Company (illimity SGR): manages the assets of closed-end alternative investment funds, established with own funds and the funds of third-party institutional investors.

In addition to its core businesses, illimity has developed and invested in new tech-led initiatives in activities synergistic or complementary to its core markets:

in April 2022, illimity launched its prop-tech initiative "Quimmo": a digital platform for real estate brokerage;

illimity also entered a JV with another Italian bank to run "HYPE", which is the leading fintech platform in Italy with over 1.6 million customers.

Focus on Growth Credit Division

The objective of the Growth Credit Division is to serve businesses, usually medium-sized, with a credit standing that is not necessarily high, but that have a good industrial potential and which, due to the complex nature of operations to finance, or their financial difficulties, require a specialist approach to supporting business development programmes or plans to rebalance and relaunch industrial activities.

Therefore the Division mainly focuses on structuring detailed funding operations that meet the complex needs of its clients, directly supporting companies and, if considered appropriate, acquiring credit positions with third-party banks, mainly at a discount, for turnaround operations.

The Growth Credit Division is active in the following segments:

- factoring: financing of the supply chain of the operators of Italian chains and industrial districts through the activity of recourse and non-recourse purchasing of customers' trade receivables, through a dedicated digital channel;
- crossover & acquisition finance: financing to high-potential businesses with a suboptimal financial structure and/or with a low rating or no rating; the crossover segment also includes financing solutions dedicated to acquisition activities (acquisition finance);
- turnaround: the purchase of loans classified as unlikely-to-pay (UTP), with the aim of recovering and restoring them to performing status by identifying optimal financial solutions, which may include new loans or the purchase of existing loans.

The Growth Credit Division is organised by specialised business areas, on the basis of the segments and products defined above, each of which is responsible for managing activities for its own customers. Each Area is tasked with analysing the customers and sector within its portfolio to design the optimal financing solution, assess the risk level of each position, define product pricing or transaction specifications, interface with customers to monitor the risk profiles of counterparties and

intervene promptly, where necessary, in the event of problems, in coordination with the Bank unit responsible for monitoring loans.

These areas, specialised by Business segment, are flanked by dedicated units, supporting business activities: the Legal SME Area supports the business areas regarding legal and contractual aspects; the Business Operations & Credit Support Area manages the annual reporting of the Division, monitors relations with tutors, manages the Modena branch and oversees the portfolio of the former Banca Interprovinciale regarding progressive divestment.

Corporate Governance

illimity is organised on the basis of the "one tier" governance model which, without prejudice to the responsibilities assigned to the Shareholders' Meeting, attributes strategic management to the Board of Directors (which works with the support of board committees having investigative, consultative and proposition-making functions) and supervisory functions to the Audit and Internal and Control Committee constituted within it, both appointed by the Shareholders' Meeting. The audit of the company's accounts for legal purposes is entrusted to an audit firm listed in the appropriate register and appointed by the Shareholders' Meeting on the reasoned proposal of the Audit and Internal and Control Committee.

The Board of Directors currently in office is made up of 13 members appointed by the Ordinary Shareholders' Meeting on 28 April 2022 for the financial years 2022, 2023 and 2024. Its term in office expires on the approval of the 2024 financial statements.

The assignment to a single corporate body of both the strategic supervision and control functions will make it possible to achieve greater efficiency and effectiveness in control activity, this being facilitated by overcoming information asymmetries between corporate bodies. In this way the control function will not only be more effective in identifying operational irregularities ex post, but will also be able to carry out a preventive activity in this respect.

illimity must also comply with the requirements of the Supervisory Provisions issued by the Bank of Italy, and in particular those regarding corporate governance for banks, remuneration policies and the system of internal controls (Circular no. 285/2013). Pursuant to the Supervisory Provisions on corporate governance, illimity qualifies as a large bank or one with operating complexity and accordingly must abide by the requirements applicable to such.

CREDIT AND COLLECTION POLICIES

1. CREDIT MANAGEMENT

1.1 OPERATIONAL CREDIT MANAGEMENT

The model for managing the Bank's borrowers provides for a control of a relationship nature with the customer together with operational support for the execution of the Bank's instructions and the technical and operational management of the loans.

The management process envisages the following activities:

- determining the operational steps to manage and/or contain the risks and to ensure that such steps are feasible (e.g. contact with the customer, analysis of the documentation obtained, etc.);
- analysing the details of these steps and the timing required to carry them out;
- following-up and updating the identified steps.

As far as relational control is concerned, once the operation has been finalised, the Head of the Business Structure that has generated the deal may assign the position[1] to a Relationship Manager as part of his Business Structure, while in the case of Distressed Credit also brings in neprix or the special servicer.

In accordance with the provisions of the EBA[2] Guidelines as part of the granting and monitoring of loans, during the financing the Loan Agency monitors and verifies the documentation that the borrower must produce and the covenants provided in the agreement, for the purpose of (i) identifying on a timely basis any signs of possible deterioration in creditworthiness and (ii) detecting any contractually defined events of default, dealing with any amendment and/or waiver requests in coordination with the Business Structure that originated the operation and with the OPERATIONS, CREDIT MONITORING & NPE Structure.

Concerning any aspects of a technical and operational nature, the OPERATIONS, CREDIT MONITORING & NPE Structure, provides any support required through the CMO and CBO Structures, looking after the material execution of ordinary relationship management activities (e.g. execution of payment arrangements, acquisition of documentation for trade credit advances, etc.) in coordination with the Growth Credit Relationship Manager and with neprix (or the engaged special servicer) for Distressed Credit portfolios, who has the final responsibility for managing the relationship with the customer.

The Relationship Manager is responsible for:

1. looking after the relationship with counterparties in order to identify their needs on a timely basis

[1] In the case of a group of customers the Manager is assigned all the counterparties within that group.
[2] Cf. EBA/GL/2020/06 – Guidelines on loan origination and monitoring

and provide a top quality service;

2. directly monitoring the performance of outstanding loans and any changes in the value of the underlying security provided in this respect in order to ensure close control of the risk;
3. obtaining any information and documentation envisaged in the loan agreement to ensure that the Bank has the available data and information flows required to develop structured checks of the individual deal, on the basis of the drivers established for each position, and sending these to the Loan Agency Structure if this has not already obtained these directly as part of the supporting activities it provides to the Business;
4. performing a regular review of the loans, taking early action if there are signs of a deterioration in the counterparty's creditworthiness;
5. coordinating with the OPERATIONS, CREDIT MONITORING & NPE Structure to identify the most suitable action to be taken if there signs that the counterparty is having financial difficulties;
6. providing indications of an operating nature to the BO&CS Structure and if necessary obtaining the authorisations from the empowered Bodies on the basis of corporate rules and regulations.

When managing the counterparty relationship, the Growth Credit Relationship Manager may be assisted by the Tutor if specific know-how is required to support the customer and/or assess the need for any additional intervention.

1.1.1 Periodic credit review

In accordance with the above-mentioned EBA Guidelines on loan origination and monitoring (EBA/GL/2020/06), the credit review stage involves both guaranteed and unguaranteed revocable loans and consists of a periodic assessment (on at least an annual basis) as to whether the conditions guaranteeing the fulfilment by the borrower of its contractual obligations, for which the principal debtor and any guarantors are responsible, still hold.

The credit review regards the debt position of the customer and/or that of any group to which it may belong.

The credit review is carried out using the same analyses as those used on origination and is approved by the same means.

In addition, the confirmation of a loan that does not envisage changes in the lending instrument (in terms of credit lines and guarantees) is defined as a renewal in the case of a normally performing relationship; a renewal envisages authorisation procedures that differ from those of origination in the following circumstances:

- for loans approved by the Board of Directors, renewal powers are held by the Loans and Investment Committee;

- for loans approved by the Loans and Investment Committee, renewal powers are held by the CLO.

On review or renewal and whenever updated financial statement data is available, or if events occur that have a material effect on the rating, the Business Structure asks Risk Management to update the internal rating, if applicable, providing the necessary information; this does not prejudice the possibility for Risk Management to revise the rating on its own initiative if changes occur to the counterparty's creditworthiness.

Again on review or renewal, if necessary the Business Structure updates the group's mapping to ensure a correct and accurate identification over time of groups of "connected customers".

In addition, centralised renewals are possible for positions of limited amount whose trends and performance are of a regular nature (the criteria used and the means of centralised renewal are proposed from time to time to the Loans and Investment Committee for authorisation).

The rules and regulations governing the review of loans must also be applied to positions in the portfolio of acquired UTPs for counterparties with credit lines still open and subject to review.

1.2 MANAGEMENT OF ORGANIC NON-PERFORMING LOANS

The management of distressed loans depends on the whether they are "active" (non-performing past due exposures overdue by more than 90 days and Unlikely to Pay positions), with currently existing agreements, or bad loans, for which the fiduciary relationship has been interrupted and in respect of which the withdrawal or rescission right pursuant to the underlying agreement has been exercised. Management also differs for purchased bad loans, usually acquired at a discount.

The management of past due and UTP loans is handled directly by the Relationship Manager, as stated in the above paragraph (Growth Credit or UTP Management of neprix for the distressed credit portfolio), with the specialist support if required of the OPERATIONS, CREDIT MONITORING & NPE Structure, which is in charge of the overall monitoring of the Bank's credit.

A transfer to bad loans, if applicable, is carried out on the proposal of the OPERATIONS, CREDIT MONITORING & NPE Structure (or the Structure in charge of managing the counterparty) and submitted to the Authorising Body for its decision.

Measures regarding the counterparty's creditworthiness are taken by using the Electronic Credit Procedure (*Pratica Elettronica di Fido*), following the same steps described for loan origination, with the proposal prepared by the Manager, while the OPERATIONS, CREDIT MONITORING & NPE Structure provides an opinion (replacing the Credit Machine Structure for loans of that nature) and, for positions for which it has competence, acts as decision-maker on the basis of delegated powers.

The following cases are distinguished in the event of a creditors' composition:

i. cases where companies file an "unconditional" composition with creditors (articles 160 and 161

of the Bankruptcy Law) or a composition with creditors on a going concern basis (article 186-bis of the Bankruptcy Law), for which a classification as Unlikely to Pay is mandatory,

ii. a classification as bad loans in necessary where the composition is on a liquidation basis.

In addition, the manager of the position assesses whether there are any "new objective elements"[3] for a classification as bad loans. In managing the positions, a number of specific points connected with provisions of the law and the contents of the composition plan must be observed.

The OPERATIONS, CREDIT MONITORING & NPE Structure formalises a summary report on the evolution of the position under management on a periodic basis.

1.2.1 Management of the Workout

Bad loans are managed directly by the OPERATIONS, CREDIT MONITORING & NPE Structure, which can avail itself of the services of the Relationship Manager to deal with contacts and communications with the counterparty.

Prior to a classification as bad loans, the OPERATIONS, CREDIT MONITORING & NPE Structure performs the following:

1) sends a formal default notice and an intimation to pay to the counterparty, establishing the terms for the regularisation, under penalty of forfeiture of the right to a grace period and the initiation of action to safeguard the Bank's claims;

2) in case of a negative outcome, extinguishes all outstanding relationships and opens the bad debt account, including the change of status in the procedure, following this by issuing a report to the Central Credit Register pursuant to applicable laws and regulations.

There are two possible approaches to managing "organic" bad loans:

a) direct management, which sees the Bank's structures directly involved in the determination and management of recovery activities, with steps being coordinated with the external lawyers

[3] This refers to information occurring after the date of filing the application for a composition and becoming known during the course of the procedure (which runs from the filing date of the application to the date of approval of the composition) which the reporting intermediary considers suitable for establishing the non-fulfilment or annulment of the composition (e.g. fraudulent alteration of the company's net assets or the fraudulent removal or misrepresentation of a significant part of the assets).
The following shall not be considered "new objective elements". Situations which:
- coincide with the contents of the composition proposal (e.g. the inadequacy of the percentage of satisfaction);
- are connected with the procedure envisaged for the composition (e.g. the "deferral of the deadline" granted by the court to the debtor for the finalisation of the proposal);
- depend on the assessment made by other participating intermediaries working for the central credit register (e.g. the assignment to bad loans made by another intermediary);
- are connected with business recovery initiatives (e.g. the debtor's request for "new finance").

engaged to represent the Bank in any legal action against the debtor and other obligors or guarantors. In this case the OPERATIONS, CREDIT MONITORING & NPE Structure is responsible for:

- determining the recovery strategies (e.g. judicial or out-of-court);
- handling negotiations with debtors;
- handling relations with the insolvency procedure bodies and similar (receivers, special administrators, etc.);
- instructing external lawyers for activities to be performed in court;
- coordinating the activities of external lawyers, availing itself of the support of the SME Legal Structure;
- ensuring the effectiveness of recovery operations;
- proposing possible out-of-court solutions (discounted payoff transactions and the resulting recognition of losses) to the empowered authorising bodies;
- updating recovery/loss estimates and the related collection timing;

b) formally instructing neprix, which takes charge of all the aspects of the recovery. In this case, the OPERATIONS, CREDIT MONITORING & NPE Structure is responsible for monitoring the effectiveness of the recovery actions carried out by the servicer, which must provide periodic reporting on the activities performed and the collections obtained; in addition, the OPERATIONS, CREDIT MONITORING & NPE Structure updates the assessments of loans whose recovery has been outsourced.

2. MONITORING

2.1 PLAYERS INVOLVED IN THE MONITORING PROCESS

In general terms, the players involved in the first level monitoring process are the following:

1. the **CLO**, which ensures the overall functioning of the monitoring process, equipping the Structures with the resources required for developing an effective and efficient monitoring system;
2. the **Relationship Manager (Growth Credit or Distressed Credit or the UTP Management Structure in neprix to its extent of its competence for the portfolio) or Direct Banking in the persons of the Head of Commercial Network and the Relationship Managers)**, who in his capacity as contact for relations with the customer represents the first level of risk oversight and is responsible for the control and checking activities carried out on the customers under management;
3. **Operations, Credit Monitoring & NPE**, which is responsible for the overall monitoring process on

the portfolio of organic loans and the non-organic UTP portfolio and represents a further point of control and attention, together with the BO&CS Structure (operating area Loan Agency) and the UTP Management Structure in neprix to the extent of its competence. Limited to organic loans, the Structure initiates discussions with the Manager for the purpose of addressing any unusual situations on a timely and effective basis, supporting the Manager in dealing with the positions and, where appropriate, assuming direct management;

4. **Heads of Business Structures (Growth Credit or Direct Banking or Business Portfolio Analysis & Monitoring and Operations & Analytics or the Servicing Unit to the extent of its competence for the portfolio) and BO&CS,** who supervise the activities of the Managers of their specific Structure with reference to the monitoring of the positions allocated to them, supporting individual Managers in determining the steps to be taken for remedying the anomalies in cases of greater complexity;

5. **Business Portfolio Analysis & Monitoring and Operations & Analytics of Distressed Credit,** which supervises the evolution of the investments acquired and managed by the Division;

6. **Legal SME / Operations & Analytics of Distressed Credit (operating area Legal)**, which on request provides support to the Manager and to the OPERATIONS, CREDIT MONITORING & NPE Structure in dealing with disputes or in relation to issues of a contractual or legal nature concerning positions that require intervention to settle critical matters identified during monitoring, as necessary acting in coordination with the General Counselor Structure of the CFO & Central Functions Structure.

Although not directly involved in the monitoring process, the Tutors are a further resource available for managing situations where risks have risen, proving specialist advice by sector and/or type of business in the Growth Credit area.

2.2 TYPES OF MONITORING

As part of its monitoring of credit exposures, the Bank, in line with EBA Guidelines[4], ensures that customers are fulfilling their repayment obligations as stated in the loan agreement as well as the conditions established on granting the loan, such as adherence to the credit metrics and covenants specified in the agreement.

In addition the following procedures are performed:

- a check to assess whether the customer and the collateral comply with the credit risk policies and conditions established on granting the loan, for example whether the value of the collateral and other factors supporting the loan have been maintained, whether any applicable covenants have been complied with and whether there have been negative changes in this respect or other factors

[4] Cf. EBA/GL/2020/06 - Guidelines on loan origination and monitoring, May 2020

that may affect the risk profile of the customer and/or the credit facilities;

- a review of the creditworthiness of customers with the aim of identifying any changes in their risk profile, their financial position or their creditworthiness compared to the criteria and valuation carried out on granting the loan, as well as a possible review and updating of the internal rating/credit scoring.

Accordingly the monitoring and proactive management of credit exposures are of fundamental importance for ensuring that the quality of the Business Growth Credit Division's loan portfolio is maintained at a high level.

The Business Growth Credit Division's monitoring model is structured as follows:

1. **performance monitoring**, whose principal aim is the timely identification of any anomalies in the way both internal relationships and those with the rest of the system are proceeding, for the purpose of setting up suitable operating measures and, if necessary, classifying loans as non-performing;
2. **monitoring of covenants and contractually required information**, having the aim, where envisaged, of collating the information which, pursuant to the loan agreement, the counterparty must provide, with a frequency determined by the Bank, for the purpose of ensuring compliance with the contractual covenants and monitoring changes in the additional information that has been considered important for identifying any possible alterations to the business plan underlying the decision to grant the loan.

Anomalies that indicate the emergence of either economic or financial imbalances can be grouped into the following two categories:

1. internal sources;
2. external sources,

adopting an approach consistent with the requirements of the EU regulator/supervisor[5] over the past few years (EBA).

The various monitoring activities have the aim of ensuring constant control over the risk profiles of the Bank's loan portfolio and identifying solutions for remedying any anomalies detected and/or setting out measures that can anticipate and contain the possible negative effects of an unfavourable dynamic of the market context in which the counterparty operates.

These activities provide for the processing of information arriving from different sources (internal and external), with the aim of identifying counterparties with specific risk indicators through an analysis

[5] Cf. EBA/GL/2016/07 – Guidelines on the application of the definition of default under article 178 of Regulation (EU) no. 575/2013; EBA/GL/2020/06 – Guidelines on loan origination and monitoring

combining factors of a general nature (such as for example ratings, classification in the economic sector, etc.) and those specific to the counterparty (movements on the account, debt, etc.).

While cross referencing to the Classification and Valuation Policy for further details, it is noted here that the methodological set-up adopted by the Bank, without prejudice to the automatic identification of overdue balances above certain specific materiality thresholds on a continuous basis and the resulting automatic classification as past due, envisages – for classification as UTPs or bad debts – two types of event indicating a potential deterioration in the borrower's economic and financial situation, classified as follows on the basis of their seriousness and the action to be taken if they occur:

- ***Trigger***: serious events that call for a timely assessment by the Manager of the relationship and/or by the Operations, Credit Monitoring & NPE Structure for determining whether to proceed with the classification; the results of the assessment (in particular where it is considered that the requisites for classification do not exist) must be suitably noted;
- ***Warning***: events mainly attributable to irregularities based on trends, which should be dealt with from a normalisation standpoint and which – in certain cases – may be based on a gradual deterioration of the customer's creditworthiness, as such capable of possibly foreshadowing unlikeliness to pay situations. If the significant increase in risk is confirmed, the position must be classified in the Watchlist (Stage 2) or, in the more serious cases, as Non Performing (Stage 3).

2.2.1 Performance monitoring

The principal aim of performance monitoring is to identify on a timely basis any anomalies in the way relationships inside the Bank and those with the rest of the Banking System are proceeding, in order to intervene swiftly to remedy the critical matters identified.

Performance monitoring regards all the positions in the Bank's loans and financial instruments book: those relating to the Crossover & Acquisition Finance and Turnaround Structures, those relating to the Distressed Credit UTP portfolio, those relating to the portfolio originated through the B-ILTY chain and those relating to the former BIP portfolio currently managed by the BO&CS Structure.

The Bank has tools which, on a periodic basis, identify a series of events indicating a possible deterioration in the counterparty's creditworthiness.

For the purpose of adopting suitable measures at a time when the counterparty has adequate creditworthiness, timely and consistent steps are identified as part of the management of customers presenting a deterioration in their risk profile, providing for:

- control of the exposure, up to total recovery if necessary, with a positive effect in terms of EAD. In fact during the phase prior to default and in the absence of covenants exposures tend to rise as the counterparty's financial difficulties increase. The ability to identify symptoms of

deterioration on a timely basis enables the situation to be managed by taking advantage of any possibility of reducing the existing exposure, as also by refusing any additional requests for credit facilities by the customer;

- optimisation of the conditions for the subsequent recovery phase, by requesting additional collateral and/or personal guarantees, creating the economic, financial and/or legal bases favourable to the subsequent "workout" activity and, lastly, improving the result from recovery activities with the consequent reduction in LGD.

The main situations for which monitoring is involved regard the following areas (further details can be found in the Classification and Valuation Policy):

- current account facilities (overdrafts, unusual or missing movements, inadequate turnover in relation to the size of the credit facilities, dishonoured or irregular cheques, etc.);
- instalment loans (overdue or late instalment payments, portion of the loan repaid, etc.);
- credit disposal lines (dishonoured bills, cancelled invoices, overdue foreign loans, etc.);
- Central Credit Register (overdrafts, changes in the number of reporting entities, evolution of credit facilities with other banks, extension of bad debts, etc.);
- sources of information that may provide useful indications concerning any anomalies regarding, for business counterparties, financial variables, which may point to a deterioration in the customer's results or net assets, adopting an approach consistent with the requirements of the EU regulator/supervisor over the past few years (EBA - ECB)[6];
- adverse and other information obtained from external data bases (e.g. initiation of insolvency procedures, registration of liens, injunctions, foreclosures, etc.).

The overall monitoring of credit positions is the responsibility of the OPERATIONS, CREDIT MONITORING & NPE Structure, which, in case of negative events, involves the Relationship Manager on a timely basis for the adoption of the most suitable measures that should be taken to safeguard the Bank's claims.

The performance monitoring process, in its various parts, regards all loans with the exception of those classified as bad loans.

In case of acquisition, the monitoring process is performed by the Crossover & Acquisition Finance Structure and envisages the following checks:

1. official share/bond prices on a daily basis (through access to Bloomberg);

[6] cf. ECB - AQR Manual 2014; ECB NPL Guidance 2017 – Annex IV; EBA Guidance on Forborne and Non Performing Exposures 2018.

2. public news and information concerning the issuer/debtor on a daily basis (through access to Bloomberg);

3. "mark to market" and "open P&L" on the basis of measurements carried out on at least a weekly basis by the Risk Management Structure (through access to ICE Data Services' Vantage tool);

4. covenants as per the prospectus and financial information documentation received or made public by the issuer;

5. disposal levels reached following divestment activities carried out on the portfolio for the purpose of compliance with the overall annual movement limits for the Structure's «Hold to Collect» investment portfolio.

2.2.2 Monitoring of covenants and contractually required information

An accurate monitoring of compliance with any contractual covenants and the acquisition and verification of any additional information that the borrower must provide on a regular basis to the Bank are key items in controlling risk with reference to positions of greater complexity (for example Crossover & Acquisition Finance and Turnaround).

The monitoring process envisages that:

1. with a frequency consistent with the timing envisaged for the receipt of the information by the borrower (e.g. half-yearly for checking financial statement covenants with reference to the half-yearly and year-end statements), the Loan Agency Structure of the BO&CS and/or the UTP Management Structure for the positions under their respective management take action to obtain the documentation provided for in the loan agreement;

2. after receiving the documentation, the Loan Agency and/or UTP Management ensure compliance with contractual requirements, carrying out any necessary detailed work if the data provided fails to comply with these requirements or in any case indicates any current critical matters or those which may emerge in the future;

3. where appropriate, the Loan Agency and/or UTP Management formalise the result of the controls, communicating these to the Head of the competent Business Structure, to the Manager, if applicable, and to the OPERATIONS, CREDIT MONITORING & NPE Structure;

4. in case of critical matters (e.g. failure to comply with covenants, management data provided by the company that point to a deterioration compared to the business plan, etc.), the Manager reassesses the credit facilities on a timely basis, structuring corrective action in this respect, and, in agreement with the OPERATIONS, CREDIT MONITORING & NPE Structure, also proposes a reclassification to NPEs if the conditions hold; the OPERATIONS, CREDIT MONITORING & NPE Structure may also make suitable adjustments to the provisioning.

3 CLASSIFICATION AND VALUATION

3.1 CLASSIFICATION OF LOANS

A classification in Stage 3 is envisaged in the following cases:

- for past due exposures overdue by more than 90 days for which both of the following thresholds apply:
    - absolute materiality threshold: limit expressed as the sum of all overdue balances (or overdue loan obligations) due by the debtor to the Bank equal to € 100 for retail exposures and € 500 for non-retail exposures;
    - relative materiality threshold: limit expressed as the ratio between the amount of the overdue loan obligation and the total amount of all the exposures to the debtor equal to 1%;
    - forborne exposures under probation period, whose measure of tolerance was granted when the position was classified as an NPE and (a) are subject to a new forbearance measure or (b) for which the balances are more than 30 days overdue;

In particular, for past due positions this occurs automatically on the basis of a centralised measurement process managed by business applications.

In the other cases a classification as unlikely to pay – UTP or as a bad loan is carried out on the outcome of the various monitoring activities described in paragraph 10 if there are triggers that indicate a significant deterioration in creditworthiness.

While cross referencing to the Classification and Valuation Policy for an examination of the triggers for classification as UTPs or bad loans, the following sets out the steps involved in the process of classifying the Bank's credit positions:

1. on the occurrence of events indicating a potential deterioration in creditworthiness, or in the presence of information that implies that the customer may have problems or difficulties in fulfilling its contractual obligations, also in the future, the OPERATIONS, CREDIT MONITORING & NPE Structure carries out a detailed review of the position and the Manager contacts the borrower – if necessary – to obtain the information required to assess the actual level of risk and prepare the most appropriate operational measures; in particular, the review should usually go into detail as far as the following aspects are concerned:
    a. causes and origin of the anomalies encountered or the negative trend identified;
    b. initiatives taken or planned to be taken by the customer to remedy the critical matters identified, assessing whether it is a question of phenomena of a transitory or structural nature, or else to deal with a deterioration in the specific situation which might lead to the non-fulfilment of contractual obligations, also in the future;

c. the value of the security pledged, requesting, if necessary, an update of the valuations for the purpose of assessing any effects in the case of negative developments in the counterparty's situation;

d. any operating measures to be implemented to assist in remedying the anomalies or anticipating any future issues or to contain the levels of the Bank's risk;

2. if, on the basis of the review, an increase in risk is confirmed such as to make a classification necessary, the OPERATIONS, CREDIT MONITORING & NPE Structure draws up the classification proposal, submitting it to the competent body for authorisation;

3. the empowered Authorising Body adopts a resolution for classification as a UTP or bad loan.

Given that in general a certain period of time must pass for obtaining the documentation required to carry out the review (e.g. updated financial statements, interim figures, etc.), in the presence of clearly anomalous items, the OPERATIONS, CREDIT MONITORING & NPE Structure may propose the relevant classification, deferring to a later date a detailed examination of the position, which must in any case be carried out as soon as the necessary documentation is received.

In case of positions subject to analytical valuation pursuant to the Loan Classification and Valuation Policy, the classification proposal is also normally accompanied by the provisioning proposal, which is drawn up by the OPERATIONS, CREDIT MONITORING & NPE Structure on the basis of the guidelines contained in the Policy. In this case too, if it is necessary to obtain information and documentation for drawing up the analytical provisioning proposal (e.g. updated valuations of property pledged as security), the impairment loss proposal can be deferred to a later date or can be expressed in provisional form, to be confirmed or revised once all the items needed to draw up a final version have been received.

As regards unlikely to pay balances, the Bank makes use of the additional management classification of the cancelled UTPs, which represent situations in which a decision has already been taken to withdraw the credit facilities and intimation to pay notices have already been sent as a preliminary to the passage to bad loans.

If, as part of the monitoring activities performed by the Manager and/or as an outcome of the analyses carried out by the Manager and/or by the OPERATIONS, CREDIT MONITORING & NPE Structure, the anomalies and/or signs of the counterparty's financial difficulties are not considered of such importance as to warrant a non-performing loan classification (Stage 3) but in any case indicate a deterioration in the counterparty's creditworthiness, a classification may be made in the managerial category "Watchlist" ("loans under observation", code PAA1).

A position is entered in the Watchlist on a manual basis during the management of the position or as part of a loan proposal and is authorised by the Head of the OPERATIONS, CREDIT MONITORING & NPE

Structure; this Structure is responsible for removal from Watchlist status by way of the appropriate authorisation, as part of which it must be documented that the critical matters that led to such management classification no longer hold.

The Watchlist classification is a management category within performing loans and implies a Stage 2 positioning, with the resulting "full lifetime" valuation of the ECL, consistent with the provisions of IFRS 9.

The following paragraphs describe the valuation process as far as performing loans and non-performing loans are concerned.

3.2 VALUATION OF PERFORMING LOANS

In general terms, the following collective valuation methodology is used as far as performing loans are concerned (which are classified in Stages 1 and 2 under the accounting principles of reference):

1. **Stage 1:** collective value adjustments to Stage 1 exposures are determined using statistical models that estimate the expected loss (Expected Credit Loss, ECL) over a time horizon of 12 months;
2. **Stage 2:** collective value adjustments to Stage 2 positions are calculated by estimating the losses expected over the whole remaining lifetime of the exposure, incorporating into the estimate the expected future evolution of the counterparty's risk profiles (lifetime ECL with a forward-looking approach).

Reference should be made to the Collective Impairment Loss Calculation Procedure for further details of the process for valuing performing loans.

3.3 VALUATION OF NON-PERFORMING LOANS

In general terms, two valuation methodologies are used for non-performing loans (which are classified in Stage 3 under the accounting principles of reference):

1. **statistical (or flat-rate) analytical**, for all Organic exposures, guaranteed and unguaranteed, classified as past due, unlikely to pay or bad loans, if the gross amount involved is less than the materiality threshold;
2. **individual analytical**, calculated by the Bank's analysts on the basis of valuations carried out on the individual position.

3.4 ANALYTICAL VALUATION

For positions subject to individual analytical valuation, the OPERATIONS, CREDIT MONITORING & NPE Structure for Organic[7] loans and the AMs for the Distressed Credit portfolio calculate the recoverable amount and time for collection on at least a six-monthly basis (and in any case whenever events occur

producing a significant change in recovery expectations).

The OPERATIONS, CREDIT MONITORING & NPE Structure monitors the POCI UTP positions of the Distressed Credit portfolio at least every six months, identifying the positions subject to monitoring on a sample basis. For the main non-performing loan positions of the Turnaround portfolio, the OPERATIONS, CREDIT MONITORING & NPE Structure assesses the update reports which the Turnaround Structure prepares periodically, and at least every six months, for the OPERATIONS, CREDIT MONITORING & NPE Structure's checks, revising the recovery forecasts and the time to recover where necessary.

As far as Organic non-performing loans are concerned, any impairment losses to be recognised or updated are submitted by the OPERATIONS, CREDIT MONITORING & NPE Structure to the empowered Authorising Body for approval; for the other positions, mostly Non-Organic, the valuation update proposal is under the responsibility of the Structure in charge of management (e.g. Turnaround, UTP Management, etc.), which forwards it to the competent Authorising Body.

In order to perform an analytical valuation of a counterparty it must firstly be decided whether this valuation should be carried out from a going concern standpoint (a cash-flow based valuation), where the valuation concentrates on ensuring the sustainability of the company's indebtedness over time on the basis of estimated cash flows, or whether this should be performed from a liquidation standpoint (an asset-based valuation), in the case that recovery is possible by enforcing guarantees and/or liquidating the company's assets or in the absence of reliable information for estimating the expected cash flows.

The decision as to whether a company is a going or gone concern, which derives from an estimate of the continuity or otherwise of cash flows by the debtor and from the determination of business strategies, is made during the "onboarding phase"; the attribute going/gone is assigned by the Business Structure, assisted, if necessary, by the OPERATIONS, CREDIT MONITORING & NPE Structure.

Subsequently, once the onboarding phase has been completed, and concerning the purchase of operation portfolios, a grace period of 6 months is envisaged during which the Business structures may change the management classification of going/gone without this producing an effect on the Organic/Non-Organic attribute; this is to ensure that the right management strategy is adopted on the basis of information generally not available during the due diligence or the first contacts made with the customers acquired. At the end of the grace period (which does not apply to single name positions), any changes in management strategy may also cause, where applicable, a change in the nature of the Organic or Non-Organic nature of the individual loan.

Once the grace period is over, the proposing structure produces a summary report of the changes made to classifications compared to the previously performed customer analysis. In addition, a second level control is carried out by the CRO Structure, which provides for confirmation of the consistency

of the going concern/gone concern attribution with respect to the features of the analysed loan and the events that occurred during such period.

This attribution is carried out on the basis of:

- the purpose and type of the investment;
- the status on origination of the operation.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 15/09/2022 as a *società a responsabilità limitata unipersonale* for the purpose of carrying out securitisation transactions and issuing asset backed securities. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via V. Alfieri 1, Italy, 31015 Conegliano (TV). The fiscal code and enrolment number with the companies register of Treviso-Belluno is 05355840264. The Issuer's telephone number is +390438360926. The Issuer's website is www.securitisation-services.com (for the avoidance of doubt, such websites does not constitute part of this Information Memorandum). The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration No. 35980.2.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is for the amount of Euro 10,000.00 fully paid-up by Stichting Quarzo. Stichting Quarzo is a Foundation incorporated under the laws of the Netherlands.

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

Issuer's principal activities

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

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

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Sole Director	Andrea Crespan

The Quotaholder Agreement

On 16 December 2022, the Issuer and the Quotaholder entered into the Quotaholder's Agreement pursuant to which 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 the applicable accounting principles, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies with the sole quotaholder (*società a responsabilità limitata unipersonale*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year starting on 15/09/2022 and ending on 31/12/2022.

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Information Memorandum, adjusted for the issue of the Series 2 Notes, is as follows:

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000.00
Loan Capital (Securitisation)	**Euro**
Class A Asset Backed Floating Rate Notes due February 2040	283,756,736.25
Class B Asset Backed Floating Rate Notes due February 2040	79,100,000.00
Class J Asset Backed Fixed Rate and Additional Return Notes due February 2040	116,012,00
Class A-2 Asset Backed Floating Rate Notes due February 2040	113,700,000

Class B-2 Asset Backed Floating Rate Notes due February 2040	20,300,000
Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040	4,140,000

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

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. The first financial year ended on 31 December 2022.

As long as any of the Series 2 Notes remains outstanding, the annual financial statements of the Issuer will be audited by an auditing company appointed by the Issuer and copies of the Issuer's annual financial statements shall be made available, upon publication, on the Securitisation Repository (for further details, see the section headed "*General Information*").

With reference to the three-year period 2022-2024, the Issuer has appointed KPMG S.p.A. as auditing company in accordance with the provisions of Italian Legislative Decree no. 39 of 27 January 2010.

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

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

Under the Securitisation, Banca Finint S.p.A. will act as Back-up Servicer, Calculation Agent, Corporate Servicer and Representative of the Noteholders

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

THE ACCOUNT BANK AND THE PAYING AGENT

The Bank of New York Mellon SA/NV – Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulevard Anspachlaan 1 – B-1000 Brussels, Belgium, acting through its Milan Branch, with offices at Via Mike Bongiorno 13, 20124 Milan, registered in the companies register (registro delle imprese) of Milano-Monza-Brianza-Lodi with tax code and VAT no. 09827740961, registered as a "filiale di banca estera" under number 8070 and with ABI code 3351.4 in the register of banks held by the Bank of Italy pursuant to article 13 of the Italian Legislative Decree no. 385 of 1 September 1993.

Under the Securitisation, BoNY will act as Account Bank and Paying Agent.

The information contained in this section of this Information Memorandum relates to and has been obtained from The Bank of New York Mellon SA/NV – 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 The Bank of New York Mellon SA/NV – Milan Branch, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of The Bank of New York Mellon SA/NV – Milan Branch since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

USE OF PROCEEDS

The total proceeds of the issue of the Series 2 Notes will be applied by the Issuer to pay to the Originator the net Purchase Price for the Subsequent Portfolio in accordance with the Subsequent Receivables Purchase Agreement and the Subsequent Subscription Agreement.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. THE RECEIVABLES PURCHASE AGREEMENTS

On 6 December 2022, the Originator and the Issuer entered into the Initial 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.

On 5 December 2023, the Originator and the Issuer entered into the Subsequent 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 Subsequent Portfolio.

Purchase Price

The Portfolio Purchase Price payable pursuant to the Receivables Purchase Agreements is equal to the relevant aggregate of the Individual Purchase Prices of the relevant Receivables comprised in the relevant Portfolio (each, the "**Receivables**"). The relevant Individual Purchase Price for each Receivable is equal to the nominal amount of the relevant Receivables as at the relevant Cut-Off Date under the relevant Loan Agreement, plus the interest accrued but unpaid as at the relevant Cut-Off Date. Under the relevant Receivables Purchase Agreement, the relevant Portfolio Purchase Price is payable by the Issuer to the Originator on the relevant Issue Date, provided that the formalities set out in clause 9.1 of the relevant Receivables Purchase Agreement have been completed.

Transfer of the Portfolio

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the relevant Receivables, which meet the relevant Criteria described in detail in the section entitled "*The Portfolio – The Criteria*". The sale of the 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 143 of 10 December 2022 and was registered in the companies register of Treviso – Belluno on 7 December 2022. Notice of the

transfer of the Subsequent Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 146 of 12 December 2023 and was registered in the companies register of Treviso – Belluno on 6 December 2023.

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

Further, under the Receivables Purchase Agreements, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase the relevant Portfolio (in whole but not in part) from the Issuer, without recourse (*pro soluto*) and in accordance with article 58 of the Consolidated Banking Act, on the Clean Up Option Date (included) and on any Payment Date thereafter, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Notes, and (b) any accrued but unpaid interest due in respect of the Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by the Originator, (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 (if available). The above certificates must be dated not earlier than 10 (ten) Business Days before the date of the exercise of such repurchase right (i.e. the date on which the Originator repurchases the relevant Portfolio pursuant to the relevant Receivables Purchase Agreement).

In addition, under the relevant Receivables Purchase Agreement, in order to allow the Originator to maintain good relationships with its customers and for other commercial needs of the Originator and with a view at avoiding, to the extent possible, discriminations between the Debtors and the other borrowers of the Originator, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limit of: (a) 10% of the aggregate Outstanding Principal of the

Receivables as at the relevant Cut-Off Date, with reference to four consecutive Collection Periods; (b) 20% of the aggregate of the Outstanding Principal of the Receivables as at the relevant Cut-Off Date, with reference to the entire Securitisation. In addition, such option right may be exercised subject to the Originator delivering to the Issuer (with copy to Representative of the Noteholders and the Rating Agencies) (a) a solvency certificate issued by the Originator, (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 (if any), in each case dated not earlier than 10 (ten) Business Days before the date of the relevant exercise of such repurchase right (i.e. the date on which the Originator repurchases the Receivable pursuant to the relevant Receivables Purchase Agreement).

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

2. THE SERVICING AGREEMENT

On 6 December 2022, the Originator and the Issuer entered into the Servicing Agreement pursuant to which the Issuer has appointed illimity Bank S.p.A. as Servicer of the Receivables included in the Initial Portfolio.

The Servicing Agreement has been subsequently amended in order to, *inter alia*, appoint illimity Bank S.p.A. as servicer of the whole Portfolio (including the Subsequent Portfolio).

The receipt of the Collections related to the Portfolio is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit to the Collection Account any amounts collected from the Receivables included in the Portfolio, within the 2 (two) Business Day following the date on which such amounts have been so collected or reconciled. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law.

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

(a) classify as Defaulted Receivables the Receivables which meet the requirement set out in the Transaction Documents;

(b) carry out, on behalf of the Issuer, and, if necessary, to cooperate with the Originator, to carry out all the activities necessary to, *inter alia* (a) ensure that the transfer of the relevant Collateral Guarantee is valid and effective and enforceable towards the relevant Guarantor, in accordance with the applicable laws and regulations and the Collateral Guarantee's Documentation; (b) maintain the validity, effectiveness and enforceability of the relevant Collateral Guarantee towards the relevant Guarantor; and (c) ensure the enforcement of the Collateral Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the Collateral Guarantee's Documentation;

(c) prepare and deliver:

(i) to the Issuer, the Back-up Servicer, the Rating Agencies, the Reporting Entity and the Corporate Services Provider, the Monthly Servicer Report (also with a view to include the further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the EU Securitisation Regulation and the applicable Regulatory Technical Standards);

(ii) to the Issuer, the Account Bank, the Calculation Agent, the Representative of the Noteholders, the Paying Agent, the Corporate Services Provider, the Reporting Entity, the Back-up Servicer, the independent auditor from time to time appointed by the Issuer and the Rating Agencies, the Quarterly Servicer's Report (also with a view to include the further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the EU Securitisation Regulation and the applicable Regulatory Technical Standards); and

(iii) to the Issuer, the Rating Agencies and the Reporting Entity, the Back-up Servicer, the Loan by Loan Report in compliance with article 7, paragraph 1, first sub-paragraph, lett. (a) of the EU Securitisation Regulation and the Regulatory Technical Standards,

each of the above report 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. In addition, the Servicer has undertaken to provide for and to insert into the Monthly Servicer Report, Quarterly Servicer's Report, Loan by Loan Report (or to prepare and deliver specific reports) the information from time to time requested by the European Central Bank's applicable regulation, the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

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

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

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that they have all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicing Agreement further provides for the possibility for the Servicer to renegotiate, subject to certain limitations and conditions specified in the Servicing Agreement and in accordance with the Credit and Collection Policies, the Loan Agreements. For further details, see the sections headed "*Risk Factors – Changes in the Portfolio composition*" and "*Risk Factors – Yield and payment considerations*".

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

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

(a) for the activity of administration, management and collection of the performing Receivables (*crediti in bonis*), an annual fee to be calculated as 0.20% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(b) for the activity of administration, management, collection and recovery of the Receivables different from the Receivables under lett (a) above, an annual fee to be calculated as 0.35% (plus VAT, if applicable) of the Collections received by the Issuer

through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(c) for the activity of monitoring, information and reporting, an annual fee equal to Euro 5,000.00 (including VAT if applicable) payable on a quarterly basis on each Payment Date.

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

(a) an Insolvency Event occurs with respect to the Servicer;

(b) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, and the continuation of such failure for a period of 7 Business Days following (i) the date on which such failure has occurred or (ii) the receipt of the notice delivered by the Issuer to the Servicer and the Representative of the Noteholders, requesting to remedy such a failure;

(c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, has been proved to be untrue, false or deceptive in any material respect and such default may materially prejudice the interests of the Issuer or the Noteholders;

(d) failure by the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 5 Business Days after the relevant due date thereof and cannot be attributed to force majeure;

(e) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is, or will be, a party;

(f) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicer in the context of a securitisation transaction.

The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the

obligations arising from the Servicing Agreement until the completion of the takeover by the Back-Up Servicer (or the different substitute Servicer appointed by the Issuer) and the full operation of the Back-Up Servicer (or of the different substitute Servicer appointed by the Issuer).

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

The Servicer shall be entitled to withdraw from the Servicing Agreement and fully waive the mandate granted to it by such agreement for the performance of the relevant activities, by sending the Issuer, the Back-up Servicer and the Representative of the Notes at least a 24 (twenty-four) months' written notice and subject to prior notice to the Rating Agencies.

The withdrawal of the Servicer shall become effective after the later of (i) the date falling 24 (twenty-four) months after the date of receipt by the Issuer of the above-mentioned notice of withdrawal and (ii) the date on which the Back-up Servicer becomes operational or the different substitute is appointed, through the execution of a servicing agreement having substantially the same form and provision of the Servicing Agreement and that it has to object the activity of managing, administration, collection and recovery.

Promptly after the date on which the revocation or the resignation of the Servicer produces its effects, the Servicer shall, *inter alia*, (i) make available, at its costs and expenses, to the Issuer or the relevant successor servicer, all the Documentation as well as all the data and information required for the step in of the Substitute, (ii) transfer to the Collection Account, any and all amounts received in respect of the Receivables but not already credited on it, and (iii) promptly deliver to the successor servicer the bill of exchange, the promissory notes and the cheques not presented for collection. In addition, the Servicer or the relevant successor servicer shall communicate to each of the Debtors and Guarantors the appointment of the successor servicer and the details of the Collection Account, within 15 calendar days from the receipt of the termination notice or the date on which the resignation has become effective.

Following the occurrence of a Servicer Termination Event or the resignation by the Servicer, if the Back-up Servicing Agreement is not in force or the Back-up Servicer has not become operational within the term set forth under the Back-up Servicing Agreement, the Issuer is entailed to appoint as successor servicer, any entity which fulfill the following requirements:

(a) be an entity meeting the requirements set out under the Securitisation Law and the Bank of Italy applicable regulation to act as a servicer in a securitisation transaction;

(b) be an entity whose appointment does not result in a lowering of the rating at that time assigned to the Rated Notes in the opinion (which may not be expressed) of the Rating Agencies;

(c) be an entity that has at least 3 years' experience (acquired directly and/or through subsidiaries, parent companies or belonging to the same group and/or through delegated sub-suppliers) in managing exposures of a similar nature to the Receivables;

(d) be an entity who has and/or is able to use, in the performance of the management of the loans, a software compatible with the one used up to that moment by the replaced Servicer; and

(e) be an entity who is able to ensure, directly or indirectly, the efficient and professional maintenance of a single computer database (archivio unico informatico) provided for by Italian anti-money laundering law and, if required to the Issuer by such law, the production of the information necessary for the reports required by the Bank of Italy.

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

3. THE WARRANTY AND INDEMNITY AGREEMENTS

On 6 December 2022, the Issuer and the Originator entered into the Initial Warranty and Indemnity Agreement pursuant to which the Originator gives certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Initial Portfolio and certain other matters and agrees to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Initial Receivables or, as an alternative to such indemnity obligation in case of breach of any representation and warranties given by the Originator to the Issuer under the Initial Warranty and Indemnity Agreement, to repurchase the relevant Receivable in relation to which the relevant representation and warranty has been breached.

On 5 December 2023, the Issuer and the Originator entered into the Subsequent Warranty and Indemnity Agreement pursuant to which the Originator gives certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Subsequent Portfolio and certain other matters and agrees to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Subsequent Receivables or, as an alternative to such indemnity obligation in case of breach of any representation and warranties given by the Originator to the Issuer under the

Subsequent Warranty and Indemnity Agreement, to repurchase the relevant Receivable in relation to which the relevant representation and warranty has been breached.

Representation and warranties given by the Originator

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

(a) status and power to execute the relevant Transaction Documents;

(b) existence and legal ownership of the relevant Receivables;

(c) transfer of the relevant Receivables and Transaction Documents;

(d) Loan Agreements;

(e) Loans;

(f) Collateral Guarantees; and

(g) compliance with the Applicable Privacy Law.

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

Existence and legal ownership of the Receivables:

- the Receivables are existing and constitute valid, legitimate, enforceable obligations for the full nominal amount assigned (as indicated in the relevant List of the Receivables (*Prospetto dei Crediti*), binding and enforceable with full right of recourse against the Debtors;

- as at the relevant Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the relevant Receivables Purchase Agreement, and is therefore freely transferable to the Issuer;

- the Originator has not assigned, participated, charged, transferred (whether absolutely or by way of security) or otherwise disposed of any of the Loan Agreements or terminated or waived any of the Loan Agreements or otherwise created or allowed creation or constitution of any further lien, pledge, encumbrance, security interest, arrangement or other right, claim or beneficial interest of any third party on any of the Loan Agreements other than those provided in the Transaction Documents to which it is a party;

- the Receivables arise from Loan Agreements which, as at the relevant Cut-Off Date did not present arrears due and not paid for any reason (including default interest and expenses) by the relevant Debtor, on the basis of the accounting findings of the Originator;

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

Transfer of the Receivables and Transaction Documents:

- the transfer of the Receivables included in the relevant Portfolio to the Issuer is in accordance with the Securitisation Law. In particular, the Receivables included in the relevant Portfolio possess specific objective common elements such as to constitute a portfolio of homogenous monetary rights identifiable as a pool within the meaning and for the purposes of Securitisation Law;

- the Originator has selected the Receivables in compliance with the relevant Criteria;

- all the Receivables transferred by the Originator are accurately listed and described in the relevant List of the Receivables (*Prospetto dei Crediti*);

- all the information supplied by the Originator to the Issuer and/or their respective affiliates, representative agents and consultants for the purpose or in connection with the relevant Warranty and Indemnity Agreement and the relevant Receivables Purchase Agreement and/or the other Transaction Documents or, otherwise concerning the Securitisation, including, without limitation, with respect the Loan Agreements, the Receivables, as well as the application of the relevant Criteria, is true and accurate and no material information available to the Originator which may adversely impact on the Issuer has been omitted;

- there are no clauses or provisions in the Loan Agreements and in the other agreements, deeds, agreements or documents connected to them (i) by virtue of which it is prohibited for the Originator, even partially, to transfer, assign or otherwise dispose of the relative Receivables or the Collateral Guarantees or, where applicable, the Originator has obtained within the relevant Transfer Date the relevant authorisation, or (ii) which are in any case in conflict with certain provisions of the relevant Warranty and Indemnity Agreement, the relevant Receivables Purchase Agreement or the other Transaction Documents. The assignment of the Receivables and the Collateral Guarantees to the Issuer under the terms of the relevant Receivables Purchase Agreement does not in any way affect or invalidate the obligations of the Debtors and any other person otherwise obliged to the Originator by virtue of a contract, deed, agreement entered into in relation to the Loan Agreement, concerning the payment of the amounts due in respect of the Receivables and the Collateral Guarantees;

- the payment obligations assumed by the Originator under the relevant Warranty and Indemnity Agreement and under all the other Transaction Documents of which it is or will

become a party, constitute claims against it at least equal in rank to the claims of all its other creditors not subordinated or guaranteed under Italian law, with the exception of those whose claims are privileged by virtue of applicable laws and to the extent that such laws provide;

- the Originator has not given any mandate to any financial intermediary or other similar entity in relation to the subject matter of the relevant Warranty and Indemnity Agreement and the relevant Receivables Purchase Agreement, or the transactions contemplated therein;

Loan Agreements

- the authorizations, approvals, approvals, licenses, registrations, annotations, presentations, authorizations and any other fulfillment that may be reasonably necessary to ensure the validity, legality or enforceability of the rights and obligations of the parties to each Loan Agreement or any act, agreement or document relating thereto, have been obtained, carried out and put into effect, regularly and unconditionally, respectively, by the date of signature of each Loan Agreement and other act, agreement or document relating thereto, or within the time otherwise provided for by law or deemed appropriate for such purpose. The obligations assumed by the parties to each Loan Agreement constitute legitimate, valid and binding obligations towards each party, enforceable under the terms of the respective contracts and acts;

- to the Originator's knowledge, each Loan Agreement and each related document (including the relevant Collateral Guarantees' Documentation) is valid, existing and enforceable according to their provisions (except for the application of insolvency code and other similar laws generally affecting the rights of creditors) and complies in all respects with the Italian laws and regulations in force as at the relevant Transfer Date;

- the Debtors signatories of any agreement, deed or document on the subject, each had, at the relevant date of conclusion, the full powers and authorizations for the conclusion and signing of the relevant Loan Agreement and the relevant Collateral Guarantees' Documentation. Each Loan has been diligently renewed and maintained; and each other action necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Loan Agreement, has been diligently and unconditionally undertaken;

- all the Loan Agreements have been signed: (i) in compliance with the standard form agreements used from time to time by the Originator; (ii) with counterparties selected on the basis of credit procedures adopted in full compliance with the applicable supervisory regulations and instructions which has been regularly applied; (iii) in compliance with the internal criteria adopted by the Originator for the disbursement of Loans. After the date on which each Loan Agreement was entered into, no Loan Agreement was amended, even if only potentially, in such a way as to prejudice the rights and claims of the Originator;

- each tax, duty or commission of any kind due up to the relevant Transfer Date and necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Loan Agreement has been diligently and promptly paid. In relation to each Loan Agreement and the Collateral Guarantees, each Debtor is contractually obliged to make all payments without deduction for or by way of taxes and/or duties, except in cases required by law. Where a fee and/or tax is to be deducted from amounts paid or payable under a Loan Agreement (unless such obligation arises from a voluntary action by the Originator), the Debtor is contractually obliged to pay additional amounts to the Originator so that it receives a net amount equal to the total amount it would have received if payment had not been subject to the fee and/or tax;

- each Loan Agreement and any other agreement, act, agreement or document related to it and to the Collateral Guarantees, has been entered into, complies in all respects with, and has been performed in compliance with all applicable laws, rules and regulations, such as, but not limited to, the rules and regulations on usury, confidentiality of personal data, compound interest and the provisions of the Consolidated Banking Act, relating, *inter alia*, to bank transparency and money laundering;

- the management, collection and recovery procedures adopted by or on behalf of the Originator in relation to each Loan Agreement, each Receivable and each Collateral Guarantee have been conducted in all respects in compliance with all applicable laws and regulations and with care, professionality and diligence, and in accordance with the prudential rules and procedures for the management and collection of credits adopted from time to time by or on behalf of the Originator, as well as in compliance with the guidelines of the Bank of Italy and all the usual precautions and practices followed in the performance of lending activities;

- all Loans and Receivables are denominated in Euro and do not contain any provisions allowing the conversion of the relevant Loan into another currency;

- each Loan Agreement and each contract, deed and agreement relating to it is governed by Italian law and is subject to the jurisdiction of the Italian courts;

- Debtors are not entitled to any refund of amounts paid or owed to the Originator under the Loan Agreements and all duties, taxes and fees payable from time to time in respect of the advancement and preservation of the Receivables and the performance of any other instrument or document or the performance of any deed or formality relating thereto, have been diligently and promptly paid by the Originator;

Loans

- all Loan Agreements have been entered into by the Originator and the Debtors and none of the Loan Agreements or Receivables have been sold, transferred or assigned to third parties other than the Originator;

- none of the Debtors is a public entity, public administration nor a company belonging to the illimity Bank Group, excluding, for the avoidance of doubt, MedioCredito Centrale – Banca del Mezzogiorno S.p.A., Fondo Centrale di Garanzia PMI and SACE S.p.A. The Receivables are guaranteed by legal entities incorporated under the law of a country within the European Economic Area and having their registered office within the European Economic Area;

- no loan qualifies as a structured loan, syndicated loan or leveraged loan;

- the Portfolio does not include, in whole or in part, derivative financial instruments (including, but not limited to, credit-linked securities, swaps, synthetic securities or similar assets);

- all the Debtors that are legal entities are incorporated under the laws of Italy and have their registered office in Italy;

- each amount related to the Loans has been entirely disbursed to the relevant Debtor and there is no obligation against the Originator to disburse, pay or make available further amounts under the same title;

- as of the relevant Transfer Date, none of the Receivables have been repaid in full;

- in approving the granting of the Loans to the relevant Debtors, the Originator relied on the economic and financial conditions of the relevant Debtors;

- as of the relevant Cut-Off Date and as of the relevant Transfer Date none of the Loans is classified as "non performing" or "unlikely to pay", "past due and/or impaired exposure" (as defined in the Circular of the Bank of Italy No. 272 of 30 July 2008, as integrated by update No. 7 of 20 January 2015 and as amended from time to time – *Matrice dei Conti*);

- no Loan falls within the definition of agricultural loan (*creditro agrario*) within the meaning of Article 43 of the Consolidated Banking Act.

- the information used to determine the relevant Purchase Price (as set out in article 4 of the relevant Receivables Purchase Agreement) and the relevant Individual Purchase Price (as set out in the relevant List of Receivables) was and is true, accurate and correct in all respects as to the relevant Cut-Off Date;

- except for the Subsequent Receivables listed under schedule 4 of the Subsequent Warranty and Indemnity Agreement, as of the relevant Cut-Off Date, the payment of the instalments of each Loan was made on a quarterly or semi-annual basis, as provided for in the relevant Loan Agreement;

- except for the Subsequent Receivables listed under schedule 4 of the Subsequent Warranty and Indemnity Agreement, no Receivable provides for full repayment of the principal at the expiration date of the relevant Loan Agreement;

- each Loan Agreement, as may be supplemented and amended, and any other agreement, deed or document related thereto, is valid and effective and constitutes for the relevant parties a source of valid, legitimate and binding obligations, validly enforceable in court against such parties under their respective terms and conditions;

- the interest rates applicable on the relevant Cut-off Date are true and correct pursuant to the relevant Loan Agreement and, subject to the provisions of the Usury Law, the criteria on the basis of which they are calculated are not subject to reduction or variation for the entire duration of the Loan Agreement except as provided for in the relevant agreement;

- on the relevant Cut-Off Date, payment of the Instalments due under the relevant Loan is made by direct debit to the current account;

- there are no existing agreements between the Originator and the relevant Debtor that gives the Debtor the right to set off against the Issuer any claims it may have against the Originator in excess of the limits provided for in the Securitisation Law;

Collateral Guarantees in relation to the Initial Portfolio

- all Collateral Guarantees relating to the Initial Portfolio has been duly granted and created in favour of the Originator in accordance with the terms on which it was granted and relied upon by the Originator and, to the best knowledge of the Originator, is valid, effective and enforceable in accordance with the terms of its constitutive documents and satisfies all requirements under applicable law.

- the Initial Receivables are not guaranteed by any Collateral Guarantee not assigned to the Issuer under the Initial Receivables Purchase Agreement.

- as at the Initial Cut-Off Date, the aggregate value of all the Initial Receivables guaranteed (i) by FCG Guarantee is not lower than 23.8% of the value of all Initial Receivables comprised in the relevant Portfolio; by SACE Guarantee is not lower than 76.2% of the value of all Initial Receivables comprised in the relevant Portfolio;

Collateral Guarantees in relation to the Subsequent Portfolio

- all Collateral Guarantees relating to the Subsequent Portfolio has been duly granted and created in favour of the Originator in accordance with the terms on which it was granted and relied upon by the Originator and, to the best knowledge of the Originator, is valid, effective and enforceable in accordance with the terms of its constitutive documents and satisfies all requirements under applicable law.

- the Subsequent Receivables are not guaranteed by any Collateral Guarantee not assigned to the Issuer under the Subsequent Receivables Purchase Agreement.

- as at the Subsequent Cut-Off Date, the aggregate value of all the Subsequent Receivables guaranteed (i) by FCG Guarantee is not lower than 2.2% of the value of all Initial

Receivables comprised in the relevant Portfolio; by SACE Guarantee is not lower than 38.0% of the value of all Initial Receivables comprised in the relevant Portfolio;

Compliance with the Applicable Privacy Law

- in the administration and management of the Loans and the Loan Agreements, the Originator has operated and operates in full with the provisions of the Applicable Privacy Law;

- the Receivables have been assigned by the Originator in full compliance with the Applicable Privacy Law.

Indemnity obligations of the Originator

Pursuant to the Warranty and Indemnity Agreements, 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 relevant Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Loan Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated Banking Act; (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreements; or (f) the failure by the Issuer to collect or recover any Receivables as a result of a declaration by the relevant Guarantor of the ineffectiveness, revocation or unenforceability (including as a result of the assignment of the relevant Receivables to the Issuer) of a Collateral Guarantee or the failure of the relevant Guarantor to pay following the enforcement of the relevant Collateral Guarantee.

Pursuant to the Warranty and Indemnity Agreements, the relevant indemnity obligations of the Originator in case of any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreements, being false, incomplete or incorrect may not exceed, with reference to each of the relevant Receivable:

(a) the Individual Purchase Price of the relevant Receivable; *plus*

(b) the costs and expenses (including, without limitation, legal fees and disbursements *plus* VAT) incurred by the Issuer in connection with such Receivable until the date of payment of the indemnity; *plus*

(c) the damages, charges of any kind (including VAT) and losses suffered by the Issuer as a result of claims made by third parties as a consequence of the untruthfulness of the representations made by the Originator until the date of payment of the relevant indemnity, in excess to the sum of the amounts referred to in paragraphs (a) and (b) above; *plus*

(d) the interest accrued on the principal component of the Individual Purchase Price of the relevant Receivable from the Issue Date until the Payment Date immediately following the date of payment of the relevant indemnity, assuming as interest rate for such computation the highest interest rate applied, respectively, to the Senior Notes and the Mezzanine Notes from the time of their issue until the Payment Date immediately following the date of payment of the relevant indemnity; *minus*

(e) the Collections, both in their principal and interest component, realised in respect of the relevant Receivables until the date of payment of the indemnity,

once this threshold is reached, no further indemnity shall be due to the Issuer in respect the relevant Receivable.

Repurchase of Receivables by the Originator

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

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

4. THE CORPORATE SERVICES AGREEMENT

On 6 December 2022, the Issuer and the Corporate Services Provider entered into the Corporate Services Agreement (as amended and supplemented on or about the Subsequent Issue Date) pursuant to which the Corporate Services Provider has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

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

5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Initial Issue Date, the Issuer, the Originator, the Servicer, the Calculation Agent, the Representative of the Noteholders, the Corporate Services Provider, the Back-up Servicer, the Account and the Paying Agent entered into the Cash Allocation, Management and Payments Agreement (as amended and supplemented on or about the Subsequent Issue Date).

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

(a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Cash Reserve Account, the Set-Off Reserve Account, the Collection Account, the Payment Account and the Expenses Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the above mentioned Accounts;

(b) the Calculation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report, the Investors Report and the ESMA Investor Report and to provide the Issuer with certain calculation services in relation to the Notes; and

(c) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Interest Rate on each Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

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

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

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

6. THE INTERCREDITOR AGREEMENT

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

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

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

7. THE BACK-UP SERVICING AGREEMENT

On 6 December 2022, the Originator, the Servicer, the Back-up Servicer, the Representative of the Noteholders and the Issuer entered into the Back-up Servicing Agreement (as amended and supplemented on or about the Subsequent Issue Date) pursuant to which the Issuer has appointed Banca FinInt as Back-up Servicer that has undertaken to act as substitute servicer of illimity in case of termination of the appointment of illimity as Servicer, according to the Servicing Agreement.

The Back-Up Servicing Agreement and all non-contractual obligations arising out or in connection with the Back-Up Servicing Agreement are governed by and construed in accordance with Italian law.

8. THE MANDATE AGREEMENT

On or about the Initial Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement (as amended and supplemented on or about the Subsequent Issue Date) 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 QUOTAHOLDER'S AGREEMENT

On or about the Initial Issue Date, the Issuer and the Quotaholder entered into the Quotaholder Agreement (as amended and supplemented on or about the Subsequent Issue Date) pursuant to which 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 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.

10. THE STICHTING CORPORATE SERVICES AGREEMENT

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

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

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

11. THE REPURCHASE AGREEMENT

Under a repurchase agreement entered into on or about the Subsequent Issue Date the Originator has (i) repurchased from the Issuer certain Initial Receivables; and (ii) repeated certain representation and warranties provided under the Initial Warranty and Indemnity Agreement in connection with the Initial Receivables not repurchased.

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

THE ACCOUNTS

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

(1) Collection Account

in:

(i) the Collections received in relation to the Receivables comprised in the Portfolio in accordance with the provisions of the Servicing Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;

(iii) any amount paid by illimity in accordance with the provisions of the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement (other than the Collections);

(iv) the proceeds deriving from the sale, if any, of individual Receivables comprised in the Portfolio in accordance with the provisions of the Receivables Purchase Agreements;

(v) the proceeds deriving from the sale of the Portfolio in accordance with the Transaction Documents; and

(vi) any amounts received by any third party under any Transaction Document and not allocated to any other Account;

out: (i) two Business Days prior to each Payment Date, all amounts standing to the credit of the Collection Account as at the immediately preceding Collection Date shall be transferred to the Payment Account;

(ii) prior to the Subsequent Issue Date, an amount equal to Euro 23,194,689.57 shall be transferred to the Payment Account;

(ii) Payment Account

in:

(i) two Business Days prior to each Payment Date, the amounts transferred from the Collection Account in accordance with the provisions of this Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payment Account;

(iii) pursuant to paragraph (iii) below, the amounts transferred from the Cash Reserve Account;

(iv) pursuant to paragraph (v) below, the amounts transferred from the Set-Off Reserve Account;

(v) pursuant to paragraph (iv)(b)(ii), the amounts transferred from the Expenses Account;

(vi) on the Initial Issue Date, the net proceeds deriving from the issue of the Series 1 Notes; and

(vii) on the Subsequent Issue Date, the net proceeds deriving from the issue of the Series 2 Notes (if any);

(viii) on or about the Subsequent Issue Date, an amount equal to Euro 23,194,689.57 transferred from the Collection Account;

out:

(i) on the Initial Issue Date, an amount (if any) equal to the Purchase Price of the Initial Portfolio (net of any set off agreed in the Initial Subscription Agreement) shall be paid to the Originator;

(ii) on the Initial Issue Date, an amount equal to Euro 50,000 shall be transferred to the Expenses Account;

(iii) on the Initial Issue Date, an amount equal to Euro 11,250,000 shall be transferred to the Cash Reserve Account;

(iv) on the Initial Issue Date, an amount equal to Euro 23,929,000 shall be transferred to the Set-Off Reserve Account;

(v) on or about the Initial Issue Date, all the up-front costs and expenses incurred by the Issuer in connection with the implementation of the Securitisation shall be paid;

(vi) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the relevant Payments Report or Post Trigger Report, as the case may be;

(vii) on the Subsequent Issue Date, an amount (if any) equal to the Purchase Price of the Subsequent Portfolio (net of any set off agreed between the Issuer and the Originator) shall be paid to the Originator;

(viii) on the Subsequent Issue Date, an amount equal to Euro 7,385,567 shall be transferred to the Cash Reserve Account;

(ix) on the Subsequent Issue Date, an amount equal to Euro 13,112,910 shall be transferred to the Set-Off Reserve Account; and

(x) on or about the Subsequent Issue Date, all the up-front costs and expenses incurred by the Issuer in connection with the restructuring of the Securitisation shall be paid;

(iii) Cash Reserve Account

in:

(i) on the Initial Issue Date, an amount equal to Euro 11,250,000 will be credited from the Payment Account;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Cash Reserve Required Amount in accordance with the applicable Priority of Payments;

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account; and

(iv) on the Subsequent Issue Date, an amount equal to Euro 7,385,567 will be credited from the Payment Account;

out:

(i) two Business Days before each Payment Date, including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account;

(iv) *Expenses Account*

in:

(i) on the Initial Issue Date, an amount equal to Euro 50,000 shall be credited from the Payment Account;

(ii) on the First Payment Date and on each Payment Date thereafter, the relevant Retention Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account;

out:

(i) during each Interest Period, any amount to be reimbursed to the Corporate Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with the Cash Allocation, Management and Payments Agreement below;

(ii) two Business Days before the last Payment Date, any amounts standing to the credit of the Expenses Account (net of any amount referred to under item (iii) below) shall be transferred to the Payment Account;

(iii) following the last Payment Date, any amount to be reimbursed to the Corporate Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement falling due after such Payment Date shall be paid;

(v) *Set-Off Reserve Account*

in:

(i) on the Initial Issue Date, an amount equal to Euro 23,929,000 will be credited from the Payment Account;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Set-Off Reserve Account; and

(iii) on the Subsequent Issue Date, an amount equal to Euro 13,112,910 will be credited from the Payment Account;

out:

(i) two Business Days before each Payment Date, an amount equal to the sum of (a) the relevant Set-Off Loss, as indicated in the Quarterly Servicer's Report delivered by the Servicer on the immediately preceding Quarterly Servicer's Report Date and (b) the Set-Off Reserve Released

Amount calculated with respect to such Payment Date, shall be transferred to the Payment Account

(ii) two Business Days before the Final Maturity Date and the Payment Date in which the Rated Notes will be redeemed in full, an amount equal to any amounts standing to the credit of the Set-Off Reserve Account shall be transferred to the Payment Account; and

(iii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Set-Off Reserve Account shall be transferred to the Payment Account.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Euronext Securities Milan in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act, and (ii) the Joint Regulation. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.*

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

The Euro 375,000,000 Class A Asset Backed Floating Rate Notes due February 2040 (the "**Class A-1 Notes**"), the Euro 79,100,000 Class B Asset Backed Floating Rate Notes due February 2040 (the "**Class B-1 Notes**") and the Euro 116,012,000 Class J Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-1 Notes**" and, together with the Class A-1 Notes and the Class B-1 Notes, the "**Series 1 Notes**") have been issued by Colt SPV S.r.l. (the "**Issuer**") on 19 December 2022 (the "**Initial Issue Date**") pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), to finance the purchase by the Issuer of a portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises (respectively, the "**Initial Portfolio**", the "**Initial Receivables**" and the "**Initial Loans**") pursuant to loan agreements entered into between illimity Bank S.p.A. ("**illimity**" or the "**Originator**") and the relevant Debtors, pursuant to a receivables purchase agreement entered into on 6 December 2022 (the "**Initial Receivables Purchase Agreement**").

In the context of the restructuring of the Sucuritisation (the "**Restructuring**"), the Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Senior Notes**"), the Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Mezzanine Notes**" and, together with the Senior Notes, the "**Rated Notes**") and the Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-2 Notes**" and, together with the Class J-1 Notes, the "**Junior Notes**"; the Junior Notes, together with the Rated Notes, the "**Notes**") are issued by the Issuer on 14 December 2023 (the "**Subsequent Issue Date**") pursuant to article 1 of the Securitisation Law, to finance the purchase by the Issuer of a subsequent portfolio of monetary claims and connected rights arising, *inter alia*, under loans granted to small and medium-sized enterprises (respectively, the "**Subsequent Portfolio**" and, together with the Initial Portfolio, the "**Portfolio**"; the "**Subsequent Receivables**" and, together with the Initial Receivables, the "**Receivables**"; the "**Subsequent Loans**" and, together with the Initial Loans, the "**Loans**") pursuant to, *inter alia*, loan agreements entered into between illimity and the relevant Debtors, pursuant to a subsequent receivables purchase agreement entered into on 5 December 2023 (the "**Subsequent**

Receivables Purchase Agreement" and, together with the Initial Receivables Purchase Agreement, the Receivables Purchase Agreements).

Certain Loans are secured by, *inter alia*, (i) guarantees granted by the Central Guarantee Fund for SME (the "**CGFS Fund**") managed by Mediocredito Centrale S.p.A. ("**MCC**" or the "**CGFS Manager**"), established under Italian Law 662/1996 (the "**MCC Guarantees**"); or (ii) guarantees granted by the SACE S.p.A. ("**SACE**") pursuant to (i) Italian Law Decree 8 April 2020, No. 23, converted with amendments into law 5 June 2020, No. 40 (as from time to time amended and supplemented, the "**Liquidity Decree**"); or (ii) Italian Law Decree 17 May 2022, No. 50, converted with amendments into law 15 July 2022, No. 91 (as from time to time amended and supplemented, the "**Aid Decree**") (the "**SACE Guarantees**").

The principal source of payment of interest on the Rated Notes and interest and Additional Return (if any) on the Junior Notes and of repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents from the relevant Cut-Off Date. By operation of Italian Law, the Issuer's Rights, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

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

1. INTRODUCTION

1.1 *Noteholders deemed to have notice of Transaction Documents*

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents (described below).

1.2 *Provisions of Conditions subject to Transaction Documents*

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

1.3 *Copies of Transaction Documents available for inspection*

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

(a) during normal business hours at the registered office of: (i) the Issuer, being, as at the Subsequent Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy; (ii) the Representative of the Noteholders, being, as at the Subsequent Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Subsequent Issue Date, Via Mike Bongiorno 12, 20124 Milan, Italy; and

(b) at the Securitisation Repository (being, as at the date of this Information Memorandum, https://editor.eurodw.eu).

1.4 *Description of Transaction Documents*

1.4.1 Pursuant to the Initial Subscription Agreement, the Notes Subscriber has agreed to subscribe for the Class A-1 Notes, the Class B-1 Notes and the Class J-1 Notes and appointed the Representative of the Noteholders to perform the activities described in the Initial 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 Subsequent Subscription Agreement, the Notes Subscriber has agreed to subscribe for the Class A-2 Notes, the Class B-2 Notes and the Class J-2 Notes and appointed the Representative of the Noteholders to perform the activities described in the Subsequent Subscription Agreement, these Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.3 Pursuant to the Initial Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Initial Portfolio assigned and certain other matters and (i) has agreed to indemnify the Issuer in respect of certain costs, liabilities and expenses of the Issuer incurred in connection with the purchase and ownership of the Initial Portfolio; and/or (ii) may repurchase the Initial Receivables in respect of any representation and warranties has been breached, subject to the terms and conditions set forth in the Initial Warranty and Indemnity Agreement.

1.4.4 Pursuant to the Subsequent Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Subsequent Portfolio assigned and certain other matters and (i) has agreed to indemnify the Issuer in respect of certain costs, liabilities and expenses of the Issuer incurred in connection with the purchase and ownership of the Subsequent Portfolio; and/or (ii) may repurchase the Subsequent Receivables in respect of any

representation and warranties has been breached, subject to the terms and conditions set forth in the Subsequent Warranty and Indemnity Agreement.

1.4.5 Pursuant to the Servicing Agreement, the Servicer (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, and (ii) has agreed to (x) administer and service the Receivables and to carry out the collection activity relating to the Receivables; (y) administer and service the Collateral Guarantees and to carry out the collection activity relating to the Receivables, on behalf of the Issuer in compliance with the Securitisation Law.

1.4.6 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Services Provider and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains certain provisions relating to, *inter alia*, the calculation (by the Calculation Agent) and the payment (by the Paying Agent) of any amounts in respect of the Notes of each Class.

1.4.7 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolio and the Transaction Documents.

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

1.4.9 Pursuant to the Corporate Services Agreement, the Corporate Services Provider has agreed to provide certain corporate and administrative services to the Issuer in relation to the Securitisation.

1.4.10 Pursuant to the Back-up Servicing Agreement, the Back-Up Servicer has undertaken to act as servicer in case of termination of the appointment of illimity as Servicer, according to the Servicing Agreement.

1.4.11 Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Servicer undertook to provide the Quotaholder with certain services as set out thereunder.

1.4.12 Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.5 *Acknowledgement*

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

2. DEFINITIONS AND INTERPRETATION

2.1. *Definitions*

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

"**Accounts**" means collectively the Collection Account, the Payment Account, the Cash Reserve Account, the Set-Off Reserve Account and the Expenses Account and "**Account**" means any of them.

"**Account Bank**" means The Bank of New York Mellon SA/NV – Milan Branch or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report Date**" means the date falling on the 10th (tenth) Business Day of each month.

"**Additional Return**" means:

(i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Twelfth* (included) of the Pre Enforcement Priority of Payments; or

(ii) on each Payment Date on which the Post Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments;

plus, for the avoidance of doubt,

(iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.

"**Aid Decree**" means Italian law decree 17 May 2022, No. 50, converted with amendments into law 15 July 2022, No. 91 (as from time to time amended and supplemented).

"**ARC Ratings**" means ARC Ratings, S.A. with its registered office at Rua de São José, 35 – 1º B, 1150-321 Lisbon – Portugal.

"**Arrangers**" means, collectively, JP Morgan SE and illimity.

"**Arrears Ratio**" means, at the end of each monthly reference period with reference to each Receivable, the ratio between (a) all amounts due and unpaid as Principal Instalment and/or Interest Instalment (excluding any default interest) in relation to the relevant Loan, and (b) the amount of the last instalment of the relevant Loan which was due immediately prior to the end of that month.

"**Back-up Servicer**" means Banca FinInt, acting as back-up servicer pursuant to the Back-up Servicing Agreement or any person from time to time acting as back-up servicer.

"**Back-up Servicing Agreement**" means the back-up servicing agreement entered into on 6 December 2022 between the Servicer, the Back-up Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942.

"**Benchmark Regulation**" means the Regulation (EU) No. 2016/1011, as the same may be amended, modified or supplemented from time to time.

"**Borsa Italiana**" means Borsa Italiana S.p.A.

"**Business Day**" means a day on which banks are generally open for business in Milan and London and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

"**Calculation Agent**" means Banca FinInt 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 4th (fourth) Business Day before each Payment Date, provided that the first Calculation Date will fall on 21 February 2023.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Initial Issue Date between the Issuer, the Account Bank, the Calculation Agent, the Corporate Services Provider, the Representative of the Noteholders, the Back-up Servicer, the Servicer and the Paying Agent, as from time to time modified in accordance with the provisions therein contained and including

any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Cash Reserve**" means the reserve fund established by the Issuer on the Initial Issue Date on the Cash Reserve Account and increased on the Subsequent Issue Date for an amount equal to Euro 7,385,567.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT64R0335101600004384389780), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"Cash Reserve Required Amount" means an amount equal to the higher of:

(a) 4% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding the relevant Payment Date; and

(b) 1% of the Principal Outstanding Amount of the Senior Notes upon the relevant issue,

provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

"**CGFS Fund**" means the Central Guarantee Fund for SME managed by Mediocredito Centrale S.p.A., established under Italian Law 662/1996.

"**Class A Margin**" means (i) with reference to the Class A-1 Notes, 2% *per annum*; and (ii) with reference to the Class A-2 Notes, 2.05% *per annum*.

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

"**Class A-1 Notes**" means the Euro 375,000,000 Class A Asset Backed Floating Rate Notes due February 2040.

"**Class A-2 Notes**" means the Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes due February 2040.

"**Class A Notes**" or the "**Senior Notes**" means the Class A-1 Notes and the Class A-2 Notes.

"**Class B Margin**" means (i) with reference to the Class B-1 Notes, 2.7% *per annum*; and (ii) with reference to the Class B-2 Notes, 2.75% *per annum*.

"**Class B Noteholders**" or "**Mezzanine Noteholders**" means the persons who are, from time to time, the holders of the Class B Notes.

"**Class B-1 Notes**" means the Euro 79,100,000 Class B Asset Backed Floating Rate Notes due February 2040.

"**Class B-2 Notes**" means the Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040.

"**Class B Notes**" or "**Mezzanine Notes**" means the Class B-1 Notes and the Class B-2 Notes.

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

"**Class J-1 Notes**" means the Euro 116,012,000 Class J Asset Backed Fixed Rate and Additional Return Notes due February 2040.

"**Class J-2 Notes**" means the Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040.

"**Class J Notes**" or "**Junior Notes**" means the Class J-1 Notes and the Class J-2 Notes.

"**Clean Up Option Date**" means the Payment Date on which the Principal Outstanding Amount of the Senior Notes is equal or lower than 10% of the Principal Outstanding Amount of the Notes upon the relevant issue.

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

"**Collateral Guarantees**" means any guarantee granted to the Originator to secure the satisfaction of the Receivables under or in connection with the relevant Loan Agreement, (including the SACE Guarantees and the MCC Guarantees).

"**Collateral Guarantees' Documentation**" means any act, contract, agreement or document (including applicable primary and secondary legislation) relating to the Collateral Guarantees.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT19S0335101600004384399780).

"**Collections**" means all amounts collected by the Servicer or any other person as Instalments due in respect of the Receivables and any other amounts in any way collected or received by the Servicer or any other person in respect of the Receivables.

"**Collection Date**" means the last calendar day of January, April, July and October of each year.

"**Collection Period**" means each quarterly period commencing on (and excluding) a Collection Date and ending on (and including) the next succeeding Collection Date and, in the case of the first Collection Period, (i) with reference to the Initial Portfolio, commencing on (and excluding) the relevant Cut-Off Date and ending on (and including) the Collection Date falling on 31 January 2023; and (ii) with reference to the Subsequent Portfolio, commencing on (and

excluding) the relevant Cut-Off Date and ending on (and including) the Collection Date falling on 31 January 2024.

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

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

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

"**Corporate Services Agreement**" means the corporate services agreement entered into on 6 December 2022 between the Issuer and Banca FinInt, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Corporate Services Provider**" means Banca Finanziaria Internazionale S.p.A. or any other person for the time being acting as pursuant to the Corporate Services Agreement and its permitted successors and assignees from time to time.

"**Credit and Collection Policies**" means the credit and collection policies attached as annex 2 to the Servicing Agreement.

"**Criteria**" means the eligibility criteria of the Receivables included in the Portfolio listed in annex A of each Receivables Purchase Agreements.

"**Cumulative Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, as indicated in the relevant Quarterly Servicer's Report, between:

(i) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the Subsequent Cut-Off Date and the Collection Date immediately preceding such Calculation Date; and

(ii) the aggregate of the Outstanding Principal, as at the Subsequent Cut-Off Date, of the Receivables.

"**Cut-Off Date**" means (i) with respect to the Initial Portfolio, 31 October 2022; an (ii) with respect to the Subsequent Portfolio, 1 November 2023.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes and for the purpose of any notice to be sent under the Transaction Documents, DBRS Ratings GmbH and, in each case, any successor to this rating activity, and (ii) in any other case, any entity of DBRS which is either registered or not under the EU 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 long term public senior debt rating, a Moody's long term public senior debt rating and an S&P long term public senior debt 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 Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

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

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

"**Debtor**" means any legal entity that has entered into a Loan Agreement as principal debtor or that is liable for the payment or repayment of amounts due in respect of a Loan or that has assumed the Debtor's obligation pursuant to the relevant Loan Agreement through an assumption of debt (*accollo*) or otherwise.

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

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

"**Defaulted Receivable**" means a Receivable deriving from a Loan (a) which at any time has been classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and/or (b) has, or at any time had, an Arrear Ratio (i) equal to or greater than 12, in case of Loans payable on a monthly basis, (ii) equal to or greater than 4, in case of Loans payable on a quarterly basis, and (iii) equal to or greater than 2, in case of Loans payable on a semi-annual basis.

"**Documentation**" has the meaning ascribed to the term "*Documentazione*" under the relevant Receivables Purchase Agreement.

"**ECB Guidelines**" means the Guideline (EU) 2015/510 of the European Central Bank (ECB) of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) as subsequently amended and supplemented.

"**Eligible Institution**" means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) (i) in case the institution has a Critical Obligations Rating ("COR") rating by DBRS, the higher of (A) a rating one notch below the institution's long-term COR; (B) the

institution's issuer rating or long-term senior unsecured debt rating; and (C) the institution's long-term deposit rating being at least "BBB (low)"; (ii) if a long-term Critical Obligations Rating (COR) is not available from DBRS on the institution, the higher of (A) the institution's issuer rating (if available), (B) the institution's long-term senior unsecured debt rating, and (C) its deposit rating being at least "BBB (low); or (iii) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least "BBB (low)" being at least "BBB (low)";

(b) with respect to Moody's:

(i) "Baa3" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long-term deposit rating by Moody's, "P-3" in respect of short term debt.

"**ESMA Investors Report**" means the report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**EU Securitisation Regulation**" means the Regulation (EU) No. 2402 of 12 December 2017, as amended and supplemented from time to time.

"**Euribor**" means the month Euro-Zone Inter-bank offered rate administered by EMMI - European Money Markets Institute (or any other entity which takes over the administration of that rate) which appears on the display page designated Euribor 01 on Thomson Reuters, or such other page which may replace it in the future or any replacement Thomson Reuters page which displays that rate, (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month Euro-Zone Inter-bank offered rate administered by the European Money Markets Institute which appears on the display page designated Euribor 01 on Thomson Reuters will be applied) on the Interest Determination Date (the "**Screen Rate**" or, in the case of the First Interest Period, the "**Additional Screen Rate**" and, the relevant page which displays the Screen Rate or the Additional Screen Rate, the "**Screen Page**").

For a description of the Euribor or other information about such benchmark, please refer to the website of EMMI (or the other entity that will be appointed as a substitute for the purposes of the Euribor record).

If the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time, then the rate for any relevant Interest Period shall be the rate in effect for the immediately preceding Interest Period.

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

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

"**Euronext Access Milan**" means the multilateral trading facility managed by Borsa Italiana.

"**Euronext Access Milan Professional Segment**" means the professional segment of Euronext Access Milan.

"**Euronext Securities Milan**" means Euronext Securities Milan S.p.A., a *società per azioni* having its registered office at Piazza degli Affari, 6, 20123 Milan (MI), Italy.

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

"**Expenses Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT05Q0335101600004384519780), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

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

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

"**Final Maturity Date**" means the Payment Date falling on 27 February 2040.

"**First Interest Period**" means the period starting from (and including) the relevant Issue Date and ending on (but excluding) the relevant First Payment Date.

"**First Payment Date**" means (i) with reference to the Series 1 Notes, the 27 February 2023; and (ii) with reference to the Series 2 Notes, the 26 February 2024.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**General Amendment Agreement**" means the general amendment agreement entered into on or about the Subsequent Issue Date in the context of the Restructuring.

"**Guarantor**" means any entity which has issued a Collateral Guarantee (including the CGFS Fund and SACE).

"**Information Memorandum**" means this information memorandum.

"**illimity**" means illimity Bank 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 Soperga 9, 20124 Milan, Italy, share capital of Euro 54,513,905.72 paid up, fiscal code and enrolment with the companies register of Milan – Monza – Brianza – Lodi No. 03192350365, enrolled under No. 5710 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act,

holding company of the Gruppo Illimity Bank S.p.A., enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**Individual Purchase Price**" has the meaning ascribed to the term "*Prezzo di Acquisto Individuale*" under the relevant Receivables Purchase Agreement.

"**Initial Issue Date**" means 19 December 2022.

"**Initial Portfolio**" means the portfolio of the Initial Receivables purchased by the Issuer from the Originator on 6 December 2022 pursuant to the terms of the Initial Receivables Purchase Agreement.

"**Initial Receivables Purchase Agreements**" means the receivables purchase agreement entered into between the Issuer and the Originator on 6 December 2022, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Initial Subscription Agreement**" means the agreement for the subscription of the Series 1 Notes entered into on or about the Initial Issue Date between the Issuer, the Notes Subscriber, the Originator, the Arrangers and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Initial Warranty and Indemnity Agreement**" means the agreement entered into on 6 December 2022 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.

"**Inside Information and Significant Event Report**" means the report named as such to be prepared and delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

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

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

(a) such company or corporation has become subject to any applicable judicial liquidation (*liquidazione giudiziale*), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*), bankruptcy (*fallimento*) (as far as applicable pursuant to the Bankruptcy Law), voluntary liquidation, extraordinary administration (*amministrazione straordinaria*), extraordinary administration of the insolvent companies (*Amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory winding up (*liquidazione coatta amministrativa*) insolvency proceedings (*procedure concorsuali*) (including the insolvency proceedings and the further tools providing for the composition of the crisis and insolvency under the Bankruptcy Law,

as far as applicable), reorganisation, tools for the composition of business crisis/insolvency provided under the Insolvency Code and Bankruptcy Law (as far as applicable), including, *inter alia*, the debt restructuring agreements (also simplified debt restructuring agreements and those with "extended effects" as well as the standstill agreements (*convenzioni di moratoria*), the certified restructuring plan as well as the related agreement, the restructuring plan subject to homologation, the filing of any petition under articles 40 and followings of the Insolvency Code (including the simplified petitions under article 44 of the Insolvency Code), the appointment of an independent expert pursuant to the Insolvency Code, the negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*), the simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*), as well as any other proceedings and/or tools qualified as an "insolvency proceeding" (*procedura concorsuale*), a "restructuring proceeding" (*procedura di risanamento*) or a "liquidation proceeding" (*procedura di liquidazione*) under the relevant legislation, as amended from time to time (in particular Insolvency Code, Italian Banking Act, Legislative Decree no. 170 of 21 May 2004, Regulation EU 2015/848 related to insolvency procedure and Directive 2014/59/EU and the relevant implementing laws, including, without limitation the procedures for the resolution of the over-indebtedness crisis (*procedure per la composizione della crisi da sovraindebitamento*), any of the situations provided for under articles 2446, 2447, 2482-bis or 2482-ter of the Italian Civil Code or any similar situation), as well as any similar proceedings in any jurisdiction or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation

(except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, in respect of each Loan Agreement, each monetary amount due periodically by the relevant Debtor pursuant to the relevant Loan Agreement, including a Principal Instalment and an Interest Instalment.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Initial 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, as from time to time modified.

"**Interest Determination Date**" means (a) with respect to the First Interest Period, the date falling two Business Days prior to the relevant 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.

"**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 Interest Rates and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the "**First Interest Period**" shall commence on (and include) the relevant Issue Date and end on (but exclude) the relevant First Payment Date.

"**Interest Rate**" shall have the meaning ascribed to it in Condition 7.5 (*Rate of Interest*).

"**Investors Report**" means the report to be prepared and delivered on each Investors Report Date by the Calculation Agent, pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investors Report Date**" means the 10th Business Day following each Payment Date.

"**Issue Date**" means (i) in respect of the Series 1 Notes, the Initial Issue Date, and (ii) in respect of the Series 2 Notes, the Subsequent Issue Date.

"**Issue Price**" means 100% of the aggregate principal amount as at the relevant Issue Date of the Notes.

"**Issuer**" means Colt SPV S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via Vittorio Alfieri, 1, 31015

Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso – Belluno No. 05355840264, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under no. 35980.2 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, on each Calculation Date, the available funds of the Issuer in respect of the immediately following Payment Date which are constituted by the aggregate of (without duplication):

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables and credited into the Collection Account during the immediately preceding Collection Period;

(ii) all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Enforcement Priority of Payments (or, in the case of the First Payment Date, all amounts transferred on the Cash Reserve Account on the relevant Issue Date);

(iii) an amount equal to the sum of (a) the relevant Set-Off Loss, as indicated in the relevant Quarterly Servicer's Report and (b) the relevant Set-Off Reserve Released Amount;

(iv) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;

(v) 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;

(vi) all amounts received by the Issuer from the Originator pursuant to the Initial Receivables Purchase Agreement, the Subsequent Receivables Purchase Agreement, the Initial Warranty and Indemnity Agreement, the Subsequent Warranty and Indemnity Agreement, the Servicing Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(vii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Payments Account on the relevant Issue Date as issue price of the Notes in excess of any amount to be paid by the Issuer on the relevant Issue Date;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

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

"**Issuer's Rights**" means all of 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.

"**JP Morgan SE**" means J.P. Morgan SE, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, acting in the context of the Securitisation in its capacity as Arranger.

"**Junior Notes Principal Payment Amount**" means, on each Calculation Date, the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Junior Notes on such Calculation Date; and

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Junior Notes Principal Payment Amount.

"**Junior Notes Retained Amount**" means an amount equal to (a) Euro 10,000 or (b) zero, 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.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**Liquidity Decree**" means Italian law decree 8 April 2020, No. 23, converted with amendments into law 5 June 2020, No. 40 (as from time to time amended and supplemented).

"**List of Receivables**" means the list of Receivables attached under annex B to the relevant Receivables Purchase Agreement.

"**Loan**" means each loan granted to the Debtors pursuant to the relevant Loan Agreements.

"**Loan Agreement**" means each loan agreement from which a Receivable arises.

"**Loan by Loan Report**" means the quarterly report setting out certain information about the Receivables requested by article 7(1) of the EU Securitisation Regulation, which shall be

prepared and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Initial Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**MCC Guarantees**" means the direct guarantees issued in relation to certain Loans, granted by the CGFS Fund, also pursuant to the Liquidity Decree.

"**Mezzanine Notes Principal Payment Amount**" means, on each Calculation Date, the principal amount to be paid on the Mezzanine Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Mezzanine Notes on such Calculation Date; and

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Mezzanine Notes Principal Payment Amount.

"**Monthly Servicer's Report**" means the monthly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the 10 Business Day of each month of each year, provided that the first Monthly Servicer's Report Date will fall in March 2023.

"**Moody's**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Moody's Investors Service España, S.A., and (ii) in any other case, any entity of Moody's Investors Service, Inc which is either registered or not under the EU CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Mezzanine Notes, or (iii) following the full repayment of the Senior Notes and the Mezzanine Notes, the Junior Notes.

"**Noteholders**" means, collectively, the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders.

"**Notes**" means, collectively, the Rated Notes and the Junior Notes.

"**Notes Subscriber**" means illimity Bank S.p.A.

"**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 Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

"**Originator**" means illimity Bank S.p.A.

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

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

"**Paying Agent**" means The Bank of New York Mellon SA/NV - Milan Branch or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payment Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT15S0335101600004384479780), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means the 25th calendar day of February, May, August and November (or, if such day is not a Business Day, the immediately succeeding Business Day).

"**Payments Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Portfolio**" means the Initial Portfolio and the Subsequent Portfolio.

"**Post Enforcement Priority of Payments**" means the order of priority of payments set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

"**Post Trigger Report**" means the report to be prepared and delivered by the Calculation Agent following the delivery of a Trigger Notice pursuant to the Cash Allocation, Management and Payments Agreement.

"**Pre Enforcement Priority of Payments**" means the order of priority of payments set out in Condition 6.1.

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

"**Principal Outstanding Amount**" means, in relation to a certain date and to any Note, the nominal amount due for that Note as at the relevant Issue Date, *minus* the amounts in respect of principal that have been paid in relation to such Note prior to such date.

"**Priority of Payments**" means the Pre Enforcement Priority of Payments and/or the Post Enforcement Priority of Payments, as the case may be.

"**Purchase Price**" means: (i) with reference to the Initial Receivables Purchase Agreement, Euro 534,172,572.14; and (ii) with reference to the Subsequent Receivables Purchase Agreement, Euro 220,988,269; and "**Purchase Prices**" means the aggregate of the Purchase Price of each Receivables Purchase Agreement.

"**Quarterly Servicer's Report**" means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the tenth Business Day of February, May, August and November of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer's Report Date shall fall in February 2022.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT 71 Z 03 26661 62000 0014113930), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Quotaholder**" means Stichting Quarzo.

"**Quotaholder's Agreement**" means the quotaholder's agreement entered into on or about the Initial Issue Date between the Quotaholder and the Issuer as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Rated Notes**" means, collectively, the Senior Notes and the Mezzanine Notes.

"**Rating Agencies**" means ARC Ratings, DBRS and Moody's.

"**Receivables**" means any and all current, future or potential monetary claims which have arisen or will arise in connection with any Loan Agreements whose receivables have been transferred by the Originator to the Issuer pursuant to the Receivables Purchase Agreements.

"**Receivables Purchase Agreements**" means the Initial Receivables Purchase Agreement and the Subsequent Receivables Transfer Agreement.

"**Reference Rate**" means Euribor or any such alternative rate determined according to Condition 7.16 (*Fallback Provisions*) which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities.

"**Regulatory Technical Standards**" means the regulatory or implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation.

"**Reporting Entity**" means illimity.

"**Representative of the Noteholders**" means Banca Finanziaria Internazionale S.p.A. or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Repurchase Agreement**" means the repurchase agreement entered into on or about the Subsequent Issue Date between the Issuer and the Originator.

"**Retention Amount**" means (a) on the Initial Issue Date the amount of Euro 50,000 and (b) on each Payment Date thereafter, the difference between (i) Euro 50,000 and (ii) any amount standing to the credit of the Expenses Account on the Collection Date immediately preceding such Payment Date.

"**Rules of the Organisation of the Noteholders**" means the rules governing the Organisation of the Noteholders, attached to these Conditions.

"**SACE**" means SACE S.p.A.

"**SACE Guarantees**" means the direct guarantees granted by SACE S.p.A. in relation to certain Receivables pursuant to (i) Article 1, paragraph 1 of the Liquidity Decree, or (ii) Article 15 of the Aid Decree.

"**Sanctions**" means any economic or financial sanctions (of a nature similar to sanctions directly issued by OFAC) or trade embargoes or related restrictive measures imposed by a Sanctioning Body each as amended, supplemented or substituted from time to time.

"**Scheduled Instalment Date**" means the date on which a Principal Instalment is due under each Loan Agreement.

"**Securitisation**" means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

"**Securitisation Law**" means the Italian law No. 130 dated 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Repository**" means the website of European DataWarehouse (being, as at the date of this Information Memorandum, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified by the Originator to the investors in the Notes.

"**Security Interest**" means:

(i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(ii) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(iii) any other type of preferential arrangement having a similar effect.

"**Segregated Assets**" means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

"**Senior Notes Principal Payment Amount**" means, on each Calculation Date, the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Senior Notes on such Calculation Date; and

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Senior Notes Principal Payment Amount.

"**Servicer**" means illimity Bank S.p.A.

"**Servicing Agreement**" means the servicing agreement entered into on 6 December 2022 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Set-Off Loss**" means, with reference to each Payment Date, the cumulative offset amounts by the Debtors (to the extent that the Originator has not indemnified the Issuer in respect of such amounts in accordance with the provisions of the Warranty and Indemnity Agreements) during the Collection Period immediately preceding such Payment Date, as reported in the relevant Quarterly Servicer's Report.

"**Set-Off Reserve**" means the reserve fund established by the Issuer on the Initial Issue Date on the Set-Off Reserve Account and increased on the Subsequent Issue Date for an amount equal to Euro 13,112,910.

"**Set-Off Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT59X0335101600004399519780), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Set-Off Reserve Released Amount**" means, with reference to each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount equal to the positive difference between (i) the balance of the Set-Off Reserve Account on the relevant Calculation Date, net of any payment to be made on the immediately following Payment Date to pay the relevant Set-Off Loss, and (ii) the Set-Off Reserve Required Amount with reference to such Payment Date.

"**Set-Off Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to Euro 37,041,910 *minus* (a) the cumulative offset amounts by the Debtors (to the extent that the Originator has not indemnified the Issuer in respect of such amounts in accordance with the provisions of the Warranty and Indemnity Agreements) as of the Collection Date preceding such Payment Date as reported in the Quarterly Servicer's Report; and (b) all the amounts withdrawn by the relevant Debtors after(i) 10 December 2022 for Debtors in relation to the Initial Receivables only and (ii) 12 December 2023 for the other Debtors, in relation to such deposits (net of any amount guaranteed by the Italian Government on the deposits) or in relation to other financial obligation otherwise extinguished, as reported in the Quarterly Servicer's Report; provided that the Set-Off Reserve Required Amount shall not in any case be lower than the lesser of (x) Euro 8,443,074 and (y) the outstanding amount of the Loans of such relevant Debtors, as indicated in the relevant Quarterly Servicer's Report and *further provided that* the Set-Off Reserve Required Amount will be equal to 0 (zero) 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 are sufficient to repay in full on such Payment Date the Rated Notes.

"**Stichting Corporate Services Agreement**" means the stichting corporate services agreement entered into on or about the Initial Issue Date between the Issuer, the Stichting Corporate Services Provider and the Quotaholder, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto.

"**Stichting Corporate Services Provider**" means 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, and registered in England and Wales at No. 02548079.

"**Subordination Event**" means the event which occurs when, prior to the service of a Trigger Notice, the Cumulative Default Ratio is higher than 5%.

"**Subscription Agreements**" means the Initial Subscription Agreement and the Subsequent Subscription Agreement.

"**Subsequent Issue Date**" means 14 December 2023.

"**Subsequent Portfolio**" means the portfolio of the Subsequent Receivables purchased by the Issuer from the Originator on 5 December 2023 pursuant to the terms of the Subsequent Receivables Purchase Agreement.

"**Subsequent Receivables Purchase Agreements**" means the receivables purchase agreement entered into between the Issuer and the Originator on 5 December 2023, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subsequent Subscription Agreement**" means the agreement for the subscription of the Series 2 Notes entered into on or about the Subsequent Issue Date between the Issuer, the Notes Subscriber, the Originator, the Arrangers and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subsequent Warranty and Indemnity Agreement**" means the agreement entered into on 5 December 2023 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Subsidiary**" of any Italian company means any *società controllata* (subsidiary) and/or *società collegata* (affiliate company) of such company within the meaning of the article 2359 of the Italian Civil Code.

"**TARGET System**" means the TARGET2 system.

"**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.

"**TARGET2 Day**" means any day on which the TARGET System is open.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

"**Tax Deduction**" means any deduction or withholding on account of Tax.

"**Three Month Euribor**" means the Euribor 3 month tenor.

"**Transaction Documents**" means, collectively, the Receivables Purchase Agreements, the Warranty and Indemnity Agreements, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, these

Conditions, this Information Memorandum, the Repurchase Agreement and any other document which may be entered into in order to perfect the Securitisation.

"**Transaction Party**" means any party to any of the Transaction Documents.

"**Transfer Date**" means (i) with respect to the Initial Portfolio, 6 December 2022; and (ii) with respect to the Subsequent Portfolio, 5 December 2023.

"**Trigger Event**" means any of the events described in Condition 12.1 (*Trigger Events*).

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Condition 12.2 (*Delivery of a Trigger Notice*).

"**Usury Law**" means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

"**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 Agreements**" means the Initial Warranty and Indemnity Agreement and the Subsequent Warranty and Indemnity Agreement.

2.2. *Interpretation*

2.2.1. *References in Condition*

Any reference in these Conditions to:

- "**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;
- a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;
- "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

- a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2. *Transaction Documents and other agreements*

Any reference to a document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3. *Transaction parties*

A reference to any person defined as a "**Transaction Party**" in these Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

3. DENOMINATION, FORM AND TITLE

3.1. *Denomination*

The denomination of the Class A-1 Notes and the Class B-1 Notes are and the Class B-2 Notes will be, Euro 100,000 and integral multiples of Euro 10,000 in excess thereof. The denomination of the Class A-2 Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The denomination of the Class J-1 Notes are, and the Class J-2 Notes will be, Euro 10,000 and integral multiples of Euro 1,000 in excess thereof.

3.2. *Form*

The Notes are issued in bearer and dematerialised form and the Series 1 Notes are, and the Series 2 Notes 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 Joint Regulation.

3.3. *Title and Euronext Securities Milan*

the Series 1 Notes are, and the Series 2 Notes will be, held by Euronext Securities Milan on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Euronext Securities Milan Account Holders. No physical documents of title will be issued in respect of the Notes.

3.4. *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Euronext Securities Milan Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3.5. *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, SEGREGATION AND RANKING

4.1. *Status*

The Notes constitute direct, secured and limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the 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 under article 1469 of the Italian civil code.

4.2. *Segregation by law*

By virtue of the Securitisation Law, the Issuer's Rights, title and interest in and to the Portfolio and the other Segregated Assets are 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 and for so long as such cash flows are credited to one of the Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation.

4.3. *Ranking and subordination*

4.3.1. In respect of the obligation of the Issuer to pay interest on the Notes and Additional Return (as applicable) prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons

pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest and repayment of principal on the Mezzanine Notes and payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but (i) before the occurrence of a Subordination Event, subordinated to payment of interest on the Senior Notes and in priority to repayment of principal on the Senior Notes, the Mezzanine Notes and payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; or (ii) following the occurrence of a Subordination Event, subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal on the Mezzanine Notes and payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(c) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Rated Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but: (i) before the occurrence of a Subordination Event, subordinated to payment of interest on the Rated Notes and in priority to repayment of principal on the Mezzanine Notes and to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; or (ii) following the occurrence of a Subordination Event, subordinated to payment of interest on the Senior Notes and in priority to payment of interest and repayment of principal on the Mezzanine Notes and to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves but subordinated to payment of interest on the Rated Notes and payment of principal on the Senior Notes and in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Rated Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

In respect of the obligation of the Issuer, to pay interest on the Notes and Additional Return (as applicable) following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal on the Mezzanine Notes and payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the payment of interest and repayment of principal on the Senior Notes and in priority to the repayment of principal on the Mezzanine Notes and payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(c) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Rated Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest and repayment of principal on the Mezzanine Notes and to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Mezzanine Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the payment of interest and repayment of principal on the Senior Notes and payment of interests on the Mezzanine Notes and in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(c) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Rated Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

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

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, including the Originator, the Quotaholder or any Other Issuer Creditor. Furthermore, no person and none of such Transaction Parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

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 or contemplated by 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 further securitisations permitted pursuant to Condition 5.11 (*Covenants - 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, any further securitisation complying with Condition 5.11 (*Covenants - 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 *società controllata* (subsidiary) or *società collegata* (affiliate company) (each as defined in article 2359 of the Italian civil code) or any employees or premises; or

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 a foreclosure proceeding over the assets of the Debtors); or

5.2.5. become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

5.3. *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to any of its Quotaholder (or successor quotaholder(s)), 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 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5. *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Covenants – 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 Quota Capital Account or any bank account opened in relation to any further securitisation permitted pursuant to Condition 5.11 (*Covenants – Further securitisations*) below; or

5.9. *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10. *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity, or, in general, cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.11. *Further securitisations*

carry out any other securitisation transaction pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Rated Notes and the eligibility of the Senior Notes as eligible collateral

pursuant to the ECB Guidelines, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

6. PRIORITY OF PAYMENTS

6.1. *Pre Enforcement Priority of Payments*

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of an optional redemption of the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the "**Pre Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account, (b) to credit the Retention Amount into the Expenses Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Stichting Corporate Services Provider, the Back-up Servicer, the Corporate Services Provider and the Servicer;

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

Fifth, to credit the Cash Reserve Required Amount into the Cash Reserve Account;

Sixth, in case no Subordination Event has occurred, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Mezzanine Notes on such Payment Date;

Seventh, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Eighth, following the occurrence of a Subordination Event, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Mezzanine Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of Mezzanine Notes on such Payment Date;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

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

Twelfth, to pay, *pari passu* and *pro rata* the Principal Outstanding Amount of the Junior Notes until the Principal Outstanding Amount is equal to the Junior Notes Retained Amount; and

Thirteenth, to pay, *pari passu* and *pro rata,* the Additional Return on the Junior Notes.

6.2. *Post Enforcement Priority of Payments*

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the "**Post Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account; and (b) to credit the Retention Amount into the Expenses Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable),

the Calculation Agent, the Paying Agent, the Stichting Corporate Services Provider, the Back-up Servicer, the Corporate Services Provider and the Servicer;

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

Fifth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

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

Seventh, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Mezzanine Notes on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Tenth, to pay, *pari passu* and *pro rata* the Principal Outstanding Amount of the Junior Notes until the Principal Outstanding Amount is equal to the Junior Notes Retained Amount; and

Eleventh, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

7. INTEREST

7.1. *Accrual of interest*

Each Note bears interest on its Principal Outstanding Amount from (and including) the relevant Issue Date.

7.2. *Payment Dates and Interest Periods*

Interest on each Note will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is (i) with reference to the Series 1 Notes, the Payment Date falling on 27 February 2023; and (ii) with reference to the Series 2 Notes, the Payment Date falling on 26 February 2024, in respect of the relevant First Interest Period.

7.3. *Termination of interest accrual*

Each Note (or the portion of the Principal Outstanding Amount due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will

continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

7.4. *Calculation of interest*

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

7.5. *Rate of interest*

7.5.1. The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to (i) with reference to the Class A-1 Notes, 2% *per annum*; and (ii) (i) with reference to the Class A-1 Notes, 2.05% *per annum* (each, a "**Class A Margin**"), *provided that* the Senior Notes Interest Rate (being the Three Month Euribor plus the relevant Class A Margin) applicable on each of the Senior Notes shall not be negative. The Three Month Euribor applicable to the Senior Notes for each Interest Period 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 relevant First Interest Period, where the applicable Euribor will be determined two Business Days prior to the relevant Issue Date).

7.5.2. The rate of interest applicable from time to time in respect of the Mezzanine Notes (the "**Mezzanine Notes Interest Rate**") will be the Three Month Euribor (or, in the case of the relevant First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to (i) with reference to the Class B-1 Notes, 2.7% *per annum*; and (ii) with reference to the Class B-2 Notes, 2.75% *per annum* (each, a "**Class B Margin**"), *provided that* the Mezzanine Notes Interest Rate (being the Three Month Euribor plus the relevant Class B Margin) applicable on each of the Mezzanine Notes shall not be negative. The Three Month Euribor applicable to the Mezzanine Notes for each Interest Period 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 relevant First Interest Period, where the applicable Euribor will be determined two Business Days prior to the relevant Issue Date).

7.5.3. The Junior Notes will bear interest on their Principal Outstanding Amount from and including the relevant Issue Date at the rate equal to (i) with reference to the Class J-1 Notes, 5%*per annum*; and (ii) with reference to the Class J-2 Notes, 5.5% *per annum*

(each, a "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate and the Mezzanine Notes Interest Rate, the "**Interest Rates**").

7.6. *Determination of Interest Rates and calculation of Interest Payment Amounts*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

7.6.1. the Interest Rates applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the First Interest Period, beginning on and including the relevant Issue Date);

7.6.2. the Euro amount (the "**Interest Payment Amount**") payable as interest on a Note in respect of the following Interest Period calculated by applying the relevant Interest Rate to the Principal Outstanding Amount of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the relevant Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary.

7.7. *Notification of the Interest Rate, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

7.7.1. the Interest Rate applicable for the relevant Interest Period;

7.7.2. the Interest Payment Amount for each Note for the relevant Interest Period; and

7.7.3. the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Back-up Servicer, the Reporting Entity, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, Euronext Securities Milan, Euroclear, Clearstream and, with the cooperation of the Issuer, Borsa Italiana and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Euronext Securities Milan*) on or as soon as possible after the relevant Interest Determination Date.

7.8. *Amendments to publications*

The Interest Rate and the Interest Payment Amount for each Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9. *Determination by the Representative of the Noteholders*

If the Issuer (or the Paying Agent on behalf of the Issuer) does not at any time for any reason determine (or cause to be determined) any Interest Rate or calculate the Interest Payment Amount for the Notes in accordance with this Condition 7 (*Interest*), 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 relevant Interest Rate at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or (as the case may be)

7.9.2. determine (or cause to be determined) the Interest Payment Amount for each relevant Note in the manner specified in Condition 7.6 (*Determination of Interest Rates and calculation of Interest Payment Amounts*);

and any such determination shall be deemed to have been made by the Paying Agent.

7.10. *Unpaid interest with respect to the Notes*

Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the applicable Priority of Payments), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest.

7.11. *Additional Return*

An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the applicable Priority of Payments.

7.12. *Calculation of the Additional Return*

7.12.1. The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Calculation Agent to calculate the Euro amount (the "**Additional Return Amount**") payable on each Junior Note in respect of such Interest Period.

7.12.2. The Additional Return Amount payable in respect of any Interest Period in respect of each Junior Note will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Additional Return on the Junior Notes in accordance with the applicable Priority of Payments.

7.13. *Publication of the Additional Return*

The Issuer will, on each Calculation Date, cause the determination of the Additional Return Amount in respect of each Junior Note to be notified forthwith by the Calculation Agent through the delivery of the Payments Report to, *inter alios*, the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider and

the Reporting Entity, and will cause notice of the Additional Return Amount in respect of each Junior Note to be given in accordance with Condition 16 (*Notices*).

7.14. *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

7.15. *Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Servicer has been appointed. If a new Paying Agent is appointed notice of its appointment will be published in accordance with Condition 16 (*Notices*).

7.16. *Fallback Provisions*

7.16.1. If the Issuer or the Paying Agent determines at any time prior to, on or following any Interest Determination Date that a Benchmark Event has occurred, when any Senior Notes Interest Rate and/or Mezzanine Notes Interest Rate (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavors to appoint, prior to the next succeeding Interest Determination Date, an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Screen Page**") and an Adjustment Spread (if applicable) no later than 3 (three) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Senior Notes Interest Rate and/or Mezzanine Notes Interest Rate for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7.16);

(ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the

Euro, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

(iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reference Rate in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided however that* if (A) this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), *then* the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Screen Page as at the last preceding Interest Determination Date. For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 7.16;

(iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Screen Page shall be the benchmark and the Screen Page in relation to the Senior Notes and/or the Mezzanine Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7.16);

(v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula o methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a Senior Notes Interest Rate and/or Mezzanine Notes Interest Rate and Interest Payment Amount payable on the Senior Notes and/or Mezzanine Notes (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;

(vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Screen Page, the so called business day convention, the definition of "Business Day", the definition of "Interest Determination Date" and/or the definition of "Reference Rate", and the method for determining the fallback rate in relation to the Senior Notes and/or the Mezzanine Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread (if any), which changes shall apply to the Senior Notes and/or the Mezzanine Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7.16); and

(vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Screen Page and Adjustment Spread (if any) and at least 10 (ten) Business Days prior to the first applicable Interest Determination Date, give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Paying Agent, the Representative of the Noteholders and the Noteholders in accordance with Condition 16 (*Notices*).

7.16.2. For the purpose of this Condition 7.16, the following definitions shall apply.

"**Adjustment Spread**" means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable).

"**Benchmark Event**" means:

(a) the Reference Rate has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(b) a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(e) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or

(f) it has or will become unlawful for the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Reference Rate (as applicable).

The change of the Reference Rate methodology does not constitute a Benchmark Event. In the event of a change in the formula and/or (mathematical or other) methodology used to measure the relevant benchmark, reference shall be made to the Reference Rate based on the formula and/or methodology as changed.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement)

determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

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 Outstanding Amount, *plus* any accrued but unpaid interest and Additional Return (if any), 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 (*Redemption, Purchase and Cancellation – Mandatory redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).

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 applicable 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 Senior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2;

8.2.2. the Mezzanine Notes to be redeemed on such Payment Date in an amount equal to the Mezzanine Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2; and

8.2.3. the Junior Notes to be redeemed on such Payment Date in an amount equal to the Junior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2.

8.3. *Optional redemption*

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

8.3.1. giving not more than 60 days and not less than 30 days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders and to the

Noteholders of its intention to redeem the Notes in accordance with Condition 16 (*Notices*); and

8.3.2. having produced, prior to the notice referred to in Condition 8.3.1 above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

8.4. *Optional redemption for taxation reasons*

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

8.4.1. any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

8.4.2. any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation,

and provided that the Issuer:

8.4.3. has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

8.4.4. has produced evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments,

the Issuer may redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued and unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments.

8.4.5. *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) or Condition 8.4 (*Redemption, Purchase and Cancellation – 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.

8.5. *Calculation of Issuer Available Funds, Principal Payment Amount and Principal Outstanding Amount*

8.5.1. 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 Principal Payment Amount due on each Note of each Class on the next following Payment Date; and

(c) the Principal Outstanding Amount of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of each Class).

8.5.2. The principal amount redeemable in respect of each Note of each Class (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the Senior Notes Principal Payment Amount or Mezzanine Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) due in respect of such Class of Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Senior Notes Principal Payment Amount, the Mezzanine Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) on such date by a fraction, the numerator of which is the then Principal Outstanding Amount of each Note of such Class and the denominator of which is the then Principal Outstanding Amount 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 Outstanding Amount of the relevant Note.

8.6. *Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Outstanding Amount in relation to each Note, to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent and, for so long as the Rated Notes are admitted to trading on Euronext Access Milan Professional Segment, Borsa Italiana S.p.A. and will cause notice of each calculation of Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be given in accordance with Condition 16 (*Notices*) not later than four Business Days prior to each Payment Date.

8.7. *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 four Business Days prior to such Payment Date.

8.8. *Notice Irrevocable*

Any such notice as is referred to in Conditions 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*) and 8.6 (*Redemption, Purchase and Cancellation – Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) or Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes in the amount so published.

8.9. *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.10. *Cancellation*

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1. *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents. In particular,

9.1.1. (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) is entitled, otherwise than as permitted by the Transaction Documents, to directly enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents;

9.1.2. no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition shall not prevent the Noteholders – in compliance with the Rules – from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which do not amount to the commencement or to the threat of commencement to initiating an Insolvency Event in relation to the Issuer;

9.1.3. until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which 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 the Noteholders may then only proceed subject to the provisions of the Conditions; and

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

9.2. *Limited recourse obligations of the Issuer*

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

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 applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

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

10. PAYMENTS

10.1. *Payments through Euronext Securities Milan*

Payment of any amounts in respect of the Notes will be credited, directly or indirectly, according to the instructions of Euronext Securities Milan, by the Paying Agent on behalf of the Issuer to the accounts of the Euronext Securities Milan Account Holders in whose accounts with Euronext Securities Milan the Notes are held and thereafter credited by such Euronext Securities Milan Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Euronext Securities Milan, Euroclear or Clearstream, as the case may be.

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*

The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4. *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that (for as long

as the Rated Notes are admitted to trading on Euronext Access Milan Professional Segment, and the rules of Euronext Access Milan so require) the Issuer will at all times maintain a paying agent with a Specified Office in Italy. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Condition 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, the Paying Agent, or other person (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2. *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or other person (as the case may be) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

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 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*

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

(ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2. *Breach of representations and warranties*

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

12.1.3. *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to (a) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.4. *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

12.1.5. *Winding up etc.*

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

12.1.6. *Unlawfulness*

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

12.2. *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 13 (*Enforcement*):

12.1.1. in the case of a Trigger Event under Conditions 12.1.1, 12.1.4 and 12.1.5 above, shall; and

12.1.2. in the case of a Trigger Event under Conditions 12.1.2, 12.1.3 and 12.1.6 above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 12.3 is met, shall,

deliver a written notice (the "**Trigger Notice**") to the Issuer.

12.3. .*Conditions to delivery of a Trigger Notice*

Notwithstanding Condition 12.2.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4. *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Additional 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 Outstanding Amount, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

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 and clause 7.2 of the Intercreditor Agreement.

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 Euronext Securities Milan*

Any notice regarding the Notes of each Class, as long as such Notes are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan.

16.2. *Notices in Italy*

As long as the Rated Notes are admitted to trading on Euronext Access Milan Professional Segment, and the rules of Euronext Access Milan so require, any notice to Senior Noteholders and/or the Mezzanine Noteholders shall also be published in accordance with the rules of such multilateral trading facility and in any other manner as required by the regulation applicable from time to time. Any such notice shall be deemed to have been given on the date of such

publication or, if published more than once or on different dates, on the first date on which publication is made in one of the manners referred to above.

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 on which the Rated Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

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 Paying Agent or any paying agent appointed under Condition 10.4 (*Change of 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 or wilful default) be binding on the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of 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 Paying Agent or any paying agent appointed under Condition 10.4 (*Change of 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 and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3. *Jurisdiction of courts in relation to the Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out thereof or in connection therewith.

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 by Colt SPV S.r.l. (the "**Issuer**") of and subscription for the Euro 375,000,000 Class A Asset Backed Floating Rate Notes due February 2040 (the "**Class A-1 Notes**"), the Euro 79,100,000 Class B Asset Backed Floating Rate Notes due February 2040 (the "**Class B-1 Notes**"); the Euro 116,012,000 Class J Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-1 Notes**" and, together with the Class A-1 Notes and the Class B-1 Notes, the "**Series 1 Notes**"); the Euro 113,700,000 Class A-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Senior Notes**"), the Euro 20,300,000 Class B-2 Asset Backed Floating Rate Notes due February 2040 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Mezzanine Notes**" and, together with the Senior Notes, the "**Rated Notes**") and the Euro 4,140,000 Class J-2 Asset Backed Fixed Rate and Additional Return Notes due February 2040 (the "**Class J-2 Notes**" and, together with the Class J-1 Notes, the "**Junior Notes**"; the Junior Notes, together with the Rated Notes, the "**Notes**") and is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Additional Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to alter the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) to change this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the 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.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that certain specified Notes are held to the order of the 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

  (ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

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

"**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.

"**Euronext Securities Milan**" means Euronext Securities Milan S.p.A.

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

"**Most Senior Class of Noteholders**" means, at any Payment Date, (i) the Senior Noteholders, (ii) at any date following the date of full repayment of all the Senior Notes, the Mezzanine Noteholders and (iii) at any date following the date of full repayment of all the Rated Notes, the Junior Noteholders.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Mezzanine Notes, or (iii) following the full repayment of the Rated Notes, the Junior Notes.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively.

"**Specified Office**" means (i) with respect to the Paying Agent (a) the office specified against its name in clause 20.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 15.10 (*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 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 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 a Trigger Notice*).

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the 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 Euronext Securities Milan Account Holder in accordance with the Joint Regulation; or

(b) a certificate issued by the 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 Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written 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 Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 **Issue**

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Euronext Securities Milan Account Holder to issue a certificate in accordance with the Joint Regulation.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the 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 Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Euronext Securities Milan) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 **Deemed Holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Euronext Securities Milan Account Holder, the bearer thereof in the case of a Voting Certificate issued by a Paying Agent and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 **References to the blocking or release**

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate

or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Euronext Securities Milan Account Holder.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Outstanding Amount of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place (being in the European Union),selected or approved by the Representative of the Noteholders.

6.4 Meetings via audio conference or teleconference

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may, also through its chairman office (if any), ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. NOTICE

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day on which the relevant notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place (being in the European Union) of the Meeting, must be given to the relevant Noteholders, the Paying Agent and any other agent appointed under Condition 10.4 (*Change of 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 Euronext Securities Milan Account Holder in accordance with the provisions of the Joint Regulation and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the 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 (*Notice*) are not complied with if the Holders of the Notes constituting the Principal Outstanding Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 **Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. **QUORUM**

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent. of the Principal Outstanding Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Outstanding Amount of the Notes so held or represented in such Class.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to Articles 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and not later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (being in the European Union). No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of quorum*).

13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 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 Outstanding Amount of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each Euro 1,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he/she exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. VOTING BY PROXY

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. ORDINARY RESOLUTIONS

18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Ordinary Resolution of a single Class

18.2.1 No Ordinary Resolution of the Class B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that there are Class A Notes then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Ordinary Resolution of the Class A Noteholders (to the extent that there are Class A Notes then outstanding); and

18.2.2 No Ordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially

prejudicial to the interests of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Ordinary Resolution of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding).

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**

19.3.1 No Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that there are Class A Notes then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that there are Class A Notes then outstanding); and

19.3.2 No Extraordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding).

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Articles 18.2 (*Ordinary Resolution of a single Class*), 19.2 (*Basic Terms Modification*) and 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and (i) any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Mezzanine Noteholders and the Junior Noteholders; (ii) any resolution passed at a Meeting of the Mezzanine Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders, and all of the relevant

Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 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 Article 26 (*Individual actions and remedies*) 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 (*Appointment, removal and remuneration*), except for the appointment of the first Representative of the Noteholders which will be Banca Finanziaria Internazionale S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree No. 141 of 13 August 2010, as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute

Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Initial Issue Date, as agreed either in the initial agreement(s) for the issue and subscription of the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three calendar months from the written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 **Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 **Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 **Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings (including insolvency proceedings).

30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Rated Notes have a rating issued by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

The Representative of the Noteholders, save as expressly otherwise provided herein or in any other Transaction Document, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or the Back-up Servicer 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, the Back-up Servicer and the 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, damage, claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a Trigger Notice pursuant to Condition 12.3.

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 Euronext Securities Milan Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Euronext Securities Milan Account Holder in accordance with the Joint Regulation, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the 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 Transaction 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 Transaction Party; or

32.8.3 as to such Transaction Party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so

unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **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 (*Covenants – Further securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 Binding Notice

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer

Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. WAIVER

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Outstanding Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to notices and the relevant Transaction Documents.

35. INDEMNITY

Pursuant to the 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 them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

EXPECTED MATURITY AND WEIGHTED AVERAGE LIFE OF THE CLASS A-2 NOTES AND THE CLASS B-2 NOTES

The maturity and average life of the Class A-2 Notes and the Class B-2 Notes cannot be predicted, as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown.

Calculations as to the expected maturity and average life of the Class A-2 Notes and the Class B-2 Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The tables below show the expected average life and the expected maturity of the Class A-2 Notes and the Class B-2 Notes, based, among other things, on the following assumptions:

(i) the Issuer will not exercise the Optional Redemption pursuant to Condition 8.3 (*Optional Redemption*) or Redemption for Taxation pursuant to Condition 8.4 (*Redemption for Taxation*);

(ii) the option rights granted by the Issuer to the Originator to purchase the Portfolio, in whole or in part, pursuant to clause 12 of the Receivables Purchase Agreements shall not be exercised;

(iii) all instalments due under the Loans are duly and timely paid;

(iv) there will be no Defaulted Receivables;

(v) the Receivables will be subject to a constant annual prepayment at such rates as shown in the tables below, in equal monthly portions starting from the relevant Cut-Off Date;

(vi) the instalments under the Loans will not be renegotiated upon request of the Debtors;

(vii) no Trigger Event will occur in respect of the Notes;

(viii) no Subordination Event will occur;

(ix) the terms of the Loans will not be affected by the provisions of any legal provision authorising borrowers to suspend payment of interest and/or principal instalments; and

(x) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents.

The actual performance of the Receivables is 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 Class A-2 Notes and Class B-2 Notes to differ (which difference could be material) from the corresponding information in the following tables.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Class A-2 Notes and Class B-2 Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

CLASS A-2 NOTES

CONSTANT PREPAYMENT RATE (% PER ANNUM)	Estimated Weighted Average Life (years)
0.0%	1.6
2.5%	15
5.0%	1.4
7.5%	1.3
10.0%	1.3

CLASS B-2 NOTES

CONSTANT PREPAYMENT RATE (% PER ANNUM)	Estimated Weighted Average Life (years)
0.0%	3.2
2.5%	3.1
5.0%	3.0
7.5%	2.9

10.0%	2.8

The estimated maturity and the estimated weighted average life of the Class A-2 Notes and the Class B-2 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.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Information Memorandum and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Information Memorandum.

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and subsequently amended and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies, *inter alia*, to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the assigned debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**") and Italian Law Decree No. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduced certain amendments to the Securitisation Law for the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law.

In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;
2. payments made by assigned debtors under securitised claims are not subject to the

declaration of ineffectiveness pursuant to Article 164, first paragraph of the Insolvency Code;

3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (*i.e.,* the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply; and

4. where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor.

5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so-called micro-companies, subject to certain conditions;

7. certain consequential changes are made to the Securitisation Law to reflect such new possibility;

8. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Amendments to the Securitisation Law introduced by 2019 Budget Law

Law No. 145 of 30 December 2018 (the "**2019 Budget Law**"), as published in the Official Gazette No. 302 of 31 December 2018, provided, *inter alia*, for certain amendments to the Securitisation Law applicable as of 1 January 2019.

In particular, 2019 Budget Law introduced new measures to the Securitisation Law aiming at:

(i) further favouring the realization of securitisations through the purchase or subscription by the SPV of, inter alia, bonds or debt securities, by providing that where the notes issued in the context of the securitisation are to be purchased by qualified investors pursuant to article 100 of the Consolidated Financial Act, certain restrictions do not apply;

(ii) allowing SPVs to grant financings also in conjunction with and in addition to the transactions

provided for under article 1, paragraphs 1 and 1-bis of the Securitisation Law;

(iii) clarifying certain aspects of article 7, paragraph 1(a) of the Securitisation Law, on lending operations carried out by the SPV vis-à-vis the transferor;

(iv) extending the application of the Securitisation Law to securitisation transactions concerning the securitisation of proceeds deriving from the ownership or other rights on real estates, registered movable properties; and

(v) introducing new measures allowing the borrowers of the SPV to segregate the claims and assets representing the guarantee for the financings received and/or to constitute a pledge over such claims and assets.

Further amendments to the Securitisation Law have been made by (i) Law Decree No. 34 of 30 April 2019 (*Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*), converted into law with amendments by Law No. 58 of 28 June 2019 (the "**Decreto Crescita**") and (ii) Law Decree No. 162 of 30 December 2019 (*Misure urgenti in materia di proroga di termini legislativi, di organizzazione delle pubbliche amministrazioni, nonché di innovazione tecnologica*) converted into law with amendments by Law No. 8 of 28 February 2020 (the "**Decreto Milleproroghe**").

Amendments to the Securitisation Law introduced by 2021 Budget Law

Law No. 178 of 30 December 2020, published in the Official Journal No. 322, Ordinary Supplement No. 46, of 30 December 2020 (the "**2021 Budget Law**"), has introduced, *inter alia*, certain amendments to the Italian Securitisation Law.

In particular, the following main changes have been introduced:

(i) the SPVs may finance the acquisition of receivables by borrowing from third parties instead of issuing securities. This amendment significantly broadens the ways in which SPVs can raise finance in line with what is provided for in other European jurisdictions, where the relevant securitisation's laws provide that the SPVs can also raise finance through other bank debt instruments, such as loans. Should be a securitisation transaction set up thereby, references in the Securitisation Law to securities should be to financings and references to security holders should be to creditors of payments due by the funded entity under such financings;

(ii) the provisions regarding the segregation which has been extended to all sums paid by the assigned debtor(s) or "however received in satisfaction of the assigned receivables": so, the rule provides that all such sums have to be used exclusively, by the SPVs to satisfy the rights incorporated in the securities issued, by the same or by another company, or deriving from financing granted to the same by entities authorised to the activity of granting financing, to finance the purchase of such credits, as well as to pay the costs of the operation. Moreover, the aside mentioned above ("the sums ... however received in satisfaction of the assigned

claims") aims to overcome the limitation imposed by the literal wording of Securitisation Law in referring only to the sums paid by the debtor(s).

(iii) a clarification to the interpretation of the rules set forth in article 7.1, paragraph 4, first sentence, of Securitisation Law regarding the securitisation of non-performing loans confirming the possibility for securitisation special purpose vehicles to acquire assets and contractual relationships also in the context of corporate transactions has been provided. Paragraph 4 of Article 7.1 recognises the possibility of establishing special purpose vehicles (the so-called ReoCos or LeaseCos) to directly acquire real estate and other (registered) assets securing the relevant receivables, including property financed by leasing contracts, regardless of whether such contracts have been terminated, together with the related contractual rights. In such respect, the 2021 Budget Law clarifies that this provision is to be interpreted in the sense that the acquisition by the ReoCos or LeaseCos does not necessarily have to take place through sale and purchase transactions, but may also be carried out through demergers or other aggregation transactions.

Further amendments to the Securitisation Law have been made by Legislative Decree No. 190 of 5 November 2021(*Disposizioni per l'attuazione della direttiva (UE) 2019/2162 relativa all'emissione di obbligazioni garantite e alla vigilanza pubblica delle obbligazioni garantite e che modifica la direttiva 2009/65/CE e la direttiva 2014/59/UE, e per l'adeguamento della normativa nazionale alle disposizioni del regolamento (UE) 2019/2160, che modifica il regolamento (UE) n. 575/2013, per quanto riguarda le esposizioni sotto forma di obbligazioni garantite. Modifiche alla legge 30 aprile 1999, n. 130*), published in the Official Journal No. 285 of 30 November 2021.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including, for the avoidance of doubt, any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's Accounts under the Securitisation and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has

been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 ("**Law 116/2014**") in order to include not only the relevant receivables but also (i) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (ii) the cash-flows deriving from the relevant receivables and such monetary rights and (iii) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to file any petition in the relevant insolvency proceeding and outside any distribution plan.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or

winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration of the transfer in the companies register for the place where the Issuer has its registered office, so avoiding the need for individual notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment *vis-à-vis* the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (b) any other assignee of the originator who has failed to render its purchase of

receivables enforceable against any third party prior to such date;

(c) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law may be clawed back under article 166 of the Insolvency Code but only in the event that the relevant party was insolvent when the assignment was entered into and the petition for admission to judicial liquidation (*liquidazione giudiziale*) of the relevant party is filed within three months or, in cases where paragraph 1 of article 166 applies, within six months of the securitisation transaction (under the Securitisation Law the 1 year and 6 months suspect periods provided by article 166 of the Insolvency Code are reduced to 6 months and 3 months respectively).

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any clawback action according to article 166 of the Insolvency Code. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 164, first paragraph of the Insolvency Code.

Notice of the sale of the Receivables comprised in the Portfolio pursuant to the Receivables Purchase Agreement by the Originator to the Issuer was published on the Official Gazette No. 143, Part II, on 10 December 2022 and registered with the Register of Enterprises of Treviso-Belluno on 7 December 2022.

The enforceability of the transfer of the Receivables against the debtors is governed by the ordinary regime provided for by the Italian Civil Code. As a result, the transfer of the receivables from the assignor to the assignee will become enforceable (*opponibile*) against the relevant debtors only at such time as a notice (in any form) of the relevant assignment from the assignor to the assignee has been given to the relevant debtors, or the relevant debtors have accepted such assignment, in each case in accordance with the provisions of article 1264 of the Italian Civil Code.

The Issuer

Under the provisions of Article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (Articles from 2410 to 2420) are inapplicable to the Issuer. According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Attachment of Debtor's credits

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

Subrogation

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 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 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.

Recoveries under the Loans

Following default by a Debtor under a Loan, the Servicer will be required to take steps to recover the sums due under such Loan in accordance with its Credit and Collection Policies and the Servicing Agreement.

The Servicer may take steps to recover the deficiency from the relevant Debtor. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the relevant Debtor if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of and the time involved in carrying out legal or insolvency proceedings against the Debtor and the possibility for challenges, defences and

appeals by the Debtor, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Loan.

In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor's (or guarantor's) goods, claims or real estate assets, if the lender has previously been granted a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

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

Forced sale proceedings are directed against the debtor's properties following notification of an *atto di precetto* to the relevant debtor together with a *titolo esecutivo*, i.e. an instrument evidencing the nature of the claim and its enforceability at law.

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

Estimates of the cost for the enforcement of security interests have to be made on a case by case basis. The creditor is required to pay, in advance, the expenses of the judicial enforcement proceeding (including the fees of the expert appointed by the court to appraise the assets subject to enforcement).

A judicial enforcement proceeding is initiated through a formal payment request served upon the debtor and the third party who granted the security interest (if different from the debtor) by a competent court, giving at least 10 days to pay the debt (*atto di precetto*).

Once the above term of payment expires, the subsequent steps of judicial enforcement proceeding vary depending on the type of security interest to be enforced (e.g. mortgages, pledges over shares or other movable assets etc).

Under Article 1247 of the Italian Civil Code, the third party, who granted the security interest (a mortgage or a pledge) in favour of the debtor, has the right to set-off debts which the creditor owes to the debtor against those claims the creditor has against the debtor.

Generally, the enforcement of the security interest is carried out by a sale that is controlled by the competent court. When an enforcement proceeding has been commenced by one creditor, other creditors may intervene. The proceeds of the sale are allocated to (i) reimburse the expenses of the enforcement proceeding and (ii) pay the secured creditor who initiated the proceeding and any other

creditor who intervened in the enforcement proceeding (the secured creditors have precedence over unsecured creditors). Any residual amount is returned to the debtor (or to the third party who granted the security interest).

Generally, the enforcement of a mortgage is time consuming considering that it may take several years.

Enforcement procedures are regulated by the ordinary enforcement rules of the Italian Civil Procedure Code (ICPC), applicable to both individual/natural persons and corporations.

Prospective investors in the Notes should note that, as better detailed under the risk factors headed "*Performance of the Portfolio*", the Portfolio is secured by Public Guarantees for the 78% of the Outstanding Principal of the Receivables. With respect to risks relating to such Public Guarantees, please make reference to the risk factors headed "*Performance of the Portfolio*", "*Management of the MCC Guarantees*" and "*Management of the SACE Guarantees*".

Insolvency proceedings

The Italian insolvency laws and regulations have recently been recently replaced by a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the Insolvency Code). More specifically, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 of January 12, 2019 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the "**Legislative Decree**"), which enacts the Insolvency Code. The Legislative Decree was published in the Gazzetta Ufficiale on February 14, 2019 no. 38—Suppl. Ordinario no. 6.

The main innovations introduced by the Insolvency Code include: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis"; (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different judicial insolvency proceedings provided for by the same Insolvency Code; (iv) the adoption of definition of debtor's "centre of main interest" as provided in the new set of rules concerning group restructurings; (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favour going concern proceedings; (vi) the introduction of provisions dedicated to the group of companies; (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) the introductions of specific provisions in relation to the adoption of the measures and arrangements aimed at the early detection of business crisis; and (ix) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness

of the reform. The Insolvency Code has been amended and supplemented, *inter alia*, by Legislative Decree No. 147 of October 26, 2020, providing the first corrective intervention to the Insolvency Code.

Except for minor changes in some provisions of the Italian Civil Code, which entered into force on March 16, 2019, in response to Covid-19 pandemic, the main provisions set out in the Insolvency Code were expected to come into force 18 months after its publication in the Gazzetta Ufficiale (*i.e.*, on August 15, 2020); the entry into force of Insolvency Code has been originally postponed to September 1, 2021, according to Article 5 of the Law Decree No. 23 of April 8, 2020 as converted by Law No. 40 of June 5, 2020 (the "**Liquidity Decree**"), then, pursuant to the Law Decree No. 118 dated August 24, 2021, published in the Gazzetta Ufficiale No. 2021 of August 24, 2021, as converted into law pursuant to L. n. 147 of October 21, 2021, published in the Gazzetta Ufficiale N. 253 of October 23, 2021 (the "**Decree 118/2021**") to May 16, 2022, and is now is effective from July 15, 2022.

Furthermore, Decree 118/2021, *inter alia*, has introduced a new negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*); and (b) the simplified composition with creditors proceeding (*concordato semplificato per la liquidazione del patrimonio*) for the liquidation of the assets.

In addition, the Council of Minister has approved the Legislative Decree scheme on further amendments to the Insolvency Code aimed at implementing the UE Directive 2019/1023 of the European Parliament and of the Council of June 20, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (*Directive on restructuring and insolvency*), taking into account the opinions expressed by the *Consiglio di Stato* and the relevant parliamentary committees.

On 15 July 2022, the Insolvency Code, as amended and supplemented from time to time, came – entirely – into force, without prejudice to the transitory rules provided under Article 390 for the applications and insolvency proceedings already pending/opened pursuant to Bankruptcy Law (*i.e.* the Royal Decree no. 267 of 16 March 1942, as amended from time to time) as of that date.

In this respect, it shall be noted that, all the insolvency proceedings started before / pending as of 15 July 2022 (*i.e.* the date of the entry into force of Insolvency Code) will continue to be governed by the provisions of the Italian laws (including Bankruptcy Law).

TAXATION IN THE REPUBLIC OF ITALY

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Rated Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Rated Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Rated Notes, some of which may be subject to special rules. The following description does not discuss the treatment of the Rated Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This description is based upon tax laws and practice of Italy in effect on the date of this Information Memorandum which are however subject to a potential retroactive change. Prospective noteholders holding Rated Notes should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Rated Notes and receiving payments of interest, principal and/or other amounts under the Rated Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders holding Rated Notes should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Rated Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Article 6, paragraph 1, of the Securitisation Law and Legislative Decree No. 239 of 1 April 1996, ("**Decree No. 239")** provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to the Securitisation Law.

Italian Resident noteholders holding Rated Notes

Where an Italian resident noteholder holding the Rated Notes is:

(a) an individual not engaged in an entrepreneurial activity to which the Rated Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "**Capital gains tax**" below);

(b) a non-commercial partnership;

(c) a private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or

(d) an investor exempt from Italian corporate income taxation,

Interest relating to the Rated Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent.

In the event that the noteholders holding the Rated Notes described under (a) and (c) above are engaged in an entrepreneurial activity to which the Rated Notes are connected, the *imposta sostitutiva* applies as a provisional tax and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Rated Notes if the Rated Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where an Italian resident noteholder holding the Rated Notes is a company or similar commercial entity (including limited partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* and private and public institutions, carrying out commercial activities and holding the Notes in connection with this kind of activities), or a permanent establishment in Italy of a foreign company to which the Rated Notes are effectively connected, and the Rated Notes are deposited with an authorised intermediary, Interest from the Rated Notes will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant noteholder's income tax return and is therefore subject to general Italian corporate taxation ("**IRES**") (and, in certain circumstances, depending on the "status" of the noteholders holding Rated Notes, also to the regional tax on productive activities ("**IRAP**").

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Rated Notes held by an authorised intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate SICAFs (together, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV ("*Società di investimento a capital variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Rated Notes are held by an authorised intermediary, Interest accrued during the holding period on the Rated Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident noteholder holding the Rated Notes is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Rated Notes are deposited with an authorised intermediary, Interest relating to the Rated Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Rated Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Rated Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other entities identified by a decree of the Ministry of Finance, which are resident in Italy("**Intermediaries**" and each an "**Intermediary**"), or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Rated Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a noteholder holding Rated Notes or, absent that, by the Issuer.

Non-Italian resident noteholders holding Rated Notes

Where the noteholder holding the Rated Notes is a non-Italian resident, without a permanent establishment in Italy to which the Rated Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

(a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy and listed in the Ministerial Decree of 4 September 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to article 11(4)(c) of Decree No. 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **"White List"**); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or

(d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

In order to ensure gross payment, non-Italian resident noteholders holding the Rated Notes without a permanent establishment in Italy to which the Rated Notes are effectively connected must be the beneficial owners of the payments of Interest and must:

(a) deposit, directly or indirectly, the Rated Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of the Economy and Finance; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Rated Notes, a statement of the relevant noteholder holding Rated Notes, which remains valid until withdrawn or revoked, in which the noteholder holding Rated Notes declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to noteholders holding Rated Notes who do not qualify for the exemption.

Noteholders holding the Rated Notes who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant noteholder holding the Rated Notes.

2. CAPITAL GAINS

Italian resident Noteholders

Any capital gain realised upon the sale for consideration or redemption of Rated Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of the holders of the Rated Notes (and, in certain cases, depending on the status of the holders of the Rated Notes, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by the holders of the Rated Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Rated Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding the Rated Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Rated Notes would be subject to an *imposta sostitutiva* at the rate of 26 per cent. The Noteholders may set off any losses with their gains, subject to certain conditions.

Under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Rated Notes not in connection with an entrepreneurial activity pursuant to all disposals on Rated Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Rated Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Rated Notes (the "***Risparmio Amministrato***" regime). Such separate taxation of capital gains is permitted subject to: (i) the Rated

Notes being deposited with Italian banks, società di intermediazione mobiliare (SIM) or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Rated Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Rated Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding the Rated Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities who have elected for the Asset Management Option will be included, together with Interest relating to such Rated Notes, in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the noteholder is not required to report capital gains realised in its annual tax declaration.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Rated Notes if such Rated Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termin*e) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains realised by an holder of the Rated Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Real Estate Funds are not subject to any *imposta sostitutiva* at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in

certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by the holders of the Rated Notes who are Italian resident pension funds (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the calculation of the taxable basis of Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Rated Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Rated Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

The 26 per cent. imposta sostitutiva may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Rated Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Rated Notes are effectively connected, if the Rated Notes are held in Italy.

Non-Italian resident Noteholders

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Rated Notes are effectively connected, through the sale for consideration or redemption of the Rated Notes are exempt from taxation in Italy to the extent that the Rated Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Rated Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Rated Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Rated Notes with no permanent establishment in Italy to which the Rated Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Rated Notes if they are (i) resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996, as ultimately amended by Ministerial Decree of March 23, 2017 and possibly further amended by future decrees issued pursuant to Article 11 par. 4 (c) of Decree 239; (ii) an international entity or body set up in accordance with international agreements which have entered into force in Italy; (iii) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State (iv) or, a qualifying "institutional investors", whether or not subject to tax which are established in a State included in the White List, (see Article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian

residents without a permanent establishment in Italy to which the Rated Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above. If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Rated Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Rated Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Rated Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Rated Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Rated Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non-Italian residents.

3. INHERITANCE AND GIFT TAXES

Pursuant to Italian Law Decree No. 262 of October 3, 2006, converted into law with amendments by Italian Law No. 286 of November 24, 2006, effective from November 29, 2006, and Italian Law No. 296 of December 27, 2006, the transfers of any valuable assets (including the Rated Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Rated Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Rated Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Rated Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Rated Notes transferred to each beneficiary is subject to an 8 per cent. rate.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000. Other specific exemptions could be applicable.

The transfer of the Rated Notes by donation is subject to gift tax at the same rates as in case of inheritance.

The transfer of financial instruments (including the Rated Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

4. TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended from time to time, individuals non-profit entities and certain partnerships (*società semplice* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the amount of the investments (including the Rated Notes) directly or indirectly held abroad to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the beneficial owners ("*titolari effettivi*") of such investments or financial activities.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Rated Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Rated Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

5. STAMP DUTY

Pursuant to Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Stamp Duty Law**"), as subsequently amended and supplemented ,a proportional stamp duty applies on a yearly basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Stamp Duty is

levied at the rate of 0.2 per cent. and is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Rated Notes held (but in any case not exceeding Euro 14,000.00 for holders of the Rated Notes that are not individuals). The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory, nor the deposit, nor the release or the drafting of the statement. In case of reporting periods of less than twelve months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on May 24, 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy, as amended from time to time) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Proportional stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" (regardless of the fiscal residence of the investor) – according to the regulations issued by Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated – of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy. Moreover, the proportional stamp duty does not apply to communications sent to Pension Funds.

6. WEALTH TAX ON SECURITIES DEPOSITED ABROAD

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986), holding the Rated Notes outside the Italian territory are required to pay an additional wealth tax at a rate of 0.20 per cent., which is determined in proportion to the period of ownership. In this case the above mentioned Stamp Duty provided for by Article 13 of the tariff attached to the Stamp Duty Law does not apply. The maximum amount due is set at €14,000 for holders of the Rated Notes other than individuals.

This tax is calculated on the market value of the Rated Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian

wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned Stamp Duty provided for by Article 13 of the tariff attached to the Stamp Duty Law does apply.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subsequent Subscription Agreement

The Notes Subscriber has, pursuant to a subscription agreement entered into on or about the Subsequent Issue Date between the Issuer, the Originator, the Notes Subscriber, the Arrangers and the Representative of the Noteholders (the "**Subsequent Subscription Agreement**"), agreed to subscribe and pay the Issuer for the Series 2 Notes at their issue price of 100 per cent. of their respective principal amounts upon issue (the "**Issue Price**") and to appoint Banca Finanziaria Internazionale S.p.A. to act as the representative of the Noteholders (the "**Representative of the Noteholders**"), subject to the conditions set out therein.

SELLING RESTRICTIONS

Each of the Issuer and the Notes Subscriber has, pursuant to the Subsequent Subscription Agreement, represented and undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Series 2 Notes or has in its possession and distributes this Information Memorandum or any related offering material, in all cases at its own expense.

Each of the Issuer and the Notes Subscriber has, pursuant to the Subsequent 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, the Originator or the Series 2 Notes, save as contained in this Information Memorandum or as approved for such purpose by the Issuer or the Series 2 Notes or which is a matter of public knowledge.

General

The Issuer and the Notes Subscriber have acknowledged and agreed that other than admission of the Class A-2 Notes and the Class B-2 Notes to Euronext Access Milan Professional Segment, no action has been taken by the Issuer, the Notes Subscriber or the Originator that would, or is intended to, permit a public offer of the Series 2 Notes in any country or jurisdiction where any such action for that purpose is required. Each of the Issuer, the Notes Subscriber and the Originator shall comply with all applicable laws and regulations in each jurisdiction in or from which it may offer or sell Series 2 Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Series 2 Notes or distribute or publish any prospectus (including this Information Memorandum), form of application, advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken by them to obtain permission for public offering of the Series 2 Notes in any country where action would be required for such purpose.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Notes Subscriber to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Series 2 Notes or have in their possession, distribute or publish this Information Memorandum or any other offering material relating to the Series 2 Notes, in all cases at their own expense.

United States of America

Each of the Issuer and the Notes Subscriber has understood and agreed that the Series 2 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or other securities laws of any state or other jurisdiction of the United States and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty calendar days after the later of the commencement of the offering of the Series 2 Notes and the closing date, except in either case in accordance with Regulations S under the Securities Act and applicable state securities laws. Until 40 days after the commencement of the offering, an offer or sale of the Series 2 Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. The Issuer has not been and will not be registered under the Investment Company Act.

Each of the Issuer and the Notes Subscriber has understood and agreed that the Series 2 Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Originator, the Issuer and the Notes Subscriber have represented and agreed under the Subsequent Subscription Agreement that it has not offered or sold the Series 2 Notes, and will not offer or sell the Series 2 Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Series 2 Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. The Originator, the Issuer and the Notes Subscriber have represented and agreed under the Subsequent Subscription Agreement that neither the Originator, the Issuer, the Notes Subscriber nor any of their respective Affiliates nor any persons acting respectively on behalf of the Originator, the Issuer or the Notes Subscriber or on behalf of their respective Affiliates have engaged or will engage in any directed selling efforts with respect to the Series 2 Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Series 2 Notes, the

relevant transferor will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Series 2 Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect.

In addition, under the Subsequent Subscription Agreement, the Notes Subscriber has represented and agreed that (a) it is aware that the Issuer has not been and will not be registered as an investment company under the Investment Company Act; (b) it has acquired the Series 2 Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and each such account is either a "**non-U.S. person**" ("**non-U.S. person**") as defined in Regulation S under the Securities Act, acquiring such Series 2 Notes pursuant to Regulation S, or a "qualified institutional buyer" ("**QIB**") as defined in Rule 144A under the Securities Act that is also a Qualified Purchaser (as such term is defined in the Investment Company Act)("**QP**"); (c) with respect to any person that is not a non-U.S. person, it is a "qualified purchaser" as that term is defined under the Investment Company Act, and it is not purchasing or did not purchase the Series 2 Notes with the intention of evading, either alone or in conjunction with any other person, the requirements of the Investment Company Act and (d) it has understood and agreed that if it resells, pledges or otherwise transfers such Series 2 Notes, such Series 2 Notes may be resold, pledged or transferred only to such transferee which is either a non-U.S. person (as defined in Regulation S) acquiring the Series 2 Notes in an off-shore transaction pursuant to Regulation S or a QIB (within the meaning of Rule 144A) under the Securities Act who is also a QP as defined in the Investment Company Act. Notwithstanding the foregoing, in no event shall (a) any Series 2 Notes be sold, directly or indirectly, to or for the account of a Risk Retention U.S. Person nor otherwise in a manner intended to evade the requirements of the U.S. Risk Retention Rules. Each of the Arrangers and the Issuer have agreed that the determination of the proper characterization of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules is solely the responsibility of the Issuer.

In addition, notwithstanding the foregoing, in no event shall the Issuer nor any person acting on the Issuer's behalf arrange, for any party to make a secondary market in the U.S. in the Series 2 Notes or itself make such a market, either directly or indirectly through an affiliate. For the avoidance of any doubt, secondary market transaction involving the Series 2 Notes may occur with any U.S. Person which involves any U.S. promotional or solicitation activities on the part of the Issuer or any person acting on the Issuer's behalf, including for this purpose any activities that might be deemed to "condition" the U.S. market for the securities.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

Republic of Italy

Under the Subsequent Subscription Agreement each of the Issuer, the Notes Subscriber and the Originator has represented, warranted and undertaken as follows:

No offer to public

the offering of the Series 2 Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, no Series 2 Notes have been or may be offered, sold or delivered, nor may copies of this Information Memorandum or any other document relating to the Series 2 Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 (the "**Consolidated Financial Act**") and Article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971**") and Article 100 of the Consolidated Financial Act, all as amended from time to time; or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 1 of the Prospectus Regulation and Article 34-*ter*, first paragraph, of Regulation 11971, as amended from time to time, and the applicable Italian laws.

provided that, in any case, the offer or sale of the Series 2 Notes in the Republic of Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;

Offer to professional investors

any offer, sale or delivery of the Series 2 Notes in the Republic of Italy or distribution of copies of this Information Memorandum or any other document relating to the Series 2 Notes in the Republic of Italy under paragraphs (a) and (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Consolidated Banking Act, as amended from time to time;

(ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

(iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

In any case the Series 2 Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally, the Series 2 Notes may not be offered to any investor qualifying as *"cliente al dettaglio"* pursuant to CONSOB Regulation No. 20307 of 15 February 2018.

Please note that, in accordance with Article 100-bis of the Consolidated Financial Act, where no exemption under paragraphs (a) or (b) above applies, the subsequent distribution of the Series 2 Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Consolidated Financial Act and Regulation 11971. Failure to comply with such rules may result, inter alia, in the sale of the Series 2 Notes being declared null and void and in the liability of the intermediary transferring the Series 2 Notes for any damages suffered by the investors.

France

Under the Subsequent Subscription Agreement, each of the Issuer, the Notes Subscriber and the Originator has represented and agreed that this Information Memorandum has not been prepared in the context of a public offering in France within the meaning of article L. 411-1 of the *Code monétaire et financier and Title I of Book II of the Règlement Général de l'Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Information Memorandum nor any other offering material relating to the Series 2 Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer, the Notes Subscriber and the Originator also represented and agreed in connection with the initial distribution of the Series 2 Notes by it that:

(a) there has not been and there will be no offer or sale, directly or indirectly, of the Series 2 Notes by it to the public in the Republic of France (*an offrè au public de titres financiers* as defined in article L. 411-1 of the French Code monétaire et financier);

(b) offers and sales of the Series 2 Notes in the Republic of France will be made by it in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with articles L411-1, L.411-2 and D.411-1 of the *French Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 and D. 411-4 of the French Code monétaire et financier acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) as mentioned in article L. 411-2, L. 533-16 and L. 533-20 of the French Code monétaire et financier (together the "**Investors**");

(c) offers and sales of the Series 2 Notes in the Republic of France will be made by it on the condition that:

(i) this Information Memorandum shall not be circulated or reproduced (in whole or in part) by the Investors; and

(ii) the Investors undertake not to transfer the Series 2 Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code *monétaire et financier*).

For the purposes of this provision, the expression EU Prospectus Regulation means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

United Kingdom

UNITED KINGDOM

Under the Subsequent Subscription Agreement, each of the Issuer, the Notes Subscriber and the Originator represented and warranted with respect to itself, that:

(i) general compliance and financial promotion: (a) 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 Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Series 2 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Series 2 Notes in, from or otherwise involving the United Kingdom; and

(ii) no offer to UK retail investors: it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Series 2 Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

a. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (the "**EUWA**"); or

b. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Prohibition of sale to EEA retail investors

The Series 2 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. 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 or superseded, **MiFID II**); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution 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 article 2 of EU 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 Series 2 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Series 2 Notes.

In relation to each Member State of the European Economic Area (each, a "**Relevant State**"), there has not been and there will not be an offer of the Series 2 Notes to the public in that Relevant State other than on the basis of an approved prospectus in conformity with the EU Prospectus Regulation except that it may make an offer of such Series 2 Notes to the public in that Member State or:

1. *Qualified investor*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

2. *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), as permitted under the EU Prospectus Regulation; or

3. *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Series 2 Notes referred to in 1. to 3. above shall require the Issuer to publish a prospectus pursuant to article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to article 23 of the EU Prospectus Regulation.

For the purposes of this provision:

(i) the expression an "**offer of Notes to the public**" in relation to any Series 2 Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Series 2 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Series 2 Notes; and

(ii) the expression EU Prospectus Regulation means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Series 2 Notes. The issue of the Series 2 Notes was authorised by a resolution of the board of directors of the Issuer passed on 28 November 2023.

(2) With reference to the three-year period 2022-2024, the Issuer has appointed KPMG S.p.A. as its statutory auditor.

(3) As of the date of this Information Memorandum, the Series 2 Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Class A-2 Notes and the Class B-2 Notes to be admitted to trading on the professional segment Euronext Access Milan Professional Segment of the multilateral trading facility Euronext Access Milan. The Issuer does not have any intention to file any request for the listing or admission to trading of the Series 2 Notes or any other market or multilateral trading facility, other than the Euronext Access Milan.

(4) 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.

(5) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 15 September 2022 (being the date of its incorporation) that is material in the context of the issue of the Series 2 Notes.

(6) 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.

(7) Since 15 September 2022 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the purchasing of the Initial Portfolio and the Subsequent Portfolio, authorising the issue of the Notes and the entering into the documents referred to in this Information Memorandum and matters which are incidental or ancillary to the foregoing). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such

documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(8) As of the Subsequent Issue Date, the Series 2 Notes will be held in dematerialised form on behalf of the ultimate owners by Euronext Securities Milan S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan (MI), Italy) for the account of the relevant Euronext Securities Milan Account Holders. Euronext Securities Milan shall act as depository for Euroclear and Clearstream. The Series 2 Notes have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream as follows:

	ISIN code	*Common Code*
Class A-2 Notes	IT0005572521	273298355
Class B-2 Notes	IT0005572539	273297901
Class J-2 Notes	IT0005572547	

(9) The Issuer's LEI number is 815600C51BF89BFDF581.

(10) Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents. For further details with respect to post-issuance reporting, see the section headed "*Regulatory Disclosure and Retention Undertaking*".

(11) As long as the Class A-2 Notes and the Class B-2 Notes are admitted to trading on the Euronext Access Milan Professional Segment copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Information Memorandum at the registered office of: (i) the Issuer, being, as at the Subsequent Issue Date, Via V. Alfieri No 1, Italy, 31015 Conegliano (TV), (ii) the Representative of the Noteholders, being, as at the Subsequent Issue Date, Via V. Alfieri No 1, Italy, 31015 Conegliano (TV) and (iii) the Paying Agent, being, as at the Subsequent Issue Date, Via Mike Bongiorno 13, 20124 Milan, Italy, and also on the Securitisation Repository after the Subsequent Issue Date:

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the financial statements of the Issuer approved from time to time;

(iii) the following agreements:

- the Receivables Purchase Agreements;

- the Servicing Agreement;
- the Warranty and Indemnity Agreements;
- the Intercreditor Agreement;
- the Cash Allocation, Management and Payments Agreement;
- the Mandate Agreement;
- the Quotaholder Agreement;
- the Back-up Servicing Agreement;
- the Corporate Services Agreement;
- the Stichting Corporate Services Agreement;
- the Repurchase Agreement;
- the Information Memorandum of the Series 1 Notes;
- the General Amendment Agreement; and
- this Information Memorandum.

(12) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 150,000(excluding VAT and excluding fees due to the Servicer and auditors appointed for the Issuer's balance sheet and Quarterly Servicer's Report audit).

(13) The total expenses payable in connection with the admission of the Class A-2 Notes and the Class B-2 Notes to trading on Euronext Access Milan Professional Segment amount to approximately Euro 6,000 and will be borne by the Issuer.

(14) So far as the Issuer is aware, there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Series 2 Notes that are material to the issue of the Series 2 Notes.

(15) The Series 2 Notes will be issued at the Issue Price of 100% of the aggregate principal amount of the Series 2 Notes as at the Subsequent Issue Date; consequently, the yield on the Series 2 Notes will be represented by the interest accruing thereon as specified in Condition 7 (*Interest*).

COLT SPV S.R.L.

Financial Statements at 31/12/2022

Company details	
Name	COLT SPV S.R.L.
Registered office	VIA V. ALFIERI N. 1 31015 CONEGLIANO (TV)
Quota capital	10,000
Fully paid-up quota capital	yes
CCIAA (Chamber of Commerce) Code	TV
VAT	05355840264
Tax code	05355840264
REA (Administrative Economic Register) no.	437846
Legal status	Limited Liability Company
Core business sector (ATECO, Classification of Economic Activities)	SPV business activity (64.99.40)
Company in liquidation	no
Sole-quotaholder company	yes
Company subject to third-party management and coordination	no
Name of the company or entity that carries out management and coordination	
Membership to a group	no
Name of the parent company	
Country of the parent company	
Number of registration in the register of cooperative companies	0

	31/12/2022	
Balance sheet		
Assets		
A) Subscribed capital unpaid		
B) Fixed assets		
I – Intangible fixed assets	2,277	
II – Tangible fixed assets		
III –Financial fixed assets		
Total fixed assets (B)	2,277	
C) Current assets		
I - Inventories		
Tangible fixed assets held for sale		
II – Receivables		
due within 12 months		
due beyond 12 months		
deferred tax assets	7,895	
Total receivables	7,895	
III – Current financial assets		
IV – Cash and cash equivalents	50,629	
Total current assets (C)	58,524	
D) Accrued income and prepaid expenses	2,260	
Total assets	63,061	
Liabilities		
A) Equity		
I – Quota capital	10,000	
II – Premium reserve		
III – Revaluation reserves		
IV – Legal reserve		
V – Reserves required by articles of association		
VI – Other reserves		
VII – Cash flow hedge reserve		
VIII – Retained earnings (losses carried forward)		
IX – Profit (loss) for the year		
Loss covered in the year		
X – Negative reserve for own quotas in portfolio		
Total equity	10,000	
B) Provisions for risks and charges		
C) Employees' leaving entitlement		
D) Payables		
due within 12 months	25,801	
due beyond 12 months		
Total payables	25,801	
E) Accrued expenses and deferred income	27,260	
Total liabilities	63,061	

	2022	
Income statement		
A) Production revenues		
1) revenues from sales and services		
2), 3) changes in inventories of work in progress, semi-finished and finished products and contract work in progress		
2) changes in inventories of work in progress, semi-finished and finished products		
3) changes in contract work in progress		
4) capitalisation of internal construction costs		
5) other revenues and income		
grants for operating income		
others	30,559	
Total other revenues and income	30,559	
Total production revenues	30,559	
B) Production costs		
6) raw materials, supplies, consumables and goods for resale		
7) services	30,068	
8) leases and rentals		
9) personnel		
a) wages and salaries		
b) social security contributions		
c), d), e) employees' leaving entitlement, pension, other personnel costs		
c) employees' leaving entitlement		
d) pension and similar obligations		
e) other costs		
Total personnel costs		
10) amortisation, depreciation and write-downs		
a), b), c) amortisation of intangible assets, depreciation of tangible fixed assets, other write-downs of fixed assets	207	
a) amortisation of intangible assets	207	
b) depreciation of tangible fixed assets		
c) other write-downs of fixed assets		
d) write-downs of receivables stated in current assets and of cash and cash equivalents		
Total amortisation, depreciation and write-downs	207	
11) changes in inventories of raw materials, supplies, consumables and goods for resale		
12) provisions for risks		
13) other provisions		
14) other operating costs	310	
Total production costs	30,585	
Difference between production revenues and costs (A - B)	(26)	
C) Financial income and costs		
15) income from equity investments		
from subsidiaries		
from associates		
from parents		
from subsidiaries of parents		
others		

Total income from equity investments		
16) other financial income		
a) from receivables stated in fixed assets		
from subsidiaries		
from associates		
from parents		
from subsidiaries of parents		
other		
Total financial income from receivables stated in fixed assets		
b), c) from securities stated in fixed assets other than equity investments and from securities stated in current assets other than equity investments		
b) from securities stated in fixed assets other than equity investments		
c) from securities stated in current assets other than equity investments		
d) income other than the foregoing		
from subsidiaries		
from associates		
from parents		
from subsidiaries of parents		
other	26	
Total income other than the foregoing	26	
Total other financial income	26	
17) interest and other financial costs		
to subsidiaries		
to associates		
to parents		
to subsidiaries of parents		
other		
Total interest and other financial costs		
17-bis) foreign exchange gains and losses		
Net financial income (15 + 16 - 17 + - 17-bis)	26	
D) Adjustments to financial assets and liabilities		
18) write-backs		
a) of equity investments		
b) of financial fixed assets other than equity investments		
c) of securities stated in current assets other than equity investments		
d) of derivatives		
of financial assets for cash pooling		
Total write-backs		
19) write-downs		
a) of equity investments		
b) of non-current financial assets other than equity investments		
c) of securities stated in current assets other than equity investments		
d) of derivatives		
of financial assets for cash pooling		
Total write-downs		
Total adjustments to financial assets and liabilities (18 - 19)		
Profit (loss) before tax (A - B + - C + - D)		

20) Current and deferred taxes		
current taxes	7,895	
taxes relating to previous years		
deferred taxes	(7,895)	
income (costs) from agreement to tax consolidation / tax transparency scheme		
Total current and deferred taxes		
21) Profit (loss) for the year		

Notes to the Financial Statements at 31 December 2022

Notes to the financial statements, opening part

The Company's activity

The Company was established on 15 September 2022 pursuant to Law no. 130 of 30 April 1999 which contains provisions governing securitisation transactions in Italy.

Legislative Decree no. 141 of 2010, as amended, provides that the securitisation SPVs must be established as companies.

Pursuant to the Bank of Italy's measure of 7 June 2017 (in force from 30 June 2017), the company is registered on the List of Securitisation Vehicles kept by the Bank of Italy.

In compliance with the Articles of Association and the provisions of the law mentioned above, the sole purpose of the Company is to carry out one or more loan securitisation transactions through the purchase of both existing and future monetary receivables for valuable consideration financed through recourse to the issue of securities so as to exclude the assumption of any credit risk on the part of the Company.

Within the context of the aforesaid purpose, the Company completed a securitisation transaction during 2022.

On 6 December 2022, pursuant to and for the purposes of the combined provisions of article 1 and article 4 of the Securitisation Law, the Company acquired from Illimity Bank S.p.A., through an assignment without recourse (*pro soluto*), a portfolio of performing loans, which can be identified "in bulk" and which consist of loans originated by the assignor Illimity Bank S.p.A..

The Company financed the purchase of loans through an issue of Asset-Backed Securities, which took place on 19 December 2022, with limited recourse on the loans involved in the purchase.

Reporting standards

In compliance with the provisions of Article 3, paragraph 2, of Law no. 130 of 1999, receivables related to each transaction, any related receipts and the financial assets acquired with them constitute segregated assets for all purposes from those of the Company and from those related to other transactions; any accounting results from corporate management operations are reported separately from those flowing from segregated assets (comprising the securitisation transaction); the structure of this file reflects segregation, reporting the balance sheet and income statement relating to corporate management operations in the schedules of financial statements and the results of the securitisation transaction for 2022 in an attached table.

The Financial Statements comply with the provisions laid down in Articles 2423 and ff. of the Italian Civil Code and the Italian GAAPs as published by the Italian Accounting Board (*Organismo Italiano di Contabilità*, "OIC"); therefore, they give a true and fair view of the company's financial position, results of operations and cash flows for the year in a clear manner.

Therefore, the content of the Balance Sheet and of the Income Statement, as regards the reporting of corporate management operations only, is that required by Articles 2424 and 2425 of the Italian Civil Code.

The Notes to the Financial Statements, which have been prepared pursuant to Article 2427 of the Italian Civil Code, provide any and all information that is useful to allow a correct interpretation of the Financial Statements and include, in particular, a specific Annex reporting any information relating to the securitisation.

It should be noted that the Italian Civil Code's provisions governing the reporting of the Company's operations have been applied as a result of the exclusion of securitisation SPVs, pursuant to Law no. 130 of 1999, from the group of entities that can be described as non-bank financial intermediaries following the Reform of Title V that was completed under Legislative Decree no. 141 of 2010 and subsequent amending decrees, the accounting effects of which were provided for in the abovementioned Legislative Decree no. 136 of 2015.

Securitised assets, which are reported separately from corporate assets, have been stated in line with the provisions of the Bank of Italy's measure of 29 March 2000, according to which the purchased financial assets, the securities issued and any other transaction completed within the scope of the securitisation transaction(s) are to be reported in a specific Statement/specific Statements and described in a specific Annex/specific Annexes attached to the Notes to the Financial Statements and do not form part of the Schedules of Financial Statements. The Annex must be regarded as forming an integral part of these Financial Statements.

It should be noted that this method of accounting has been applied despite the order ceased to be effective from the repeal, under Legislative Decree no. 136 of 2015, involving the Legislative Decree no. 87 of 1992, of which it had been a direct issue, and although such segregation is not governed by any provision of the Italian Civil Code.

While pending the enactment of new rules aimed at replacing those previously in force in the regulation of the financial statements of securitisation SPVs, the Company has applied the options described above, since they are more consistent with the regulatory provisions in force, as well as more suitable in order to provide information on the Company's financial position, results of operations and cash flows which is useful for the users of the Financial Statements in making decisions of an economic nature and which, at the same time, appears to be important, reliable, comparable and comprehensible, both as regards corporate management operations and as regards segregated assets.

These options are also based on the compliance with the general principle of continuity in the description of management events in order to make the Financial Statements more understandable, and have also considered that the accounting treatment of financial assets and/or groups of financial assets and financial liabilities arising in the context of securitisation transactions is still being examined on the part of the bodies responsible for interpreting the applicable reporting standards.

It should be noted that, given that the requirements of Article 2435-*bis*, paragraph 1, of the Italian Civil Code are met, the Financial Statements have been prepared in condensed form in accordance with the provisions laid down in the aforesaid article.

Pursuant to Article 2435-*bis* of the Italian Civil Code, companies that prepare condensed financial statements are exempt from drawing up the cash flow statement and benefit from simplifications in drawing up the balance sheet, the income statement and the explanatory notes.

In particular, as required by Article 2435-*bis*, these Notes provide the information required by numbers 3) and 4) of Article 2428 of the Italian Civil Code: therefore, the Company has not prepared any Report on Operations.

It should also be noted that on 4 September 2015 Legislative Decree no. 139 of 2015 was published, which became effective for the financial statements of financial years beginning from 1 January 2016 and pursuant to which important amendments were applied to the accounting policies concerning some items of the Financial Statements of companies required to comply with the accounting rules laid down in the Italian Civil Code and in the Italian GAAPs.

While pending the enactment of an express regulatory clarification concerning the applicability of these amendments to the segregated assets of securitisation SPVs, the Company has decided to continue to apply, in compliance with the principle of continuity, the same accounting policies concerning the items of the offering circular, which are detailed in the Annex to the Notes to the Financial Statements, in the paragraph on "Information relating to the Summary Statement" to which reference should be made.

The Financial Statements, as well as these Notes, have been prepared in Euro units. The items of Financial Statements have been measured in compliance with the principle of prudence and on a going-concern basis. Pursuant to Article 2423-*bis*, paragraph 1, point 1-*bis*, of the Italian Civil Code, the items have been recognised and reported by taking account of the substance of the transaction or of the contract rather than their form.

In preparing the Financial Statements, income and costs have been entered on an accruals basis, regardless of the date when the related cash flows occurred. Therefore, account has been also taken of any risks and losses that accrued during the period, even if known after the end of the year.

During the preparation of the Financial Statements, an assessment was made of whether the requirements were met in relation to the Company's ability to operate as a going concern with a time horizon of at least twelve months after the reporting date. In order to make this assessment, all available information was taken into account, as was the specific activity carried out by the Company whose sole purpose is to carry out one or more securitisation transactions in accordance with Law no. 130 of 30 April 1999.

Accordingly, these Financial Statements have been prepared on a going concern basis, as no events have occurred or conditions have been fulfilled which could have raised doubt on the Company's ability to continue as a going concern.

Accounting policies

Fixed assets

Intangible fixed assets

They are stated at the historical cost of acquisition and shown net of amortisation carried out over the years and charged directly to each item.

Start-up and expansion costs are amortised over a period not exceeding five years.

Receivables

Receivables stated in current assets have been recognised in the Financial Statements at their estimated realisable value, in accordance with Article 2435-*bis* of the Italian Civil Code, which provides for the departure from the application of Article 2426, paragraph 1, no. 8, of the Italian Civil Code, concerning the recognition of receivables at amortised cost.

The adjustment at estimated realisable value has been made, where required, by setting aside a provision for bad debts.

Equity

The items have been stated at their carrying amount according to the instructions laid down in the Italian Accounting Board principle OIC 28.

Payables

Payables have been stated in the accounts at their nominal value as required by Article 2435-*bis* of the Italian Civil Code, as an exception to the recognition at amortised cost, provided for in Article 2426, paragraph 1, no. 8, of the Italian Civil Code.

Accruals, deferrals and prepayments

These have been determined on an accruals basis. As regards to long-term accruals and deferrals, the conditions that determined their initial recognition have been verified, adopting any appropriate change, if necessary.

Income taxes

The provision for taxes is set aside on an accruals basis; it therefore comprises:

- provisions for taxes paid or to be paid for the year, as determined using the rates and the regulations in force;
- the amount of taxes deferred or paid in advance in relation to temporary differences arising or reversed during the year.

Revenue recognition

Revenues are stated on an accruals basis, net of returns, allowances, discounts and premiums, as well as any related direct tax.

They mainly relate to the reimbursement of operating costs incurred on behalf of the segregated assets.

Cost recognition

Costs and charges are charged on an accruals basis and according to their nature, net of returns, allowances, discounts and premiums, in accordance with the principle of matching costs and revenues, and are entered under their respective items as required by OIC 12. In the case of any purchase of services, the related costs are recognised when the service is received, while, in the case of any provision of services on an ongoing basis, the related costs are recognised for the accrued portion.

Other information

Significant events that occurred during the year

With reference to the Company no significant events are reported which occurred during the year.

2022 was marked by a general framework characterised by geopolitical tensions generated by the Russian-Ukrainian conflict, with inevitable effects on growth and inflation triggered by the rising cost of raw materials, particularly energy.

The eruption of the conflict in Ukraine has abruptly dashed the hope of a return to normality after the Covid-19 health emergency, which became apparent at the end of 2021 due to a lower number of hospitalisations, the easing of restrictive measures and the gradual adaptation to them on the part of the population, paving the way for a new phase of living with the virus and, therefore, a gradual archiving of risks to the economy.

The hostilities have demanded heavy humanitarian intervention and have triggered an energy crisis in Europe while also contributing, to an appreciable extent, to an increase in international prices of global food and raw materials, which have risen to decade highs. This has thus exacerbated those inflationary pressures that were already made acute by the adverse impact of the pandemic on global supply chains.

The resulting downward revision of growth estimates has primarily affected commodity-importing developing countries, which are more fragile in the face of rising energy and food prices. But unevenness has continued to persist among advanced economies as well.

The Eurozone economy, which is heavily dependent on Russian gas supplies, has borne the brunt of the shock from the Russian-Ukrainian conflict.

The expansion of EU sanctions against Russia has further aggravated supply constraints and has adversely affected energy prices. Given the even more significant increase in producer prices, there is concern that the current trend in consumer prices is not likely to subside so quickly, casting shadow on the outlook for consumption. The general rise in interest rates as a result of measures taken by central banks to combat inflation has caused an equally significant disruption in bond markets.

The conflict under consideration and the sanctions imposed by the international community on the government, companies and economy of Russia, as well as the countermeasures put in place by the latter country, have led to a situation of high uncertainty at the macroeconomic level, exchange rates, costs of energy and raw materials, the cost of debt, inflationary expectations and the cost of credit.

The economic performance in Italy in 2022 was affected by the difficult environment described above. After a sharp rise recorded in the first quarters of the year, while continuing to benefit from the use of Next Generation EU funds, growth slowed down, particularly in the last quarter of the year, which was also due to a marked change in the direction of monetary policy and a sharp surge recorded in interest rates as a result of the measures taken by central banks to combat inflation. This was also contributed to by both attenuated recovery of value added in services, which returned to pre-pandemic values as early as in the summer months, and a decline in industrial production. Household spending slowed, despite measures to support disposable income amid high inflation.

With reference to segregated assets, it should be noted that the securitisation transaction in place had a regular performance.

Notes to the financial statements, assets

Assets have been recognised in compliance with the OIC; the sections on each item describe the criteria that have been applied specifically.

Fixed assets

They only consist of Start-up and expansion costs.

These costs have been stated among Balance Sheet assets because they have a long-term useful life and are systematically amortised within a period not exceeding five years.

Changes in fixed assets

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total fixed assets
At the beginning of the year				
Cost				
Revaluations				
Amortisation and depreciation (Accumulated amortisation and depreciation)				
Write-downs				
Carrying amount				
Changes in the year				
Increases for acquisitions	2,484			2,484
Reclassifications (of the carrying amount)				
Decreases for sales and disposals (in the carrying amount)				
Revaluations made in the year				
Amortisation and depreciation in the year	207			207
Write-downs made in the year				
Other changes				
Total changes	2,277			2,277
At the end of the year				
Cost	2,484			2,484
Revaluations				
Amortisation and depreciation (Accumulated amortisation and depreciation)	207			207
Write-downs				
Carrying amount	2,277			2,277

Current assets

Current assets have been measured in accordance with Article 2426, paragraphs from 8 to 11-*bis*, of the Italian Civil Code. The criteria used are set out in the paragraphs of the respective items of Financial Statements.

Receivables stated in current assets

The balance of receivables stated under current assets (Article 2427, paragraphs 4 and 6 of the Italian Civil Code) is shown below.

Balance at 31/12/2022	Balance at 31/12/2021	Changes
7,895	0	7,895

Changes and maturity of receivables stated in current assets

The breakdown of items stated under current assets is shown below.

"Tax Receivables" consist of deferred tax assets calculated by applying the IRES (corporate income tax) rate of 24% on the cost of audit work related to these Financial Statements for the portion of service not yet completed.

	At the beginning of the year	Change in the year	At the end of the year	Amount due within 12 months	Amount due beyond 12 months	Of which with a residual maturity of more than 5 years
Trade receivables						
Receivables from subsidiaries						
Receivables from associates						
Receivables from parents						
Receivables from subsidiaries of parents						
Tax receivables						

Deferred tax assets		7,895				
Receivables from others						
Total receivables		7,895	7,895			

Cash and cash equivalents

	At the beginning of the year	Change in the year	At the end of the year
Bank and postal deposits		50,629	50,629
Cheques			
Money and cash on hand			
Total cash and cash equivalents		50,629	50,629

The balance, as detailed above, consists of the amount and the changes in cash and cash equivalents existing at the end of the year (Article 2427, paragraph 4, of the Italian Civil Code).

Accrued income and prepaid expenses

These have been calculated on an accruals basis, through the allocation of revenues and/or costs common to two years.

Balance at 31/12/2022	Balance at 31/12/2021	Changes
2,260		2,260

"Accrued income" includes the accrual of the Corporate Servicer fee, i.e. the fee that the corporate management operations collect, on a periodical basis, from the segregated assets of the securitisation transaction for the administrative and corporate management service of the SPV company accruing at 31 December 2022, pursuant to the Administrative Services agreement.

	Accrued income	Prepaid expenses	Total accrued income and prepaid expenses
At the beginning of the year			
Change in the year	2,260		2,260
At the end of the year	2,260		2,260

Notes to the financial statements, liabilities and equity

The items of equity and liabilities of Balance Sheet have been stated in compliance with the Italian GAAPs; the sections on each items describe the criteria that have been applied specifically.

Equity

The items have been recognised in the Financial Statements at their book value according to the instructions laid down in the Italian Accounting Board principle OIC 28.

With reference to the year just ending, the tables below show the changes in each equity item, as well as the breakdown of other reserves, if any, in the Financial Statements.

Balance at 31/12/2022	Balance at 31/12/2021	Changes
10,000	0	10,000

Changes in equity

	At the beginning of the year	Allocation of the profit (loss) for the previous year		Other changes			Profit (loss) for the year	At the end of the year
		Distribution of dividends	Other allocations	Increases	Decreases	Reclassifications		
Quota capital			10,000					10,000
Premium reserve								
Revaluation reserves								
Legal reserve								
Reserves required by articles of association								
Extraordinary reserve								
Reserve from exceptions under Article								

2423 of the Italian Civil Code								
Reserve for shares or quotas of the parent								
Reserve from write-backs of equity investments								
Capital injections for capital increases								
Capital injections for future capital increases								
Capital injections								
Capital injections to cover losses								
Reserve from capital decrease								
Negative goodwill								
Reserve for unrealised foreign exchange gains								
Reserve accrued dividend for new quota								
Sundry other reserves								
Total other reserves								
Cash flow hedge reserve								
Retained earnings (losses carried forward)								
Profit (loss) for the year								
Loss covered in the year								
Negative reserve for own quotas in portfolio								
Total equity			10,000					10,000

Payables

Changes and maturity of payables

The table below reports information relating to changes in payables and information (if any) relating to their maturity.

The maturity of payables is broken down as follows (Article 2427, paragraph 1, no. 6, of the Italian Civil Code).

	At the beginning of the year	Change in the year	At the end of the year	Amount due within 12 months	Amount due beyond 12 months	Of which with a residual maturity of more than 5 years
Bonds						
Convertible bonds						
Quotaholder loans						
Banks loans and borrowings						
Other loans and borrowings						
Advances						
Trade payables		648	648	648		
Commercial paper						
Payables to subsidiaries						
Payables to associates						
Payables to parents						
Payables to subsidiaries of parents						
Tax payables		8,429	8,429	8,429		
Social security charges payable						
Other payables		16,725	16,725	16,725		
Total payables		25,801	25,801	25,801		

"Trade payables" relate to invoices for the provision of services relating to 2022 that (i) had been received and not yet been paid at the end of the year and (ii) had not yet been received at the reporting date.

"Tax payables" related to accrued IRES (calculated by applying a rate of 24.00%) and to withholdings applied in invoices by self-employed workers.

"Other payables" mainly related to the advances disbursed by corporate management operations to securitised operations for the payment of their operating expenses.

Accrued expenses and deferred income

These have been calculated on an accruals basis, through the allocation of costs and/or revenues common to two years.

The table below shows the breakdown of the items under consideration, as recognised in the Financial Statements.

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
At the beginning of the year			
Change in the year	27,260		27,260
At the end of the year	27,260		27,260

"Accrued expenses" originate from the cost for the administrative/corporate management of the securitisation vehicle, calculated as per contract on an annual basis, maturing as at 31 December 2022, for which the supplier will proceed with issuing the invoice in the next Year and from the cost of statutory audit of the financial statements.

Notes to the financial statements, income statement

The Income Statement shows the results of operations for the year.

It provides a description of the operations based on a summary of the positive and negative income components that contributed to determining the results of operations. Positive and negative income components, which have been stated in the Financial Statements as required by Article 2425-*bis* of the Italian Civil Code, are broken down according to the recognition within the scope of the various operations i.e. core business, additional and financial operations.

Core business operations identify any income components generated from transactions that are carried out on an ongoing basis and in the sector relevant to the performance of operations, which identify and define

the peculiar and distinctive part of the economic activity carried out by the company, for which they are finalised.

Given the nature of the Company, which has been specifically established for the performance of securitisation transactions, core business operations are aimed at ensuring the survival of the Company by meeting existence costs and at applying the contract provision that allows for a charge-back of them to securitised assets.

Financial operations include transactions that generate financial income and costs.

On a residual basis, additional operations include transactions that generate income components that form part of ordinary operations but do not fall within the scope of core business and financial operations. The Company does not carry out any additional activity.

Production revenues

Revenues are stated on an accruals basis, net of returns, allowances, discounts and premiums, as well as any related direct tax.

Balance at 31/12/2022	Balance at 31/12/2021	Changes
30,559	0	30,559

Description	31/12/2022	31/12/2021	Changes
Revenues from sales and services			
Changes in inventories of products			
Changes in contract work in progress			
Capitalisation of internal construction costs			
Other revenues and income	30,559	0	30,559
Total	**30,559**	**0**	**30,559**

Production costs

Costs and charges are charged on an accruals basis and according to their nature, net of returns, allowances, discounts and premiums, in accordance with the principle of matching costs and revenues, and are entered under their respective items as required by OIC 12.

In the case of any purchase of services, the related costs are recognised when the service is received, while, in the case of any provision of services on an ongoing basis, the related costs are recognised for the accrued portion.

No provision has been set aside in the income statement for deferred tax assets and liabilities, as there are no temporary differences between tax burden from the Financial Statements and theoretical tax burden

Balance at 31/12/2022	Balance at 31/12/2021	Changes
30,585		30,585

Description	31/12/2022		Changes
Raw materials, supplies and goods for resale			
Services	30,068		30,068
Leases and rentals			
Wages and salaries			
Social security contributions			
Employee severance pay			
Pension fund and similar obligations			
Other personnel costs			
Amortisation of intangible assets	207		207
Depreciation of property, plant and equipment			
Other write-downs of fixed assets			
Write-downs of receivables stated in current assets			
Change in inventories of raw materials			
Provision for risks			
Other provisions			

Other operating costs	310		310
Total	**30,585**		**30,585**

Notes to the financial statements, other information

The other information required by the Italian Civil Code is reported below.

Employment data

The Company did not employ any staff member during the year.

Fees, advances and loans granted to directors and statutory auditors and commitments undertaken on their behalf

The Company has not passed any resolution on fees, nor have advances and loans been approved in favour of the governing body. Moreover, it has not made any commitment on behalf of this body as a result of guarantees of any kind given.

Fees due to independent auditors

In accordance with law (Ref. Article 2427, paragraph 1, no. 16-*bis*, of the Italian Civil Code), the table below shows the fees accrued in the year for services rendered by the independent auditors:

	Value
Statutory audit of financial statements	25,000
Other audit services	
Tax advice services	
Other non-audit services	
Total fees due to independent auditors	25,000

Information on the significant events that occurred after the year end

It is informed that no events occurred which were such as to have a significant impact on the financial position and results of operations reported herein (OIC 29) during the period from 31 December 2022 to the date of approval of these financial statements.

Proposal for allocation of profits or loss coverage

Dear Quotaholder,

The Financial Statements show a break-even result: therefore, there are no profits to be allocated.

Statement of compliance

The undersigned Andrea Crespan, pursuant to Article 47 of Presidential Decree no. 445 of 2000, declares that the electronic document in XBRL format, containing the balance sheet, the income statement and the notes to the financial statements, is in conformity with the corresponding original documents filed with the company.

Conegliano, 8 March 2023

COLT SPV S.R.L.
Sole-quotaholder Company
The Sole Director

Andrea Crespan

ANNEX 1

OTHER INFORMATION AND FIRST SECURITISATION TRANSACTION

OTHER INFORMATION

Information relating to the securitisation transaction

The following is a summary of the information related to the first securitisation transaction put in place.

Amount of loans purchased:

- Nominal value of loans as at the date of assignment: 531,742,446
- Interest accruing at the date of assignment: 2,430,126
- Price of assignment: 534,172,572
- Date of the assignment agreement (legal effect): 06/12/2022
- Date of the assignment agreement (financial effect): 31/10/2022

Amount of Notes issued on 19 December 2022

Classes of Notes issued	Nominal Amount of Notes Issued	Amount subscribed for Notes Issued	Redemptions 2022	Residual amount at 31/12/2022
Class A Notes	375,000,000	375,000,000	0	375,000,000
Class B Notes	79,100,000	79,100,000	0	79,100,000
Class J Notes	116,012,000	116,012,000	0	116,012,000
	570,112,000	**570,112,000**	**0**	**570,112,000**

A – STATUS OF THE TRANSACTION

The structure and form of the summary statement are in line with those provided for in the Bank of Italy's Order of 29 March 2000, "Financial Statement Schedules of Loan Securitisation Companies". It should be noted that, pending official rulings in this regard, these policies are not affected by the changes in the methods of accounting made under Legislative Decree no. 139 of 2015. The accounting policies applied are, in fact, the most suitable option to reflect the financial features of the specific nature of the Company's business and to allow the reconciliation of these financial statements with the remaining financial reporting that is required to be submitted by the Company.

The entries connected to the securitised loans correspond to the values inferred from the accounting records and from the IT system of the Servicer, as it has appropriately notified in accordance with the provisions of the Servicing Agreement.

A. Securitised assets

A.1 Loans

Loans have been entered at their assignment value and are recognised, in the course of the transaction, net of amounts collected in the period. As at the reporting date, their value is possibly decreased in order to adjust it to the presumed realisable value as directly notified by the Servicer for the transaction. They include interest income accrued according to the matching principle, which are regarded as recoverable.

B. Uses of liquidity

B. 3 Cash

The credit balances in current accounts held with banks are entered at nominal value in the Financial Statements, corresponding to their estimated realisable value and include interest accrued at the reporting date.

B. 4 Investments and investments treated as liquidity

This item includes amounts that had been already collected at the reporting date, but not yet credited to the Company's current accounts.

B.5 Accrued income and prepaid expenses

Prepaid expenses have been calculated according to the effective matching principle and on an effective accruals basis, applying the principle of matching costs to revenues for each year.

B.6 Other receivables

This item includes the advance payment made to "corporate management operations" in order to allow the payment of operating costs.

C. Notes issued

The notes issued are stated at their corresponding face values, belong to the category of limited-recourse securities and are paid exclusively with the amounts arising from the collection of securitised loans.

E. Other liabilities

Payables are entered at their nominal value.

Accrued expenses have been calculated on an accruals basis, by applying the principle of matching costs to revenues in each year.

Interest, commissions, income and charges

Costs and revenues referable to securitised assets and the notes issued, interest, commissions, income and charges arising from the securitisation transaction are accounted for on an accruals basis.

Settlement of segregated assets

From the Summary Statement, Annex 1, it is inferred that the year closed with a breakeven result, through the full allocation of the profit margin accrued during the year to the noteholder in the form of variable interest on Class J notes.

It therefore emerges that total Assets coincide with total Liabilities of the segregated assets.

RECONCILIATION OF THE STATEMENT ON THE FOLLOWING PAGES

TOTAL ASSETS	571,810,803
TOTAL LIABILITIES	571,810,803
DIFFERENCE	**0**
RESULTS FROM PREVIOUS YEARS	0
RESULT FROM THE TRANSACTION FOR THE CURRENT YEAR	**0**

TABLE 1: : SUMMARY STATEMENT OF SECURITISED ASSETS AND NOTES ISSUED

	SUMMARY STATEMENT	31/12/2022	31/12/2021
A	**Securitised assets**	**513,472,115**	**0**
A.1	Loans	513,472,115	0

B		**Use of liquidity from management of loans**	**58,338,688**	**0**
	B.3	Cash	43,858,343	0
	B.4	Investments and investments treated as liquidity	14,430,987	0
	B.5	Accrued income and prepaid expenses	32,943	0
	B.6	Other receivables	16,414	0
C		**Notes issued**	**(570,112,000)**	**0**
	C.1	Class A Notes issued	(375,000,000)	0
	C.2	Class B Notes issued	(79,100,000)	0
	C.10	Class J Notes issued	(116,012,000)	0
E		**Other liabilities**	**(1,698,803)**	**0**
	E.1	Suppliers for services rendered to securitisation	(696,681)	0
	E.2	Accrued expenses and deferred income	(932,290)	0
	E.3	Payables to the Originator	(21,530)	0
	E.4	Sundry payables	(48,302)	0
F		**Interest expense on notes issued**	**873,412**	**0**
G		**Transaction commissions and fees**	**89,293**	**0**
	G.1	For Servicing	56,444	0
	G.2	For other services	32,849	0
H		**Other charges**	**3,031,227**	**0**
	H.1	Adjustments to loans	2,294,059	0
	H.2	Interest expense	21,531	0
	H.4	Other charges	715,637	0
I		**Interest generated from securitised assets**	**(3,939,263)**	**0**
L		**Other revenues**	**(54,670)**	**0**
	L.1	Interest income	(8,670)	0
	L.4	Other revenues	(46,000)	0

For the comments on the notes under the statement above, reference is made to the following pages..

BREAKDOWN OF THE MAIN ITEMS IN THE STATEMENT ON THE PREVIOUS PAGE

		STATEMENT – BREAKDOWN OF ITEMS	31/12/2022	31/12/2021
A.1		**Receivables**	**513,472,115**	**0**
	a.	LOANS – PRINCIPAL	515,041,471	0

	b.	LOANS – PRINCIPAL – OVERDUE INSTALMENTS	138,890	0
	c.	LOANS – INTEREST– OVERDUE INSTALMENTS	211,448	0
	d.	ACCRUED INCOME ON LOANS	374,365	0
	e.	PROVISION FOR BAD DEBTS – SECURITISED LOANS (COLLECTIVE WRITE-DOWNS)	(2,294,059)	0
B.3		**Cash**	**43,858,343**	**0**
	a.	PAYMENT ACCOUNT	710,373	0
	b.	CASH RESERVE ACCOUNT	11,255,905	0
	c.	COLLECTION ACCOUNT	7,963,066	0
	d.	SET OFF RESERVE ACCOUNT	23,929,000	0
B.4		**Investments and investments treated as liquidity**	**14,430,987**	**0**
	a.	AMOUNTS TO BE COLLECTED	14,430,987	0
B.5		**Accrued income and prepaid expenses**	**32,943**	**0**
	a.	PREPAID EXPENSES	32,943	0
B.6		**Other receivables**	**16,414**	**0**
	a.	ADVANCES TO CORPORATE MANAGEMENT OPERATIONS	16,414	0
C.1		**Class A Notes issued**	**(375,000,000)**	**0**
	a.	CLASS A NOTES	(375,000,000)	0
C.2		**Class B Notes issued**	**(79,100,000)**	**0**
	a.	CLASS B NOTES	(79,100,000)	0
C.10		**Class J Notes issued**	**(116,012,000)**	**0**
	a.	CLASS J NOTES	(116,012,000)	0
E.1		**Suppliers for services rendered to securitisation**	**(696,681)**	**0**
	a.	INVOICES TO BE RECEIVED	(449,561)	0
	b.	TRADE PAYABLES	(247,120)	0
E.2		**Accrued expenses and deferred income**	**(932,290)**	**0**
	a.	ACCRUED EXPENSES	(58,878)	0
	b.	ACCRUED EXPENSES ON CLASS A NOTES	(531,781)	0
	c.	ACCRUED EXPENSES ON CLASS B NOTES	(132,165)	0
	d.	ACCRUED EXPENSES ON CLASS J NOTES	(209,466)	0
E.3		**Payables to the Originator**	**(21,530)**	**0**
	a.	INTEREST PAYABLE ON VARIABLE RETURN	(21,530)	0
E.4		**Sundry payables**	**(48,302)**	**0**
	a.	VAT	(48,730)	0
	b.	PAYABLES TO THE ASSIGNOR	428	0
F		**Interest expenses on Notes issued**	**873,412**	**0**
	a.	INTEREST ON CLASS A NOTES	531,781	0
	b.	INTEREST ON CLASS B NOTES	132,165	0
	c.	INTEREST ON CLASS J NOTES	209,466	0
G.1		**For servicing**	**56,444**	**0**
	a.	BACK-UP SERVICING	1,390	0
	b.	SERVICING	55,054	0
G.2		**Commissions for other services**	**32,849**	**0**
	G.2a	CORPORATE EXPENSES	30,559	0
	G.2b	ONGOING EXPENSES	2,290	0
H.1		**adjustments to LOANS**	**2,294,059**	**0**

	a.	COLLECTIVE WRITE-DOWNS	2,294,059	0
H.2		**Interest expense**	**21,531**	**0**
	a.	ADDITIONAL REMUNERATION	21,531	0
H.4		**Other charges**	**715,637**	**0**
	a.	RATING AGENCY FEES	220,817	0
	b.	PUBLICATION EXPENSES	5,286	0
	c.	UP-FRONT EXPENSES	489,534	0
I		**Interest generated from securitised assets**	**(3,939,263)**	**0**
	a.	INTEREST INCOME ON SECURITISED LOANS	(3,939,263)	0
L.1		**Interest income**	**(8,670)**	**0**
	a.	INTEREST INCOME ON CURRENT ACCOUNTS	(8,670)	0
L.4		**Other revenues**	**(46,000)**	**0**
	a.	COMMISSIONS EARNED	(46,000)	0

QUALITATIVE INFORMATION

B.1 DESCRIPTION AND PERFORMANCE OF THE TRANSACTION

Date of the transaction

The transaction was completed through the execution of the assignment agreements of loans that took place on 6 December 2022 and the issue of notes that took place on 19 December 2022.

- Date of the Initial Assignment agreement (legal effect): 06/12/2022
- Date of financial effect of Initial Assignment: 31/10/2022
- Valuation date: 31/10/2022
- Date of Issue of Initial Notes: 19/12/2022
- Revolving transaction: NO
- Frequency of Revolving transaction: N.A.

Assignor 1

- Business/company name: Illimity Bank S.p.A.
- Legal status: Company limited by shares
- Registered Office: Via Soperga no. 9, Milan
- Tax code and Register of Companies no.: 03192350365
- Register of Banks no.: 5710

Assigned loans

The Assignor has assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a portfolio of loans which can be identified in bulk and which arise from loans backed by FCG Guarantee and by SACE Guarantee.

- Nominal value of loans at the date of assignment: 531,742,446
- Interest accruing at the date of assignment: 2,430,126
- Price of assignment (including accruing interest): 534,172,572
- Type of assets
  The portfolio is made up of performing loans of Italian SMEs, backed by MCC and SACE.

- Nature of loans purchased:
  The features of the purchased loans were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 143 of 10 December 2022, in order to also notify the assignment to debtors that had taken place.
- Quality of loans purchased:
  At the time of the assignment, loans were classified as performing on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

1) Performance of the transaction

The transaction is progressing normally; no irregularities have emerged with respect to the provisions laid down in the contract documentation.

Specifically, it should be noted that the payments referable to the Notes were made in accordance with the priority order of payments prepared by the Computation Agent. On the first payment date of the transaction, which took place during February 2023, the Company made regular payment of accrued interest on Class A and Class B Notes. The Company proceeded with the partial repayment of principal on Class A Notes in the amount of Euro 31,585,950.

2) Information relating to the performance of loans
The performance of receipts can be assessed by monitoring an indicator that is defined in the contract documentation of the securitisation transaction as Cumulative Default Ratio. It measures the percentage of loans classified by the Servicer as "non-performing loans" in accordance with the Bank of Italy's supervisory regulations and/or with an Arrear Ratio (ratio of amounts due and unpaid to the amount of the last instalment that was due immediately before the end of the month) (i) equal to or greater than 12, in the case of loans payable on a monthly basis, (ii) equal to or greater than 4, in the case of loans payable on a quarterly basis, and (iii) equal to or greater than 2, in the case of loans with a six-monthly maturity out of total receivables. The indicator cannot exceed the threshold level of 5%. The fact of exceeding the threshold constitutes, in fact, an exceptional event that entails the implementation of a set of emergency measures to protect the underwriters of the notes under the securitisation documents. During the year, the indicator value did not exceed any alert threshold.

3) Other information relating to significant events
The transaction had a regular performance.

B.2 INDICATION OF THE PARTIES INVOLVED

SPV/issuer	Colt SPV S.r.l.
Assignor	Illimity Bank S.p.A.
Originator	Illimity Bank S.p.A.
Servicer	Illimity Bank S.p.A.
Corporate Servicer	Banca Finanziaria Internazionale S.p.A.
Computation Agent	Banca Finanziaria Internazionale S.p.A.
Back-Up Servicer	Banca Finanziaria Internazionale S.p.A.
Agent Bank	The Bank of New York Mellon SA/NV - Milan Branch
Paying Agent	The Bank of New York Mellon SA/NV - Milan Branch
Stichting Corporate Services Provider	Wilmington Trust SP Services (London) Limited
Representative of the Noteholders	Banca Finanziaria Internazionale S.p.A.

Obligations of the assignor
At the date of assignment, the Company in its capacity as issuer and Illimity Bank S.p.A. in its capacity as assignor entered into a guarantee and indemnity agreement, pursuant to which the assignor made specific representations and warranties in favour of the issuer, in relation to the portfolio of loans assigned and agreed to indemnify the issuer in relation to certain costs, expenses and liabilities which the latter should incur in relation to the purchase and ownership of the portfolio.
For the description of any other possible obligations of the assignor and of any other party involved in the transaction for any reason whatsoever, reference is made to paragraph F.5 Additional financial transactions.

Contractual relationships between the parties involved

The issuer has entrusted the management of receipts from the securitised portfolio to Illimity Bank S.p.A., in its capacity as Servicer, which is responsible, pursuant to Law no. 130 of 1999 for monitoring the transaction so that it may be carried out in accordance with law and the prospectus.
Loan repayments are collected on current accounts registered in the name of the Servicer, and then reversed by the latter to the collection account registered in the name of the issuer, subject to monitoring by the Servicer.

On the basis of the reports provided by the Servicer in relation to the performance of the transaction and, more specifically, to the loan collections and to any other item that contributes to the formation of the funds available to the issuer, Banca Finanziaria Internazionale S.p.A., in its capacity as computation agent, distributes these funds at each date of payment on account of fees and expenses to the various persons which have been appointed to carry out specific functions for the segregated assets and on account of remuneration [and, possibly, of the redemption] of the securities issued to the related underwriters. Paragraph F.4 below considers, more in detail, the funds available to the issuer and the priority order that the issuer is required to comply with in order to proceed with the payments to the counterparties.
The management of administrative and accounting services has been entrusted to Banca Finanzaria Internazionale S.p.A., in its capacity as Corporate Servicer.
The role of Representative of Noteholders is the responsibility of Banca Finanziaria Internazionale S.p.A..

B.3 CHARACTERISTICS OF THE ISSUES

All the notes issued by the Company are asset-backed Securities with limited recourse out of the receipts collected from the loans which make up the securitised portfolio.

Series and Class	A
ISIN code	IT0005525370
Currency	Euro
Amount	375,000,000
Type of rate	Variable
Benchmark	3-month EURIBOR + 2.0%
Coupon	Quarterly
Maturity Date	February 2040
ARC Rating (upon issue)	A (sf)
DBRS rating (upon issue)	A (sf)
Moody's rating (upon issue)	A1 (sf)
Assignment of the Ratings	Ratings have been assigned by the rating agencies on the basis of (i) the criteria they have identified at the time of the issue of the ABS, (ii) the analysis of the data provided by the assignor in relation to the securitised assets and of the historical performance of similar assets, (iii) the legal documentation which regulates the transaction and (iv) the financial structure outlined for the same ABS issued by the Company.

Ratings	The ratings provided express an opinion about the likelihood that the principal and any interest due will be paid in full on the notes within the maturity date of the transaction and the individual payment dates.
Frequency of review of the Ratings	The rating agencies carry out a monitoring activity on the ratings of ABS issued by the Company and they may change them at any time.
Listing	ExtraMOT PRO
Common Code	256976323
Applicable law	Italian law

Series and Class	B
ISIN code	IT0005525388
Currency	Euro
Amount	79,100,000
Type of rate	Variable
Benchmark	3-month EURIBOR +2.7%
Coupon	Quarterly
Maturity date	February 2040
ARC Rating (upon issue)	B+ (sf)
DBRS rating (upon issue)	B(high)(sf)
Moody's rating (upon issue)	B2 (sf)
Assignment of the Ratings	Ratings have been assigned by the rating agency on the basis of (i) the criteria they have identified at the time of the issue of the ABS, (ii) the analysis of the data provided by the assignor in relation to the securitised assets and of the historical performance of similar assets, (iii) the legal documentation which regulates the transaction and (iv) the financial structure outlined for the same ABS issued by the Company.
Ratings	The ratings provided express an opinion about the likelihood that the principal and any interest due will be paid in full on the notes within the maturity date of the transaction and the individual payment dates.
Frequency of review of the Ratings	The rating agencies carry out a monitoring activity on the ratings of ABS issued by the Company and they may change them at any time.
Listing	ExtraMOT PRO
Common Code	256976463
Applicable law	Italian law

Series and Class	J
ISIN code	IT0005525396
Currency	Euro

Amount	116,012,000
Type of rate	Fixed
Benchmark	5.0%
Coupon	Quarterly
Maturity date	February 2040
Rating upon issue	Notes are not rated
Listing	Notes are not listed
Common Code	256976536
Applicable law	Italian law

Allocation of cash flows arising from the loan portfolio

The allocation of the cash flows arising from the loan portfolio purchased follows the order provided for in the Intercreditor Agreement or Agreement between the creditors of the issuer.

The funds available to the issuer are allocated according to the following priority order:

- Payment of corporate expenses and reinstatement of the Retention Amount;
- Payment of fees due to the Company's Agents and to the Representative of the Noteholders;
- Interest on Senior Notes;
- Provision for Cash Reserve;
- Interest on Mezzanine Notes if no Subordination Event has occurred;
- Payment of the Outstanding Principal Amount on Senior Notes;
- Interest on Mezzanine Notes if a Subordination Event has occurred;
- Payment of the Outstanding Principal Amount on Mezzanine Notes;
- Payment of other amounts arising from Securitisation Documents;
- Interest on Junior Notes;
- Payment of the Outstanding Principal Amount on Junior Notes;
- Payment of Additional Return on Junior Notes.

B.4 ADDITIONAL FINANCIAL TRANSACTIONS

It should be noted that, on each payment date, the Company sets aside in the Cash Reserve Account a cash reserve equal to the greater of 3% of the Outstanding Principal Amount on Senior Notes on the relevant Calculation Date and 1% of the Outstanding Principal Amount on Senior Notes on the issue date. The purpose of this reserve is to be used for payment of the Company's expenses, the fees of the Agents and of the Representative of the Noteholders, and interest on Class A Notes if available funds are not sufficient.

The Cash Reserve will no longer be set aside upon the occurrence of one of the following three events:

1- redemption of Senior Notes;

2 - Final Maturity Date;

3- date on which a Trigger Notice is sent.

As at the Issue Date, the Issuer has also set aside an additional reserve (Set-Off Reserve) of Euro 23,929,000.

B.5 OPERATIONAL POWERS OF THE ASSIGNEE COMPANY

The Company, as assignee and issuer, has operational powers limited by its articles of association. Specifically, section [3] provides that:

"The sole purpose of the Company is to carry out one or more loan securitisation transactions, through the performance, on the part of the Company or of any other company established under Law no. 130 of 1999, of the activities described in Articles 1 (one), 7 (seven) and 7.1 (seven point one), paragraphs 1, 2 and 3, of Law no. 130 of 30 April 1999, to be financed through recourse to the issue (on the part of the Company or of any other company established under Law no. 130 of 1999) of securities referred to in Article 1, paragraph 1, letter (b) of Law no. 130 of 1999, or even by the assumption of financing on the part of parties that are authorised to do so. The loans relating to each securitisation transaction, the related collections or the amounts that are, in any case, received in satisfaction of the assigned loans, the financial assets acquired or subscribed to through them, as well as any other requirement prescribed by the provisions of the abovementioned law, will constitute assets which are segregated for all purposes both from the Company's assets and from those relating to any other transaction, in relation to which no actions may be taken by any creditors other than the holders of the securities issued to finance the purchase of the abovementioned loans or, in case of assumption of financing, by the creditors of the payments due by the company, under the related agreements, as part of the related securitisation transaction.
Within the limits permitted by Law no. 130 of 1999, the Company may carry out any additional transactions to be entered into in order to ensure the successful completion of the securitisation transactions effected by it or which are in any case functional to the achievement of its corporate purpose, as well as transactions of re-investment in other financial assets of funds provided for in the abovementioned law, which are not immediately used to satisfy the rights arising from the abovementioned securities or from the abovementioned loans".

All the main operational activities connected with the management of the transaction have been contracted out to third parties (see point F.3).

C - QUANTITATIVE INFORMATION

C.1) FLOW DATA RELATING TO THE LOANS

Description	At 31/12/2022
Balance of loans at the date of assignment (6/12/2022)	**531,742,446**
Balance of accrued interest at the date of assignment (6/12/2022)	**2,430,126**
Increases:	
Interest income	3,939,263
Commissions earned	46,000
Decreases:	
Principal amounts collected	(16,562,085)
Interest collected	(5,783,576)
Commissions earned collected	(46,000)
Other decreases, of which:	
Write-down made by the Servicer	(2,294,059)
Balance of loans at the end of the Year	**513,472,115**

C.2) CHANGES IN OVERDUE LOANS

The assigned loans are derived from performing loans and in relation to which there are no instalments past due and unpaid for more than 30 calendar days from the relevant date of assignment on 6 December 2022.

Description	At 31/12/2022
Initial balance at the date of assignment (6/12/2022)	-
Accrued instalments	138,890
Closing balance	**138,890**

The collection and recovery of overdue loans are the responsibility of Illimity Bank S.p.A. according to the Servicing Agreement.
The loans in the portfolio at the reporting date were adjusted, as appropriately notified by the Servicer, in order to adjust the carrying amount of the securitised portfolio at its estimated realisable value, which reflects the actual recovery prospects of the related amounts.
In the course of the transaction, the Servicer continued to monitor the loans and took recovery actions according to the procedure set out in the Servicing Agreement.

C.3) CASH FLOWS

Inflows	2022
Amounts collected on securitised loans	7,960,673
Provision for Reserve Amount	35,939,000
Interest income	8,670
Total Inflows during the Year	**43,908,343**

Outflows	2022
Allocation and reinstatement of Retention Amount	50,000
Total Outflows during the Year	**50,000**

Reconciliation of balances	At 31/12/2022
Opening balance of current accounts	0
Inflows	43,908,343
Outflows	(50,000)
Closing balance of current accounts	**43,858,343**

The imbalance between inflows and outflows consists of the balance of current accounts at 31 December 2022 (item B.3 of the summary statement of securitised assets and notes issued).
The item "Amounts collected on securitised loans" of Euro 7,960,673.43 differs from the amount reported in Table C1 by Euro 14,430,987. This amount was stated under the asset item "Receivables for amounts to be collected" (amount collected in January 2023).

It should be noted that some financial flows referred to in the above tables occurred by offsetting asset and liability flows: the price of assignment of the initial portfolio sold was paid net of the subscription of the Notes. The vehicle received the overissuance of Euro 35,939,000 for the allocation of the reserves and the payment of initial expenses.

According to the financial plans provided by the Servicer (Illimity Bank S.p.A.), it is expected that the amounts collected from loans will be equal to approximately Euro 97.84 million (Euro 65.29 million in principal and Euro 29.93 million in interest) during 2023, considering a prepayment rate of zero as per the amortisation schedule at the beginning of the transaction.

C.4) GUARANTEES AND LIQUIDITY FACILITIES

As at 31 December 2022, there had been no use of cash reserves; in particular, this amount was Euro 11,250,000 at the end of the year.

On the other hand, the amount of the Set-Off Reserve was Euro 23,929,000 at 31 December 2022.

C.5) BREAKDOWN BY RESIDUAL MATURITY

Residual Maturity	Balance of loans –2022
Beyond 5 years	515,180,361
Indefinite maturity (***)	585,813
Total loans at the end of the Year:	515,766,174

[non c'è in italiano]

C.6) BREAKDOWN BY GEOGRAPHICAL AREA

Geographical Area	Balance of loans –2022
Italy	515,766,174
Total loans at the end of the Year:	515,766,174

C.7) RISK CONCENTRATION

Classes of amount (Euro)	Number of Customers	Balance of loans –2022
04) Beyond 250,000	67	515,766,174
Total loans at the end of the Year:	67	515,766,174

As at 31 December 2022 the following loans had been reported, which principal amount due exceeded 2% of the total loans in the portfolio.

No. of Position	Balance of loans – 2022	Percentage
1	28,161,758	5.46%
2	25,003,953	4.85%
3	25,002,981	4.85%

4	23,003,332	4.46%
5	22,002,525	4.27%
6	21,877,752	4.24%
7	18,302,386	3.55%
8	18,002,096	3.49%
9	17,102,110	3.32%
10	16,294,017	3.16%
11	15,001,955	2.91%
12	14,001,728	2.71%
13	14,001,631	2.71%
14	14,001,536	2.71%
15	13,500,822	2.62%
16	13,483,022	2.61%
17	12,624,005	2.45%
18	11,740,579	2.28%
19	11,001,434	2.13%
20	10,501,214	2.04%
Total loans at the end of the Year:	344,610,838	

Conegliano, 8 March 2023

COLT SPV S.r.l.
Sole-quotaholder limited liability company
The Sole Director
Andrea Crespan

ISSUER

COLT SPV S.R.L.

Via V. Alfieri, 1

31015 Conegliano (TV)

Italy

ORIGINATOR, SERVICER AND ARRANGER

ILLIMITY BANK S.P.A.

Via Soperga 9

20124 Milan

Italy

ARRANGER

J.P. MORGAN SE

Taunustor 1 (TaunusTurm)

60310 Frankfurt am Main

Germany

QUOTAHOLDER

STICHTING QUARZO

Locatellikade 1

1076AZ Amsterdam

The Netherlands

STICHTING CORPORATE SERVICES PROVIDER

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

Third Floor, 1 King's Arms Yard

London EC2R 7AF

United Kingdom

ACCOUNT BANK AND PAYING AGENT

THE BANK OF NEW YORK MELLON SA/NV – MILAN BRANCH

Via Mike Bongiorno 13

20124 Milan

Italy

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

BANCA FINANZIARIA INTERNAZIONALE S.P.A.

Via V. Alfieri, 1

31015 Conegliano (TV)

Italy

LEGAL ADVISERS TO THE ARRANGERS

CHIOMENTI

Via XXIV Maggio, 43

00187 Rome

Italy