INFORMATION MEMORANDUM DATED 26 APRIL 2022

pursuant to article 2 of Italian Law No. 130 of 30 April 1999

BPL Mortgages S.r.l.

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

€1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064
€656,397,000 Class J Asset Backed Notes due 25 October 2064

Issue price: 100 per cent.

This Information Memorandum contains information relating to the issue by BPL Mortgages S.r.l., a limited liability company with sole quotaholder incorporated in the Republic of Italy under article 3 of the Securitisation Law, having its registered office at via Alfieri, 1, 31015 Conegliano (*Treviso*), Italy, enrolled in the companies' register of Treviso-Belluno under number 04078130269, fiscal code and VAT number 04078130269, enrolled in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 33259.3 (the "**Issuer**") of the €1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064 (the "**Senior Notes**"). In connection with the issue of the Senior Notes, the Issuer will also issue the €656,397,000 Class J Asset Backed Notes due 25 October 2064 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

This document constitutes a *Prospetto Informativo* for the purposes of article 2, sub-section 3 of the Securitisation Law and article 7, paragraph 1, letter (c) of Regulation (EU) 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 (the "**Securitisation Regulation**") in connection with the issuance of the Notes. This Information Memorandum does not constitute a prospectus with regard to the Issuer and the Notes for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended and supplemented from time to time, the "**Prospectus Regulation**"). This Information Memorandum constitutes also the admission document of the Senior Notes for the admission to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT" ("**ExtraMOT Market**"), which is a multilateral system for the purposes of the Market in Financial Instruments Directive 2014/65/EC (the "**MIFID II**"), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). The Notes will be issued on 27 April 2022 (the "**Issue Date**"). The Junior Notes are not being offered pursuant to this Information Memorandum and no application has been made to list the Junior Notes on any stock exchange.

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections and other recoveries made in respect of the portfolio of the Receivables arising out of the Loan Agreements. The Issuer has purchased the Portfolio on the Transfer Date pursuant to the Transfer Agreement.

Interest on the Notes is payable by reference to successive Interest Periods. Interest on the Notes will accrue on a daily basis and will be payable in euro quarterly in arrears on each Interest Payment Date in each year (in each case, subject to adjustment for non-business days as set out in Condition 7 (*Interest*)). The Rate of Interest applicable to the Senior Notes for each Interest Period shall be the higher of (i) 0% (zero per cent) and (ii) EURIBOR for three months deposits (as determined under Condition 7 (*Interest*)) plus the Margin. In any event such Rate of Interest shall not be higher than 1.7%.

The Senior Notes are expected, on the Issue Date, to be rated "A2(sf)" by Moody's and "A(sf)" by DBRS. As of the date of this Information Memorandum, each of Moody's and DBRS is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequenly amended and supplemented (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (the "**ESMA Website**"), for the avoidance of doubt, such website does not constitute part of this Information Memorandum). It is not expected that the Junior Notes will be assigned a credit rating.

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.

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title

and interest in and to the Portfolio and any other Segregated Assets are segregated from all other assets of the Issuer (including any other assets purchased by the Issuer pursuant to the Securitisation Law in the context of any Further Securitisation or the Previous Securitisation) 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 the Securitisation 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 and the other Segregated Assets will not be available to any such creditors of the Issuer oin respect of any other amounts owed to it or to any other creditor of the Issuer. 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.

As at the date of this Information Memorandum, all payments of principal and interest in respect of the Notes will be made free and clear of any withholding or deduction for or on account of Italian taxes, unless such a withholding or deduction is required to be made by Decree 239 or otherwise by applicable law. If any withholding or deduction for or on account of tax is made in respect of any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes. For further details, see the section entitled "*Taxation in the Republic of Italy*".

The Notes are limited recourse obligations solely of the Issuer. In particular, the Notes are not obligations or responsibilities of, or guaranteed by, the Representative of the Noteholders, Banco BPM (in any capacity) or any of the Other Issuer Creditors. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued in dematerialised form (*in forma dematerializzata*) on behalf of the ultimate owners, until redemption or cancellation thereof, through Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83 -*bis* of the Consolidated Financial Act, through the authorised institutions listed in article 83-*quarter* of the Consolidated Financial Act. Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes.

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners until redemption by Monte Titoli for the account of the relevant Monte Titoli Account Holder. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of the Joint Regulation. No physical document of title will be issued in respect of the Notes.

Before the Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes will be redeemed on the Maturity Date. Save as provided in the Conditions, the Notes will amortise on each Interest Payment Date, subject to there being sufficient Issuer Available Funds and in accordance with the applicable Priority of Payments. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.

The Issuer has no assets other than the Receivables and the Issuer's Rights as described in this Information Memorandum as well as the portfolio under the Previous Securitisation still outstanding and the agreements entered into by the Issuer in relation to the Previous Securitisation which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

Banco BPM, in its capacity as Originator, will retain on an on-going basis for the entire life of the Securitisation, a material net economic interest of not less than 5% in the Securitisation as required by Article 6(1) of the Securitisation Regulation and the relevant applicable Regulatory Technical Standards, in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, the Originator will meet this obligation by retaining an interest that constitute an interest in the first-loss tranche, being the Junior Notes, as required by Article 6(3)(d) of the Securitisation Regulation. Please refer to the section entitled "*Risk retention and transparency requirements*" for further information.

The Securitisation is intended to qualify as a simple, transparent and standardised (STS) securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and, prior to the Issue

Date, has been notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27(2) of the Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Information Memorandum, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation). The Originator has used the service of Prime Collateralised Securities EU SAS ("**PCS**"), as a third party authorised under article 28 of the Securitisation Regulation to verify compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 of the CRR (the "**CRR Assessment**" and, together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Information Memorandum, https://pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Information Memorandum.
The STS status of a transaction is not static and under the Securitisation Regulation ESMA is entitled to update the list should the Securitisation be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the Originator. The investors should verify the current status of the Securitisation on ESMA's website from time to time. As at the date of this Information Memorandum, no assurance can however be provided that the Securitisation (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation. None of the Issuer, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time. Please refer to the section entitled "*Compliance with STS Requirements*" for further information.

Compliance with the STS Requirements is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2014/65/EU) and it is not a credit rating whether generally or as defined under the CRA Regulation.

This Information Memorandum comprises a "transaction summary" for the purposes of Article 7(1)(c) of the Securitisation Regulation and the transaction described in this Information Memorandum is structured to satisfy the risk retention, due diligence or other requirements of the Securitisation Regulation.

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

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

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

UNDERWRITER

BANCO BPM S.P.A.

RESPONSIBILITY STATEMENTS

None of the Issuer, the Other Issuer Creditors and any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer or to establish the creditworthiness of any Debtor. In the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties to the Issuer in relation to, inter alia, the Receivables, the Loan Agreements, the Loans and the Debtors.

The Issuer accepts responsibility for the information contained and incorporated by reference in this Information Memorandum. The information in respect of which each of Banco BPM, The Bank of New York Mellon N.A./SV, Milan branch and Banca Finint accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. 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 is true and does not omit anything likely to affect the import of such information.

Banco BPM accepts responsibility for the information contained in this Information Memorandum in the sections entitled "The Portfolio", "Banco BPM", "The Collection Policies", "*Compliance with STS Requirements*", "*Risk retention and transparency requirements*" *and any other information contained in this Information Memorandum relating to itself, the Receivables, the Loan Agreements, the Loans, the Mortgages and the Guarantees. To the best of the knowledge and belief of Banco BPM (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.*

The Bank of New York Mellon S.A./NV, Milan branch accepts responsibility for the information contained in this Information Memorandum in the section entitled "The Paying Agent" and any other information contained in this Information Memorandum relating to itself. To the best of the knowledge and belief of The Bank of New York Mellon N.A./SV, Milan branch (which have taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

Banca Finint accepts responsibility for the information contained in this Information Memorandum in the section entitled "The Back-Up Servicer Facilitator, the Computation Agent, the Corporate Servicer and the Representative of the Noteholders" and any other information contained in this Information Memorandum relating to itself. To the best of the knowledge of Banca Finint (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.

Save for the parties accepting responsibility for the information included in this Information Memorandum as stated above, no other party to the Transaction Documents accepts responsibility for such information.

Interest material to the offer

Save as described under the section headed "Subscription and Sale and Selling Restrictions" and in the sections describing the Transaction Documents, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Representations about the Notes

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 Representative of the Noteholders, the Issuer, the Quotaholder or Banco BPM (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Information Memorandum nor any sale or allotment made in connection with the offering of any of the Notes shall in any circumstances constitute a representation or create an implication 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, Banco BPM 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.

Limited recourse

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law in any Further Securitisation or the Previous Securitisation) 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 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 holders of the Notes and to pay any costs, fees and expenses payable to the Other Issuer Creditors and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts derived from the Portfolio and the other Segregated Assets will not be available to any other creditors of the Issuer. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payment.

U.S. Risk Retention Rules

*The Notes sold on the Issue Date may not be purchased by any person except for persons that are not "**U.S. persons**" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**").*

*"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.*

Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator, the Underwriter or any of their affiliates or any other party to accomplish such compliance.

Selling Restrictions

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

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or for the benefit of U.S.*

persons (as defined in Regulation S under the Securities Act).

The Notes may not be offered or sold directly or indirectly, and neither this Information Memorandum nor any other offering circular or any Information Memorandum, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

The Notes are complex instruments which involve a high degree of risk and are suitable for purchase only by sophisticated investors which are capable of understanding the risk involved. In particular the Notes should not be purchased by or sold to individuals and other non-expert investors.

No action has or will be taken which would allow an offering to the public (or a "offerta al pubblico") of the Notes in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Notes may not be offered, sold or delivered and neither this Information Memorandum nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Neither this Information Memorandum nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or an invitation or offer by the Issuer, Banco BPM (in any capacity) that any recipient of this Information Memorandum, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Information Memorandum, see the section entitled "Subscription and Sale and Selling Restrictions".

PRIIPs / EEA Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU; (ii) a customer within the meaning of Directive 2002/92/EC, 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. Consequently, no key information document required by Regulation (EU) 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

PRIIPS / UK Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) 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 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it*

*forms part of 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 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

MIFID II product governance / Professional investors and ECPs only target market

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

***UK MiFIR product governance / target market** - Solely fo r the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes i s only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) no. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate dis tribution channels.*

Benchmark Regulation (Regulation (EU) 2016/1011)

Amounts payable in relation to the Senior Notes which bear a floating interest rate will be calculated by reference to the EURIBOR. As at the date of this Information Memorandum, the administrator of the EURIBOR is included on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of Regulation (EU) 2016/1011.

STS Regulation

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace certain provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations.

Interpretation and definitions

Capitalised words and expressions in this Information Memorandum shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the Conditions.

Certain monetary amounts and currency translations included in this Information Memorandum 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 "Euro", "EUR", "€" and "cents" 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 and integrated from time to time.

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.

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Information Memorandum, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. 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. Prospective Noteholders are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document 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.

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.

Any websites included in this Information Memorandum are for information purposes only and do not form part of this Information Memorandum and have not been scrutinised or approved by the competent authority.

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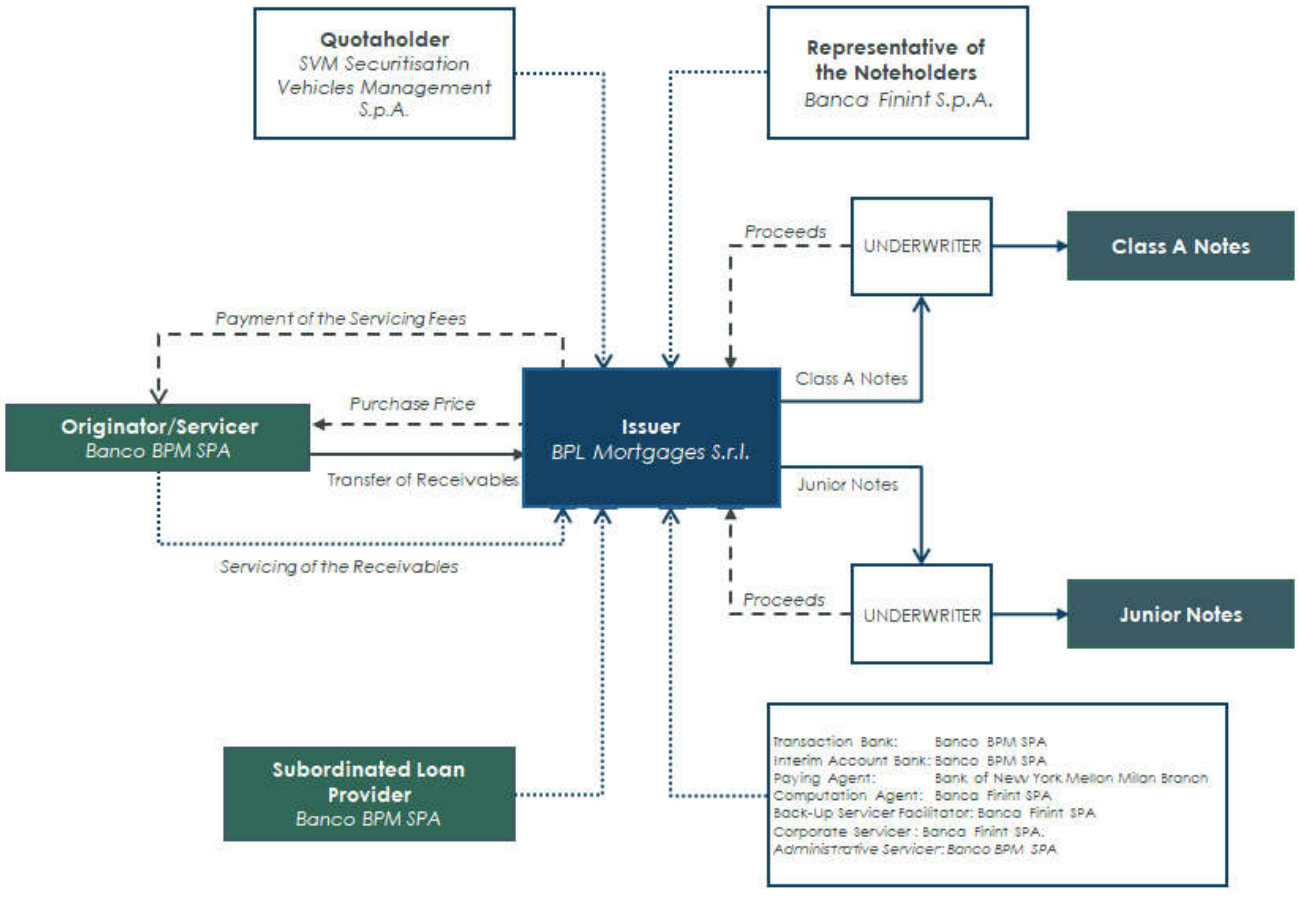
TRANSACTION OVERVIEW

The following information is a summary of certain aspects of the transaction, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Information Memorandum and in the Transaction Documents. This Information Memorandum contains the information and requirements provided by Article 2, paragraph 3, of the Securitisation Law, it is not exhaustive and it does not purport to be complete. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, and conduct its own due diligence and investigation on the economic, financial, legal and credit risk associated with the investment in the Notes and the Receivables thereunder.

1. THE TRANSACTION DIAGRAM

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum. Words and expressions defined elsewhere in this Information Memorandum shall have the same meanings in this structure diagram.



2. THE PRINCIPAL PARTIES

Issuer	**BPL Mortgages S.r.l.,** a limited liability company with sole quotaholder incorporated in the Republic of Italy under article 3 of the Securitisation Law, having its registered office at via Alfieri, 1, 31015 Conegliano (*Treviso*), Italy, enrolled in the companies' register of Treviso-Belluno under number 04078130269, fiscal code and VAT number 04078130269, enrolled in the register of the special purpose vehicles heldby the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 33259.3. The issued Euro 12,000 equity capital of the Issuer is entirely held by SVM Securitisation Vehicles Management S.r.l.. The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out Further Securitisations in addition to the one contemplated in this Information Memorandum, subject to the Conditions. In accordance with the Securitisation Law, the Issuer has already engaged the Previous Securitisation carried out in accordance with the Securitisation Law and completed with the issuance of the Previous Notes. For further detail, see the Section "*The Issuer*", below.
Quotaholder	**SVM Securitisation Vehicles Management S.r.l..**
Originator	**Banco BPM.**
Reporting Entity	**Banco BPM.** The Reporting Entity will be designated under the Transfer Agreement and the Intercreditor Agreement. The Reporting Entity will act as such, pursuant to and for the purposes of Article 7(2) of the Securitisation Regulation.
Servicer	**Banco BPM.** The Servicer will act as such pursuant to the Servicing Agreement.
Computation Agent	**Banca Finint.** The Computation Agent will act as such pursuant to the Agency and Accounts Agreement.
Transaction Bank	**Banco BPM.** The Transaction Bank will act as such pursuant to the Agency and Accounts Agreement.
Interim Account Bank	**Banco BPM.** The Interim Account Bank will act as such pursuant to the Agency and Accounts Agreement.
Paying Agent	**BNYM Mellon, Milan branch**. The Paying Agent will act as

	such pursuant to the Agency and Accounts Agreement.
Subordinated Loan Provider	**Banco BPM.** The Subordinated Loan Provider will act as such pursuant to the Subordinated Loan Agreement.
Representative of the Noteholders	**Banca Finint.** The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other Transaction Documents.
Administrative Servicer	**Banco BPM**. The Administrative Servicer will act as such pursuant to the Administrative Services Agreement.
Corporate Servicer	**Banca Finint.** The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Back-Up Servicer Facilitator	**Banca Finint.** The Back Up Servicer Facilitator will act as such pursuant to the Intercreditor Agreement.
Underwriter	**Banco BPM**. The Underwriter will act as such pursuant to the Subscription Agreement.

3. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

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

Senior Notes

€ 1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064

Junior Notes

€656,397,000 Class J Asset Backed Notes due 25 October 2064.

The Junior Notes will not be offered pursuant to this Information Memorandum.

Issue Price

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

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

Interest on the Senior Notes

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the Margin above Euribor (the "**Rate of Interest**") (as determined under Condition 7 (*Interest*)). The Rate of

	Interest applicable to the Senior Notes for each Interest Period shall be the higher of (i) 0% (zero per cent) and (ii) EURIBOR for three months deposits (as determined under Condition 7 (*Interest*)) plus the Margin. In any event such Rate of Interest shall not be higher than 1.7%.
Junior Notes Remuneration	The Junior Noteholders are entitled to be paid of the Junior Notes Remuneration (if any) on each Interest Payment Date in accordance with the applicable Priority of Payments as being calculated on each Calculation Date.
Accrual of interest	Interest in respect of the Notes will accrue on a daily basis and is payable quarterly in arrears in Euro on each Interest Payment Date in accordance with the relevant Priority of Payments. The first payment in respect of each Class of Notes will be due on the First Payment Date in respect of the Initial Interest Period.
Form and denomination	The denomination of the Senior Notes will be Euro 100,000. The denomination of the Junior Notes will be Euro 1,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by *Monte Titoli* for the account of the relevant *Monte Titoli* Account Holders. The Notes will be accepted for clearance by *Monte Titoli* with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of the article 83-*bis* of Consolidated Financial Act and the Joint Regulation. No physical document of title will be issued in respect of the Notes.
ISIN Codes	Upon acceptance for clearance by Monte Titoli the Notes were assigned the following ISIN Codes: Class A Notes IT0005493447 Class J Notes IT0005493421
Status and subordination	In respect of the obligation of the Issuer to pay interest and principal on the Notes, the Conditions provide that: (i) the Senior Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and (ii) the Junior Notes rank *pari passu* and rateably without any preference or priority among

	themselves for all purposes and subordinated to the Senior 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 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.
Withholding on the Notes	As at the date of the Information Memorandum, payments of interest and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian substitute tax (*imposta sostitutiva*), in accordance with Decree 239. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.
Mandatory Redemption	The Notes of each Class will be subject to mandatory redemption in full or in part *pro rata* on each Interest Payment Date thereafter in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre Enforcement Priority of Payments.
Mandatory redemption following the delivery of an Issuer Acceleration Notice	After the delivery of an Issuer Acceleration Notice, the Issuer Available Funds and any other amounts received or recovered by the Representative of the Noteholders shall be applied by the Representative of the Noteholders in accordance with the Post Enforcement Priority of Payments.
Optional redemption	Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) or the Senior Notes only, if all the Junior Noteholders consent, at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date, subject to the Issuer: (a) giving not more than 60 (sixty) nor less than 30

(thirty) days' notice to the Representative of the Noteholders, the Noteholders and the Rating Agencies, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and

(b) having provided to the Representative of the Noteholders, upon or before the delivery of the notice under (a) above, a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge all its obligations under the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and any obligations ranking in priority, or *pari passu*, thereto.

The Issuer is entitled, pursuant to the Transfer Agreement, to dispose of the Portfolio (in whole but not in part) in order to finance the redemption of the Notes in the circumstances described above.

For further detials please refer to section entititled "*The Transfer Agreement*" and "*Terms and Conditions of the Notes*".

Cancellation

The Notes will be cancelled on the Cancellation Date.

Optional Redemption for taxation reasons

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

(i) any Tax Deduction (other than a Decree 239 Withholding) in respect of any payments to be made to the Noteholders, or (ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables), subject to the following:

(iii) that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

(iv) that upon or prior to giving such notice, 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 the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) 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 Interest Payment Date to discharge all of its outstanding liabilities in respect of all the Notes (in whole but not in part) or the Senior Notes only, if all the Junior Noteholders consent, and any other payment ranking higher or pari passu with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments,

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

The Issuer is entitled, pursuant to the Transfer Agreement, to dispose of the Portfolio (in whole but not in part) in order to finance the redemption of the Notes in the circumstances described above.

For further detials please refer to section entititled "*The Transfer Agreement*" and "*Terms and Conditions of the Notes*".

Maturity Date

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

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio and the other 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 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 may not be seized or attached in any form by

creditors of the Issuer (including for avoidance of doubts, noteholders and the Issuer's other creditors in respect of the Previous Securitisation and any other securitisation transactions carried out by 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 Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer 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 power.

Events of Default

If any of the following events occurs:

(i) ***Non-payment***

the Issuer defaults in the payment of the amount of interest and/or principal when due on the Senior Notes and such default is not remedied within a period of five Business Days from the due date thereof (for the avoidance of doubt, the Issuer Acceleration Event relating to non-payment of principal may only occur in case of non-payment of principal on the Maturity Date or on any date on which the principal becomes due and payable following a notice of redemption having been served to the Noteholders pursuant to Condition 8.5 (*Optional Redemption*) or 8.6 (*Optional Redemption for taxation reasons*)); or

(ii) ***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 to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of being remedied or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of being remedied remains unremedied for 30 (thirty) days after the

Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied; or

(iii) ***Insolvency***

an Insolvency Event occurs with respect to the Issuer; or

(iv) ***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 and such unlawfulness remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of it to the Issuer requiring the same to be remedied,

then the Representative of the Noteholders,

(1) in the case of an Issuer Acceleration Event under (i) (*Non-payment*) or

(2) in the case of an Issuer Acceleration Event under (ii) (*Breach of other obligations*), (iii) (*Insolvency*) or (iv) (*Unlawfulness*), if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

shall serve an Issuer Acceleration Notice on the Issuer and the Noteholders pursuant to Condition 17 (*Notices*) declaring the Notes to be due and repayable at their Principal Amount Outstanding whereupon they shall become so due and payable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Conditions and described under "*Post Enforcement Priority of Payments*" below and on such other dates the Representative of the Noteholders may determine.

For further details see the Condition 10 (*Events of Default*).

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 or Other Issuer Creditor 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 or proceedings against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(ii) until the date falling on the later of (a) 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 (b) 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 or the Previous Securitisation 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 Issuer Acceleration Notice has been served or an Insolvency Event 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 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;

(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 17 (*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 provisions of this paragraph (c) are subject to none of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objecting to such determination of the Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objects such determination within such term, the Representative of the Noteholders may request an independent third party expert to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio which would be available to pay any amount outstanding under the Notes. Such determination shall be definitive and binding for all the Noteholders.

The Organisation of the Noteholders and the Representative of the Noteholders

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

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

	be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the subscriber(s) of the Notes in the Subscription Agreement. Each Noteholder by holding, at any time, any of the Notes is deemed to accept such appointment.
Rating	The Senior Notes are expected to be assigned on the Issue Date a rating of "A2(sf)" by Moody's and "A(sf)" by DBRS. The Junior Notes will not be assigned any credit rating. As of the date of this Information Memorandum, each of DBRS and Moody's is established in the European Union and was registered on 31 October 2011 in accordance with the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website, for the avoidance of doubt, such website does not constitute part of this Information Memorandum). **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**
Expected Weighted Average Life of the Notes	The actual weighted average life of the Senior 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 of the estimated weighted average life of the Senior Notes have been based on certain assumptions including, *inter alia*, the assumptions that the Loans are subject to a constant payment rate as shown in "*Estimated weighted average life of the Senior Notes and assumptions*". The estimated weighted average life of the Senior Notes is set out under "*Estimated weighted average life of the Senior Notes and assumptions*".
Listing and admission to trading	Application has been made for the Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility "ExtraMOT", which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A..

	No application has been made to list the Junior Notes on any stock exchange.
Governing law	The Notes will be governed by Italian law.
Purchase of the Notes	The Issuer may not purchase any Note at any time.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. For further details see the section entitled "*Subscription and Sale and Selling Restrictions*".

4. THE PRIORITY OF PAYMENTS

Pre-Enforcement Priority of Payments

Prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period and to the extent not paid by the Originator under the Letter of Undertaking);

(ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to the Representative of the Noteholders;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all the Interest Amounts due and payable on the Class A Notes;

(vi) *sixth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;

(vii) *seventh,* for so long as there are Senior Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the Payments Account;

(viii) *eigth*, in or towards repayment, *pro rata* and *pari passu*, of the Class A Principal Payment;

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents;

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement; and

(C) all amounts due and payable to the Originator in connection with the granting of the limited recourse loan under the Letter of Undertaking;

(xi) *eleventh,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);

(xii) *twelfth*, in or towards satisfaction of all amounts due and payable to the Originator in respect of the Rateo

Amounts (if any) under the terms of the Transaction Documents;

(xiii) *thirteenth*, to pay any surplus received in accordance with the Transaction Documents to the Originator;

(xiv) *fourteenth*, upon repayment in full of the Senior Notes, in or towards repayment, *pro rata* and *pari passu*, of the Class J Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xv) *fifteenth*, on the Final Redemption Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and

(xvi) *sixteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

Post-Enforcement Priority of Payments

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period and to the extent not paid under the Letter of Undertaking);

(ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the

respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to the Representative of the Noteholders;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, tthe Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of Interest Amount (including any interest accrued but unpaid) on the Class A Notes at such date;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Class A Principal Payment;

(vii) *seventh*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents;

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement; and

(C) all amounts due and payable to to the Originator in connection with the granting of the limited recourse loan under the Letter ofUndertaking;

(viii) *eighth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post-Enforcement Priority of Payments);

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth*, to pay any surplus received in accordance with the Transaction Documents to the Originator;

(xi) *eleventh*, in or towards repayment, *pro rata* and *pari passu*, of the Class J Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xii) *twelfth,* on the Post-Enforcement Final Redemption Date and on any date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding on the Junior Notes until the Junior Notes are redeemed in full; and

(xiii) *thirteenth*, up to but excluding the Post-Enforcement Final Redemption Date, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date.

5. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

The Portoflio

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and recoveries made in respect of the Portfolio purchased on the Transfer Date by the Issuer pursuant to the terms of the Transfer Agreement.

In accordance with the Securitisation Law and subject to the terms and conditions of the Transfer Agreement, the Portfolio will be assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in case of a failure by any of the Debtors to pay amounts due under the Loan Agreements. The purchase price for the Portfolio will be funded by the Issuer (subject to the conditions set out in the Transfer Agreement being fulfilled) upon transfer of the Portfolio, through the net proceeds of the issuance of the Notes. See for further details "*The Portfolio*" and "*The Transfer Agreement*".

Servicing of the Portfolio

Pursuant to the Servicing Agreement the Issuer will appoint Banco BPM to perform the administration, management and collection of the Receivables from time to time purchased by the Issuer, including the collection of payments and the management of the data in respect thereof, and to act as "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to article 2, sub-paragraph 3(c) and paragraph 6-bis, of the Securitisation Law.

The Servicer has agreed, inter alia, to administer and service the Portfolio on behalf of the Issuer and, in particular, to:

(a) collect amounts due in respect thereof;

(b) administer relationships with any person who is a borrower under a Loan; and

(c) commence and pursue any enforcement proceedings in respect of any borrowers who may default.

Any of the Collections are initially paid to the Servicer.

The Collections are required to be transferred by the Servicer into the Interim Account by no later than the same Business Day on which are received for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made:

(i) through the direct debit mechanism will automatically passfrom the current account of the relevant Debtor to the Interim Account; and

(ii) by, respectively, cash, inter-banking direct debit of the Debtors' bank account open with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the Interim Account through an automatic process.

The Servicer has undertaken to prepare and submit to the relevant addressee specified in the Servicing Agreement on each Reporting Date the Servicer Report, together with the Loan by Loan Report and the Inside Information and Significant Event Report, all in accordance with the terms set out under the Servicing Agreement.

See for further details "*The Servicing Agreement*".

Warranties and indemnities

Under the Warranty and Indemnity Agreement, the Originator will give certain representations and warranties to the Issuer in relation to, inter alia, itself, the Loans, the Mortgages, the Securitisation Regulation and the Real Estate Assets and will agree to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties. The representations and warranties under the Warranty and Indemnity Agreement shall be deemed to be repeated and confirmed by the Originator as at the Issue Date. See for further details "*The Warranty and Indemnity Agreement*".

6. CREDIT STRUCTURE, ACCOUNTS AND OTHER TRANSACTION DOCUMENTS

Accounts

The Issuer has established with the Interim Account Bank the Interim Account. The Interim Account will be maintained with the Interim Account Bank.

The Issuer has established with the Transaction Bank the following Accounts:

(a) the Collection Account;

(b) the Cash Reserve Account; and

(c) the Expenses Account.

The Issuer has also established with the Transaction Bank also the Equity Capital Account, into which its contributed quota capital has been deposited.

Furthermore, the Issuer has established with the Paying Agent the Payments Account.

Each of the above Accounts (other than the Interim Account, the Expenses Account and the Equity Capital Account) will be maintained respectively with each of the Transaction Bank and the Paying Agent, as long as it is an Eligible Institution.

For further details, see the section headed "*The Issuer's Accounts*" and *"The Agency and Accounts Agreement"*.

Intercreditor Agreement

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders has agreed, inter alia, to ensure that, following the service of a Issuer Acceleration Notice, all the Issuer Available Funds are applied in or towards satisfaction of all the Issuer's payment obligations to the Other Issuer Creditors and third party creditors for costs and expenses incurred in the context of the Securitisation, in accordance with the Post Trigger Notice Priority of Payments. The obligations owed by the Issuer to each of the Noteholders and to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds, in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents. See for further details "*The Intercreditor Agreement*".

Agency and Accounts Agreement

Under the terms of the Agency and Accounts Agreement, *inter alio*s, the Computation Agent, the Interim Account Bank, the Transaction Bank, the Paying Agent and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts and with certain agency services. See for further details "*The Agency and Accounts Agreement*".

Cash Reserve	On the Issue Date the Issuer has established a reserve fund in the Cash Reserve Account in an amount equal to the Cash Reserve Initial Amount. The Cash Reserve Initial Amount has been funded on the Issue Date by (i) applying the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) as being credited into the Cash Reserve Account from the Collection Account and (ii) utilising the amounts drawn down by the Issuer under the Subordinated Loan Agreement. On each Interest Payment Date, the Cash Reserve will be increased or replenished, as the case may be, up to the Target Cash Reserve Amount out of the Issuer Available Funds and in accordance with the Pre-Enforcement Priority of Payments. On each Calculation Date, the Cash Reserve (or part of it) will be used to increase the Issuer Available Funds.
Corporate Services Agreement	Under the terms of the Corporate Services Agreement between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide certain corporate and accounting services to the Issuer. See for further details "*Description of the other Transaction Documents - The Corporate Services Agreement*".
Administrative Services Agreement	Under the terms of the Administrative Services Agreement between the Issuer and the Administrative Servicer, the Administrative Servicer has agreed to provide certain administrative services to the Issuer. See for further details "*Description of the other Transaction Documents - The Administrative Services Agreement".*
Mandate Agreement	Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Issuer Acceleration Notice being served upon the Issuer following the occurrence of a Issuer Acceleration Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and subject to certain conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party. See for further details "*Description of the other Transaction Documents - The Mandate Agreement*".
Letter of Undertaking	Pursuant to the Letter of Undertaking, Banco BPM has undertaken to provide the Issuer with all necessary monies in any form of financing deemed appropriate by the Representative of the Noteholders, for example by way of a subordinated loan, (the repayment of which is effected in compliance with the Pre-Enforcement Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments) in order for the Issuer to pay any

losses, costs, expenses or liabilities in respect of certain exceptional liabilities set out in the Letter of Undertaking. See for further details "*Description of the other Transaction Documents - The Letter of Undertaking*".

Governing Law of the Transaction Documents

Each of the Transaction Documents is governed by and shall be construed in accordance with Italian law.

7. RISK RETENTION AND TRANSPARENCY REQUIREMENTS

Retention risk

Banco BPM, in its capacity as Originator, will retain on an on-going basis for the entire life of the Securitisation, a material net economic interest of not less than 5% in the Securitisation as required by Article 6(1) of the Securitisation Regulation and the relevant applicable Regulatory Technical Standards, in accordance with Article 6(3)(d) of the Securitisation Regulation. As at the Issue Date, the Originator will meet this obligation by retaining an interest in the Junior Notes, being the first-loss tranche of the Securitisation, as required by Article 6(3)(d) of the Securitisation Regulation.

Reporting Entity

Under the Intercreditor Agreement and the Transfer Agreement, each of the Issuer and the Originator has agreed that Banco BPM is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity as Reporting Entity, Banco BPM shall fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information on the Designated Repository.

For further details, see the section entitled "*Risk Retention and transparency requirements*".

8. SECURITISATION REGULATION

STS securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS-securitisation**") within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation*') of the Securitisation Regulation. Consequently, the Securitisation is intended to meet, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originator intends to submit on or about the Issue Date a notification to the ESMA for the Securitisation to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27, paragraph 2, of the Securitisation

Regulation, the STS Notification will include an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA's website at: https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation.

PCS Services

The Originator and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction complies with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 of the Regulation (EU) No. 575 of 26 June 2013, as amended from time to time (the "**CRR**" and the "**CRR Assessment**") and the compliance with such requirements is expected to be verified by PCS on the Issue Date. When performing a CRR Assessment, PCS is not confirming or indicating that the securitisation subject to such assessment will be allowed to have lower capital allocated to it under the CRR. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met; therefore, no investor should rely on such CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. It is expected that the STS Verification and the CRR Assessment prepared by PCS will be available on the PCS website (https://pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, the PCS websites and the contents thereof do not form part of this Information Memorandum. The STS status of a transaction is not static and under the Securitisation Regulation ESMA is entitled to update the list should the Securitisation be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the relevant originators.

The investors should verify the current status of the Securitisation on ESMA's website from time to time. As at the date of this Information Memorandum, no assurance can however be provided that the Securitisation (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation. None of the Issuer, the Originator or any other party to the Transaction Documents makes any

representation or accepts any liability in that respect.

For further details, see the section entitled "*Compliance with STS requirements*" and "*PCS Services*".

RISK FACTORS

The following paragraphs set out certain aspects of the issue of the Notes of which prospective noteholders should be aware. Prospective noteholders should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making an investment decision.

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, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons. 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 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.

In addition, whilst the various structural elements described in this Information Memorandum are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Noteholders of any Class receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

RISK FACTORS RELATED TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in Italy on April 1999. As at the date of this Information Memorandum, as far as the Issuer is aware, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Information Memorandum.

Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of (a) the Collections (including, for the avoidance of any doubt, the relevant recoveries) made on its behalf by the Servicer in respect of the Portfolio, (b) any amounts standing to the credit of the Cash Reserve Account and (c) any other amounts required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the relevant Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

Consequently, there is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Maturity Date, upon redemption by acceleration of maturity following the service of an Issuer Acceleration 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.

Following the delivery of a Issuer Acceleration Notice, the Issuer may (with the prior consent of the Representative of the Noteholders), or the Representative of the Noteholders may (or shall if so

requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) direct the Issuer to, dispose of the Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement and the Conditions.

No independent investigation in relation to the Receivables

None of the Issuer nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigation, search or other action to establish the creditworthiness of any of the Debtors. There can be no assurance that the assumptions used in modelling the cash flows of the Receivables and the Portfolio accurately reflect the status of the underlying Loans.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement and in the Transfer Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damage deriving therefrom, subject to the terms and conditions of the Warranty and Indemnity Agreement. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations. For further details, see the sections entitled "*The Warranty and Indemnity Agreement*" and "*The Transfer Agreement*".

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held by the Servicer are lost or frozen. The Securitisation Law has been amended so as to clarify, inter alia, that, should any insolvency procedure be open against the relevant servicer as account-holder, any positive balance standing to the credit of the relevant bank account/s, as well as any amounts credited to such account/s during such procedure, shall be immediately returned to the Issuer regardless the ordinary procedural rules about the filing of claims and distribution of payments out of the insolvency estate. However, such risk is mitigated through the obligation of the Servicer under the Servicing Agreement to transfer any Collections held by the Servicer to the Interim Account on a daily basis. For further details, see the section entitled "*The Servicing Agreement*".

Liquidity and credit risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the scheduled instalment payment dates. This risk is mitigated, in respect of the Senior Notes, through the establishment of the Cash Reserve into the Cash Reserve Account.

Furthermore, the Issuer is subject to the risk of failure by the Servicer to collect or to recover sufficient funds in respect of the Portfolio in order to enable the Issuer to discharge all amounts payable under the Notes when due.

The Issuer is also subject to the risk of default in payment by the Debtors and the failure to realise or to recover sufficient funds in respect of the Loans in order to discharge all amounts due from those Debtors under the Loans. With respect to the Senior Notes, this risk is mitigated by the credit support provided by the Junior Notes.

However, in each case, there can be no assurance that the levels of Collections received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

Credit Risk on the Originator 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 and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. 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 Claims (if any). In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Portfolio. The performance by such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

It is not certain that a suitable alternative servicer could be found to service the Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer is found it is not certain whether such alternative servicer would service the Portfolio on the same terms as those provided for in the Servicing Agreement.

Such risk is mitigated by the provisions of the Servicing Agreement in relation to the appoitnment of the Back-Up Servicer and of the Agency and Accounts Agreement pursuant to which the Back-Up Servicer Facilitator has undertaken to assist and cooperate with the Issuer, if necessary, in order to identify an eligible entity available to be appointed as Successor Servicer under the Transaction Documents. For further details, see the section entitled " *The Servicing Agreement*" and "*The Intercreditor Agreement*".

The Originator faces significant competition from a large number of banks throughout Italy and abroad. The deregulation of the banking industry in Italy and throughout the European Union has intensified competition in both deposit-taking and lending activities, contributing to a progressive narrowing of spreads between deposit and loan rates.

Claims of unsecured creditors of the Issuer

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

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors in accordance with the Priority of Payments. Following commencement of winding up proceedings in respect of the Issuer, a liquidator would control the assets of the Issuer including the Portfolio, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

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

Further Securitisations

The Issuer may carry out Further Securitisations in addition to the Securitisation and the Previous Securitisation as described in this Information Memorandum in accordance with Condition 5.11 (*Covenants -Further Securitisations*).

Under the terms of Article 3 of the Securitisation Law, the assets relating to each securitisation transaction will be segregated by operation of law and of the Transaction Documents 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.

Tax treatment of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by the Italian tax authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that 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. Pursuant to Legislative Decree No. 141/2010 which modified Article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under Article 106 of the Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 7 June 2017. The Italian tax authority (*Agenzia delle Entrate*) has not changed its tax guidelines.

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above. See for further details the section headed "*Taxation in the Republic of Italy*".

RISK FACTORS RELATED TO THE NOTES

Suitability

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in any Class of the Notes should ensure that they understand the nature of the 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 Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition and upon advice from such advisers as they may deem necessary.

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.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originator or the Underwriter as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Notes.

No communication (written or oral) received from the Issuer, the Originator or the Underwriter from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

Source of payments to Noteholders

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of or guaranteed by the Originator, the Servicer, the Representative of the Noteholders and any of the Other Issuer Creditors. None of such parties, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

As at the Issue Date, the Issuer will not have any significant assets for the purpose of meeting its obligations under the Securitisation, other than the Portfolio, any amounts and/or securities standing to the credit of the Accounts (other than the Equity Capital Account) and its rights under the Transaction Documents to which it is a party. Consequently, there is a risk that, over the life of the Notes or at the redemption date of the Notes (whether on the Maturity Date, upon redemption by acceleration of maturity following the service of an Issuer Acceleration Notice or otherwise), the funds available to the Issuer may be insufficient to pay interest on the Notes or to repay the Notes in full.

Limited Recourse nature of the Notes

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Issuer Available Funds to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of an Issuer Acceleration Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each Class 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 a Loan) and on the actual date (if any) of exercise of the early redemption pursuant to Condition 8.5 (*Redemption, Purchase and Cancellation - Optional Redemption*) and Condition 8.6 (*Redemption, Purchase and Cancellation - Optional Redemption for taxation reasons).* Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Loans.

Prepayments may result in connection with refinancing or sales of properties by Debtors voluntarily.

The receipt of proceeds from Insurance Policies may also impact on the way in which the Loans are repaid.

The rates of prepayment, delinquency and default of Loans cannot be predicted and are influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions, homeowner mobility and certain existing Italian legislation which

simplifies the refinancing of loans and any future legislation which may be enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments, delinquency and default that the Loan will experience.

The yield to maturity of the Notes will also depend on the actual date (if any) of exercise of the early redemption pursuant to Condition 8.5 (*Redemption, Purchase and Cancellation - Optional Redemption*) and Condition 8.6 (*Redemption, Purchase and Cancellation - Optional Redemption for taxation reasons)*. Such yield may be adversely affected by higher or lower than anticipated rates of payment, delinquency and default of the Receivables.

Subordination

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, subject to the Priority of Payments, the Notes of each Class rank as set out in Condition 6 (*Priority of Payments*). As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders and then (to the extent that the Senior Notes have not been redeemed) by the Senior Noteholders as described above. As long as the Notes are outstanding, the holders of the Most Senior Class of Notes shall be entitled to determine the remedies to be exercised in connection with the outstanding Notes.

Limited Enforcement 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 to the extent provided by the Transaction Documents. The Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to bring individual actions against the Issuer.

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 or enforce the security under the Notes and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the security under the Notes, save as provided by the Rules of the Organisation of the Noteholders.

Risks relating to certain potential conflict of interests

Conflict of interests may exist or may arise as a result of any transaction party (i) having previously engaged or in the future engaging in transactions with other parties to the Securitisation, (ii) having multiple roles in the Securitisation, and/or (iii) carrying out other transactions for third parties.

Without limiting the generality of the foregoing, under the Securitisation (i) Banco BPM will act as Originator, Servicer, Reporting Entity, Administrative Services Provider, Interim Account Bank, Transaction Bank and Underwriter; and (ii) Banca Finint will act as Computation Agent, Representative of the Noteholders, Corporate Servicer and Back-Up Servicer Facilitator.

In addition, the Servicer may hold and/or service receivables arising from loans other than those relating to the Receivables. Even though under the Servicing Agreement the Servicer has undertaken to act in the interest of the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the Debtors.

Conflict of interests may influence the performance by the transaction parties of their obligations under the Transaction Documents and ultimately affect the interests of the Noteholders.

The Representative of the Noteholders

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 discretion 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 Class of Notes ranking highest in the order of priority then outstanding.

Limited Secondary Market

There is not at present an active and liquid secondary market for the Senior Notes. The Senior Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States.

Although an application has been made for the Senior Notes to be admitted to trading on the ExtraMOT PRO, there can be no assurance that a secondary market for any of the Senior Notes will develop or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of such Senior Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. Consequently, any purchaser of Senior Notes may be unable to sell such Notes to any third party and it may therefore have to hold the Senior Notes until final redemption or cancellation thereof.

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the 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 are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Impact of Ukraine-Russia war

The Ukraine-Russia war started in February 2022 with the attack and invasion of Ukraine by Russia. The extent of the consequences of this war with regard to energy price increases and inflation as a whole on the one hand and trade restrictions and sanctions on the other hand, but also counter-reactions and the duration of such a conflict are not foreseeable at this time

The current conflict between Russia and Ukraine could have an impact on the global economy, capital markets and markets generally for some time. The precise impact of this on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Class A Notes in any secondary market.

Limited nature of credit ratings assigned to the Senior Notes

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agencies' assessment only of the likelihood that interest will be paid promptly and principal will be paid by the final redemption date, not that it will be paid when expected or scheduled. These ratings are based, among other things, on the reliability of the payments on the Portfolio and the availability of credit enhancement. The ratings do not address, inter alia, the following:

- the possibility of the imposition of Italian or European withholding tax;

- the marketability of the Senior Notes, or any market price for the Senior Notes; or

- whether an investment in the Senior Notes is a suitable investment for the relevant Noteholder.

A rating is not a recommendation to purchase, hold or sell the Senior Notes.

Any Rating Agency may lower its ratings or withdraw its ratings if, in the sole judgement of that Rating Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be

affected.

Senior Notes as eligible collateral for Eurosystem operations

After the Issue Date an application may be made to a central bank in the Euro-Zone to record the Senior Notes as eligible collateral, within the meaning of the Guideline (EU) 2015/510 of the European Central Bank ("**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy, as subsequently amended, supplemented and replaced from time to time (the "**ECB Guidelines**"), for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the European Central Bank nor such central banks will confirm the eligibility of the Senior Notes for the above purpose prior to their issuance and if the Senior Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Senior Notes at any time. The assessment and/or decision as to whether the Senior Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

There is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time. In the event that Senior Notes are not recognised (or cease to be recognised) as an eligible collateral for Eurosystem operations, the holders of such Senior Notes would not be able to access the ECB funding. In such case, there is no assurance that the holders of the Senior Notes will find alternative sources of funding or, should such alternative sources be found, these will be at equivalent economic terms compared to those applied by the ECB. In the absence of suitable sources of funding, the holders of the Senior Notes may ultimately suffer a lack of liquidity

None of the Issuer, the Originator, the Underwriter or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Senior Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Senior Notes at any time.

Implementation of, and amendments to, the Basel III 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 ("**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) 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**"), and entered into force on 27 June 2019. Certain portions of of the new rules apply as from 27 June 2019 while others shall apply as from 28 June 2021. 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 Prospectus 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.

The Securitisation Regulation and the STS framework

On 12 December 2017, as stated above, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. In addition, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("**STS- securitisations**"). The risk retention, transparency, due diligence and underwriting criteria requirements set out in the Securitisation Regulation apply in respect of the Notes.

Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Information Memorandum or made available by the Issuer and Banco BPM for the purposes of complying with any relevant requirements and none of the Issuer, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the Securitisation Regulation. However, the Regulatory Technical Standards issued by EBA in relation to the risk retention requirements are not yet in final form, whilst it remains a certain degree of uncertainty as to the interpretation of the Regulatory Technical Standards issued by ESMA in relation to transparency obligations. Prospective investors in the Notes must make their own assessment in relation to compliance with such requirements.

The Securitisation is intended to qualify as a simple, transparent and standardised (**STS**) securitisation within the meaning of article 18 of Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and, prior to the Issue Date, has been notified by the Originator to be

included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27(2) of the Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Information Memorandum, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation).

The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS (**PCS**), as a third pary authorised under article 28 of the Securitisation Regulation to verify compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the **"STS Verification"**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 of the CRR (the "**CRR Assessment**" and, together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Information Memorandum, https://pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Information Memorandum. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on ESMA website.

It is important to note that the involvement of PCS as third party verifying STS compliance is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessments with respect to the Securitisation Regulation and the relevant provisions of article 243 of the CRR, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. In addition, Banco BPM has not used the service of PCS, as third party authorised under article 28 of the Securitisation Regulation, to prepare an assessment of compliance of the Notes with article 7 and article 13 of Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions, as amended by Commission Delegated Regulation (EU) no. 1620 of 13 July 2018 (the "**LCR Regulation**"); therefore, the relevant entities shall make their own assessments with respect to compliance with such provisions of the LCR Regulation. In this regard, it should be noted that, however, as at the date of this Information Memorandum, the Notes are not expected to satisfy the requirements of the LCR Regulation.
Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time in the future. None of the Issuer, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time.

The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework (such as Type 1 securitisation under Solvency II

Regulation, as amended by the Solvency II Amendment Regulation and regulatory capital treatment under the securitisation framework of the CRR, as amended by the CRR Amendment Regulation). Non-compliance with the status of an STS-securitisation may in particular result in higher capital requirements for investors as an investment in the Notes would not benefit from the reduced risk weights set out in articles 260, 262 and 264 of the CRR, as amended by the CRR Amendment Regulation. Furthermore, any marketing of the Securitisation described in this Information Memorandum as an STS-securitisation whilst not complying with such status could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer in accordance with articles 27(2) and 32 of the Securitisation Regulation. As no reimbursement payments to the Issuer for the payment of any of such administrative sanctions and/or remedial measures are foreseen, the repayment of the Notes may be adversely affected. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS Notification or other disclosed information. Investors should make themselves of the consequences of investing in a non-STS securitisation transaction.

Investors who are uncertain as to those consequences should seek guidance from their regulator and/or independent legal advice on the issue.

Investors' compliance with due diligence requirements under the Securitisation Regulation

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

(a) that institutional investor has verified that:

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

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

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

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

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

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory

capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The institutional investors due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this Information Memorandum for the purposes of complying with Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. Prospective investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of the non-compliance should seek guidance from their regulator.

Disclosure requirements under CRA Regulation and Securitisation Regulation

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 (**SFIs**). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the CRA Regulation, came into force on 26 January 2015.

These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation no. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to Article 8b of the CRA Regulation by that date. In the press release ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the Securitisation Regulation. Accordingly, pursuant to the obligations set forth in Article 7(2) of the Securitisation Regulation, the originator, sponsor and securitisation special purpose entity (**SSPE**) of a securitisation shall designate amongst themselves one entity to submit the information set out in points 41 (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the Securitisation Regulation, which includes the Information Memorandum issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation will in turn disclose information on securitisation transactions to the public. With the application of these provisions, the disclosure requirements of the CRA Regulation concerning SFI's are also addressed.

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of Article 7 of the Securitisation Regulation apply in respect of the Notes.

Bank Recovery and Resolution Directive

On 2 July 2014 the Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**") entered into force.

The purpose of the Bank Recovery and Resolution Directive is to lay down rules and procedures relating to the recovery and resolution of banks and investment firms by providing supervisory national authorities with harmonised tools and powers to address crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The Bank Recovery and Resolution Directive applies, inter alia, to (i) credit institutions, (ii)

investments firms, and (iii) 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.

A resolution authority will only be permitted to use resolution powers and tools in relation to an institution if all the conditions set out in Article 32 of the BRRD for resolution are satisfied. Such resolution powers and tools may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest.

The main resolution tools referred to in the BRRD are (a) the sale of business tool, (b) the bridge institution tool, (c) the asset separation tool and (d) the bail-in tool, which can be applied individually or in any combination by the relevant resolution authority.

Member States were required to adopt and publish by 31 December 2014 the laws, regulations and administrative provisions necessary to comply with the BRRD, with the exception of the bail-in power which shall be applied from 1 January 2016 at the latest.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees: (a) Legislative Decree No. 180/2015 which implements the BRRD in Italy, and (b) Legislative Decree No. 181/2015 which amends the Consolidated Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. Such Legislative Decrees were published on the Official Gazette on 16 November 2015 and entered into force on the same date, save for: (i) the bail-in tool, which will apply from 1 January 2016; and (ii) the "depositor preference" to deposits other than those protected by the deposit guarantee scheme and those of individuals and small and medium enterprises, which will apply from 1 January 2019.

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. The U.S. Risk Retention Rules generally require the "sponsor" of a "securitisation transaction" to retain at least 5 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 obligation that they generally impose.

The Securitisation does not and is not intended to comply with the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption for non-U.S. 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 per cent. of the underlying securitised receivables was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes sold on the Issue Date may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator and the Underwriter or any of their affiliates or any other party to accomplish such compliance.

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) may 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 it could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Issuer, the Originator, the Servicer, the Underwriter, the Representative of the Noteholders or any other party to the Transaction Documents, 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 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.

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 described above) by the CRD IV and CRD V in particular and the relevant implementing measures.No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Changes or uncertainty relating to Euribor may affect the value or payment of interest under the Senior Notes

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" ("**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 a Benchmark, such as the Senior Notes given that they are linked to the EURIBOR.

Key international reforms of Benchmarks include IOSCO's proposed Principles for Financial Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, 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 entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for "critical" benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to an index based on a Benchmark, including in any of the following circumstances: (i) an index which is a Benchmark may not 45 be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted; (ii) the methodology or other terms of the Benchmark related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmark or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including the relevant calculation agents' determination of the rate or level in its discretion.

Any of the international, national or other reforms (or 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.

As at the date of this Information Memorandum, it is not possible to ascertain (i) what the impact of the abovementioned reforms regarding Benchmarks will be on the determination of EURIBOR in the future, which could adversely affect the value of the Senior Notes, (ii) if such reforms may affect the determination of EURIBOR for the purposes of the Senior Notes, (iii) whether such reforms will result in a sudden or prolonged increase or decrease in EURIBOR rates or (iv) whether such reforms will have an adverse impact on the liquidity or the market value of the Senior Notes and the payment of interest thereunder.

Furthermore, pursuant to the Conditions in certain circumstances, EURIBOR may be amended if an Alternative Bse Rate (as defined thereby) is determined in accordance with Condition 7.11 (*Fallback provisions*). In this respect, please see the section entitled "*Terms and Conditions of the Notes*".

RISK FACTORS RELATED TO THE UNDERLYING ASSETS

Right to future Receivables

Under the Transfer Agreement, the Originator has transferred to the Issuer also the claims relating to any Guarantee, prepayment fees (if any) and any indemnities payable upon early repayment of the Loans or termination of the Loan Agreements. If the Originator is or becomes insolvent, the court may treat the above claims as "future receivables". The Issuer’s claims to any future receivables that have not yet arisen at the time of the Originator’s admission to the relevant insolvency proceeding might not be effective and enforceable against the insolvency receiver of the Originator.

The recovery of amounts due in relation to the Defaulted Claims will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable amount of time depending on the type of action required and where such action is taken and on several other

factors, including the following: (i) proceedings in certain courts involved in the enforcement of the Loans and other Guarantees may take longer than the national average; (ii) obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years and (iii) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and whether or not the relevant Debtor raises a defence or counterclaim to the proceedings.

Insolvency proceedings of the Debtors

The Loans have been entered into with Debtors which are commercial companies or commercial entrepreneurs (*imprenditore che esercita un'attività commerciale*) and, as such, may be subject to insolvency proceedings (*procedure concorsuali*) under the Bankruptcy Law being, inter alia, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*). Bankruptcy procedure applies to commercial entrepreneurs which are in a state of insolvency. An entrepreneur which is a "state of financial distress" (which may not be a state of insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*).

Such agreement may provide for the restructuring of debts and terms for the satisfaction of creditors, the assignment of the debtor's assets, the division of creditors in classes and the different treatments for creditors belonging to different classes. Furthermore, pursuant to Article 182-bis of the Bankruptcy Law, an entrepreneur in a state of financial distress can enter into a debt restructuring agreement with its creditors representing at least 60 per cent. of the debtor's debts, together with, inter alia, a report of an expert in relation to the feasibility of said agreement, particularly with respect to the regular payments of the debts to the creditors who have not entered into the agreement. With respect to such insolvency proceedings, due to their complexity, the time involved and the possibility for challenges and appeals by the Debtors and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of the outstanding amounts due under the Loans or that such proceedings would be concluded before the stated maturity of the Senior Notes. For further details see the following paragraph entitled "*Prepayments under Loan Agreements*" of this section entitled "*Risk Factors*" and the section entitled "*Selected Aspects of Italian Law*".

Prepayments under Loan Agreements

Pursuant to Article 65 of the Bankruptcy Law ("**Article 65**"), payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made within the two years immediately preceding the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the debtor regardless of whether the debtor was insolvent at the time the payment was made.

According to the prevailing opinion of Italian legal scholars and Decision No. 1153 of 10 April 1969 of the Italian Supreme Court, the provisions of Article 65 would not apply to prepayments made by a debtor under a loan agreement, if the debtor exercises the right to prepay amounts due under the loan agreement in accordance with the terms of such agreement, as such payments which have been prepaid pursuant to a contractual right of the relevant debtor have to be considered as payments of a debt which falls due upon the exercise of such right and not as payments of a debt which is not yet due. In this respect, it is worth noting that a decision of the court of first instance of Milan *(Tribunale di Milano*, sez. II) of 17 May 2004 confirmed the principle stated in decision No. 1153 of 10 April 1969 of the Italian Supreme Court.

Pursuant to Decision No. 4842 of 5 April 2002 of the Italian Supreme Court, however, it has been held that the provisions of Article 65 apply to payments of debts made on or before the date on which the relevant debts fall due, as such date has been fixed originally, irrespective of whether the loan agreement entitled the debtor to prepay the amounts due.

Moreover, pursuant to Decision No. 19978 of 18 July 2008 of the Italian Supreme Court, the Court held that the provisions of Article 65 are not applicable in the event that the right of the borrower to prepay the relevant loan, and consequently obtain the cancellation of the relevant mortgage, as in the case of "*mutui fondiari*", is set forth by a specific provision of law and not by virtue of contractual provisions. Pursuant to Decision No. 17552 of 29 July 2009, with reference to loans other than "*mutui fondiari*", the Italian Supreme Court has confirmed that prepayments are capable of being declared ineffective under Article 65 of the Bankruptcy Law if the borrower's right to prepay is not mandatorily provided for by the law. The principles mentioned above have been recently confirmed in Decision No. 2284 of 16 February 2012 of the Italian Supreme Court, which stated the ineffectiveness of prepayments on loans other than "mutui fondiari" pursuant to Article 65 of the Bankruptcy Law.

In 2013 the Securitisation Law has been amended and in Article 4, paragraph 3, of such law it has been provided that Articles 65 and 67 of the Bankruptcy Law shall not apply to the payments made by the assigned debtors to the assignee in the context of securitisation transactions. For further details please section entitled "*Selected Aspects of Italian Law*".

Loans' Performance

The Portfolio is exclusively comprised of loans which were performing as at the Valuation Date (for further details, see the section entitled "*The Portfolio*"). There can be no guarantee that the Debtors will not default under such Loans and that they will therefore continue to perform.

General economic conditions and other factors have an impact on the ability of Debtors to repay Loans. Loss of earnings, decrease in turnover, increase in operating or financial costs and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Debtors, which may lead to a reduction in Loans payments by such Debtors and could reduce the Issuer's ability to service payments on the Senior Notes.

The recovery of amounts due in relation to Defaulted Claims will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: (a) proceedings in certain courts involved in the enforcement of the Loans and Mortgages may take longer than the national average; (b) obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; (c) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and whether or not the relevant Debtor raises a defence or counterclaim to the proceedings; and (d) it takes an average of eight to ten years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Asset. Law No. 302 of 3 August 1998 and Law No. 80 of May 2005 allowed notaries and certain lawyers and accountants to conduct certain stages of the foreclosure procedures in place of the courts, aiming to reduce the length of foreclosure proceedings.

Mutui fondiari

Most of the Loans are secured by Mortgage, such Loans being classified either as *Mutui Ipotecari* and *Mutui Fondiari*. The Portfolio also includes Loans qualifying as *Mutui Fondiari*, as defined in Article 38 and following of the Consolidated Banking Act. A *Mutuo Fondiario* is a particular type of *mutuo ipotecario* (any loan which is secured by a mortgage is automatically a *mutuo ipotecario* loan). The *Mutui Fondiari* are regulated by the Consolidated Banking Act and present certain advantages for the lender. To qualify as a *Mutuo Fondiario*, a loan must be: given by a bank, for a term exceeding 18 months, secured by a first-lien mortgage and for an amount which does not exceed 80% of the value of the mortgaged property or of the works to be done on the mortgaged assets. However, the 80% limit may be increased to 100% if specific additional security interests and guarantees, identified by the Bank of Italy, are provided (such as guarantees given by other banks or insurance companies

or pledges granted over Italian State securities). In such circumstance, the ratio between the amount lent and the aggregate value of the security and guarantee created is not higher than 80%.

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

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

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

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

Moreover, special enforcement and foreclosure provisions apply to *Mutui Fondiari*. Pursuant to Article 40, paragraph 2 of the Consolidated Banking Act, mortgage lenders under mutui fondiari are entitled to terminate the relevant loan agreements and accelerate the mortgage loan (diritto di risoluzione contrattuale) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. A payment is considered delayed if it is made between 30 and 180 days after the relevant payment due date. Accordingly, the commencement of enforcement proceedings in relation to *Mutui Fondiari* may take longer than usual. Article 40 of the Consolidated Banking Act, therefore, prevents the Servicer from commencing proceedings to recover amounts in relation to mortgage loans qualifying as *mutui fondiari* until the relevant Debtors have defaulted on at least seven payments in accordance with the principles summarised above. Pursuant to Article 41 of the Consolidated Banking Act, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *Mutui Fondiari* lender's debt directly to the lender.

For further details see the section entitled "S*elected Aspects of Italian Law*", on the paragraphs entitled "*Foreclosure proceedings*" and "*Mutui fondiari foreclosure proceedings*".

Italian laws and regulations protecting the loan debtors and promoting competitiveness in the Italian banking sector

In the last years the Italian Legislator has introduced certain provisions aimed at, *inter alia*, protecting the loan debtors and promoting competitiveness in the Italian banking sector. The key features of such provisions are set out in the following paragraphs.

Prepayment fees and subrogation under Decree No. 7/2007 (i.e. Decreto Bersani) and the Consolidated Banking Act

Italian Law Decree No. 7 of 31 January 2007 ("**Decree No. 7/2007**"), converted into law No. 40 of 2 April 2007, has introduced certain provisions affecting mortgage loans granted to individuals for the purpose of purchasing or restructuring real estate assets for residential use (*uso abitativo*) or carrying out its own business or professional activity (*attività economica or professionale*), as is the case for certain securitised Loans. Such provisions deal also with (a) prepayment fees due by borrowers upon early repayment of the loan and (b) prepayment of the loan by way of voluntary subrogation of the debtor (*surrogazione per volontà del debitore*).

Pursuant to Italian Legislative Decree No. 141 of 13 August 2010 and Italian Legislative Decree No. 218 of 14 December 2010, the provisions of Decree 7/2007 concerning prepayment of the loans and voluntary subrogation of the debtor have been repealed and are now regulated by Articles 120-ter and

120-quater of the Consolidated Banking Act.

In relation to the prepayment fees due by the borrowers upon the early or partial repayment of the mortgage loan, Articles 120-ter and 161 of the Consolidated Banking Act provide a different regime for (a) mortgage loan agreements entered into after 2 February 2007 (i.e. the date on which Decree No. 7/2007 entered into force) and (b) mortgage loan agreements entered into before such date. The Portfolio comprises Loan Agreements entered into both prior to and after 2 February 2007.

Prospective investors should note that, as a result of the provisions mentioned above, (a) the level of prepayments of the Loans may increase, (b) in relation to the relevant Loan Agreements entered into after 2 February 2007, no prepayment fee will be due and payable and (c) in relation to Loan Agreements entered into before 2 February 2007, any prepayment fee provided contractually due and payable which is greater than the maximum amount determined in accordance with Article 161, paragraph 7-ter of the Consolidated Banking Act, could be reduced to such maximum amount.

Prospective investors should note that no prepayment fee was taken into account for the purpose of determining the cash flows of the Securitisation or to make any estimate related thereto and to the Senior Notes.

Suspension of payments under the Conventions

According to the common announcement of 3 August 2009 between the Italian Banking Association and the Economy and Finance Ministry (the "***Avviso Comune***"), debtors had, inter alia, the right to suspend the payments of instalments in respect of the principal of loans granted to small and medium enterprises ("**Small and Medium Enterprises**" or "**SME**") for a period of 12 months.

The suspension applied on the following conditions: (a) SME had to be under temporary financial difficulties, but with an economic and financial situation which could guarantee the business continuity; (b) as at 30 September 2008, the SME's positions were classified by the bank as performing (*in bonis*); (c) at the time of the request of the suspension, (i) the SME had no positions classified as restructured (*ristrutturate*) and non performing (*in sofferenza*) and (ii) no enforcement procedures were commenced; (d) at the time of the request of the suspension, (i) the instalments had to be timely paid or (ii) in case of late payments, the relevant instalment had not been outstanding for more than 180 days from the date of such request.

The Italian Banking Association communication dated 1 July 2010 extended until 31 January 2011 the available period to file a request of suspension. The Italian Banking Association communication dated 14 January 2010 ("*Integrazione all'Avviso Comune per la Sospensione dei Debiti delle PMI verso il settore creditizio*") and the Italian Banking Association communication of 12 February 2010 have provided for certain integrations and clarifications in relation to the measures to be granted to SME as set out in the *Avviso Comune*. In particular, such communications have extended the suspension of payments to agrarian loans and, subject to certain conditions, to loans assisted by public benefits.

On 16 February 2011 the Italian Banking Association, the Office of the Prime Minister and the Economy and Finance Ministry entered into a further convention (the "**Accordo per il Credito alle PMI**"), providing for, *inter alia*: (a) a six-month extension (until 31 July 2011) of the available period to file a request of suspension of payments under the Avviso Comune; (b) the possibility for SME that have already requested a suspension of payments under the Avviso Comune to request: (i) an extension of the duration of the loans for a maximum period equal to the residual duration of the relevant amortisation plan, provided that, in any case, the extension period shall not be longer than two years for unsecured loans and three years for mortgage loans; and (ii) to execute with the relevant banks certain hedging agreements in order to convert a floating rate into a fixed rate or to fix a cap to floating rate of interest.

Finally, on 28 February 2012 the Economy and Finance Ministry, the Economic Development Ministry, the Italian Banking Association ("**ABI**") and the main trade associations representing

enterprises entered into a new convention (the "***Nuove Misure per il Credito alle PMI***" and, together with the Avviso Comune, the "**Conventions**") providing for facilities measures to be granted to SME which, at the time of the request of the suspension, have no positions classified as non-performing (*sofferenze*), delinquent batches (*partite incagliate*), restructured exposures (*esposizioni ristrutturate*) or exposures outstanding for more than 90 days (*esposizioni scadute/sconfinanti*) and no enforcement procedures pending (performing enterprises (*imprese in bonis*)).

In particular, the *Nuove Misure per il Credito alle PMI* provides for, inter alia:

(a) a twelve-month suspension of payments of instalments in respect of the principal of medium and long term loans. The suspension applies if the relevant instalments:

(i) have not benefited from the similar suspension pursuant to the *Avviso Comune*;

(ii) at the time of the request of the suspension, (x) are timely paid or (y) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of such request; and

(b) the possibility for SME that have not already requested a suspension of payments under the *Accordo per il Credito alle PMI* to request an extension of the duration of the loans for a maximum period equal to the residual duration of the relevant amortisation plan, provided that, in any case, the extension period shall not be longer than two years for unsecured loans and three years for mortgage loans.

On 1 July 2013, ABI and the associations of the representative of the companies entered into a further convention which provides for, inter alia: (i) a 12-month suspension of payments of instalments in respect of 50 the principal of medium-and long-term loans, which did not benefit from the suspension under the convention of 28 February 2012. 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 SMEs that have not already requested a suspension under the convention of 28 February 2012 to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above to be submitted by 30 June 2014.

However, in respect of loans that still benefit from the above suspension as at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

Pending the implementation of the above measures of the convention of 1 July 2013, the expiration for submitting a request of suspension pursuant to the convention of 28 February 2012 could be submitted has been further extended to 30 September 2013.

On 8 August 2013 further clarifications with respect to the implementation of the convention of 1 July 2013 have been issued by ABI, which clarified that: (i) securitised claims are not expressly excluded from the object of such convention, (ii) assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under such convention in respect of securitised claims and (iii) in case a suspension or extension under the convention above is granted by the assigning bank, such suspension or extension shall not result in additional expenses in relation to such bank (also considering the costs that the assigning bank would have incurred in case the suspension or extension had been granted with respect to the original loan).

On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the 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 which 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 were outstanding as at the date of the convention and did not benefit from the suspension or extension of the duration in the 24-month period prior to the date of the request of suspension, except for the easing of terms generally applying by operation of law. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the request; and (ii) the possibility for SMEs that have not requested a suspension or an extension of loans in the 24-month period prior to the request, except for the easing of terms generally applying by operation of law, 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. As further condition, in order to benefit either from the suspension or the extension of duration, SMEs shall have, as at the date of the request, no positions which could be classified as unlikely to pay ("*inadempienze probabili*") and restructured ("*ristrutturate*"). Any request under item (i) and (ii) above was to be submitted by 31 December 2018, without prejudice to the rights of the parties to withdraw by the 31 December of each year.

On 15 November 2018, ABI and the associations of the representative of the companies signed a new further convention (the "**2019 SMEs Convention**") which 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 are outstanding as at the date of the convention and did not benefit from the suspension or extension of the duration in the 24- month period prior to the date of the request of suspension, except for the easing of terms generally applying by operation of law. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the request; and (ii) the possibility for SMEs that have not requested a suspension or an extension of loans in the 24-month period prior to the request, except for the easing of terms generally applying by operation of law, to request an extension of the duration of the relevant loans for a period equal to 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 SMEs 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 SMEs 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 SMEs Convention (the "**Second Addendum**"), according to which, inter alia, the initiatives provided under (i) and (ii) above relating to the 2019 SMEs 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 SMEs 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 SMEs 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 SMEs Convention, as modified by the Addendum and the Second Addendum, has been shortened to a 9-months suspension.

Prospective Noteholders should note that under the Warranty and Indemnity Agreement, Banco BPM has represented and warranted that as at the Valuation Date the Receivables complied with the

Criteria, among which it is stated that there are no Debtors who benefit of the suspension of payments of instalments pursuant to mandatory laws and regulation applicable to the Loans.

Risks relating to Covid-19 outbreak and the moratoria under the Covid-19 new legislation

Following the Covid-19 outbreak in Italy, certain measures have been adopted, aimed at sustaining income of employees, self-employed, self-employed professionals, small and medium-sized enterprises, including suspension of instalments payment. Indeed, starting from March 2020, the Italian Government has adopted a series of measures, also through the Law Decree No. 18 of 17 March 2020, as converted with modifications by Law No. 27 of 24 April 2020 (the "**Cura Italia Law Decree**"). The Cura Italia Law Decree has introduced certain measures in favour of small and medium-sized enterprises and specific economic sectors including measures aimed at grating moratorium, rescheduling or suspension of payments. The Cura Italia Decree has also reduced the requirements for access to the State guarantee and has increased the intervention of the Guarantee Fund for SMEs ("*Fondo di Garanzia per le PMI*") itself. Furthermore, the Law Decree No. 23 of 8 April 2020 ("**Liquidity Law Decree**") as converted with modifications by Law No. 40 of 5 June 2020, has provided for the granting of additional form of guarantee through SACE Simest, a company of the Cassa Depositi e Prestiti Group and has implemented the provision contained in Article 49 of the Cura Italia Decree. The Liquidity Law Decree makes further exceptions to the Guarantee Fund's ordinary rules, which has been extended until 31 December 2021, simplifying the bureaucratic procedures to access to the Guarantee Fund and increasing its financial capacity to generate liquidity. Among the measures introduced by the Liquidity Law Decree, the duration of the Guarantee Fund is automatically extended for SMEs in agreement with the relevant bank to suspend payments pursuant to the provisions of article 13, paragraph 1, letter f) of the Liquidity Law Decree ("*moratoria*").

Considering the unpredictable evolution of the Covid-19 pandemic situation, there is no assurance that further regulations (including *moratoria*) may not be considered in the next future by the Italian Government and newly implemented in order to support the Italian SMEs sector.

Settlement of the crisis (*sovraindebitamento*) under Law No. 3/2012

Law No. 3 of 27 January 2012 ("*Disposizioni in materia di usura e di estorsione, nonché di composizione delle crisi da sovraindebitamento*"), as amended (the "**Law No. 3/2012**"), provides for the possibility for a debtor to enter into a debt restructuring agreement (the "**Settlement Agreement**") with his creditors through a settlement procedure provided for therein (the "**Settlement Procedure**"). A Settlement Agreement can only be approved (omologato) by the competent Court if it is entered into by a Debtor with creditors representing at least 60 per cent. of such Debtor's debts.

The collection of Receivables may be adversely affected under Law No. 3/2012 in consideration of the fact that payments owed to the Originator in respect of the relevant Receivables by a Debtor who has entered into a Settlement Agreement may be subject to a one-year moratorium if the Originator has not entered into the Settlement Agreement. Furthermore, the Court may issue an order preventing creditors for a period of up to 120 days from commencing or continuing foreclosure proceedings (*azioni esecutive*) and seizures (*sequestri conservativi*) and creating pre-emption rights on the assets of a Debtor. Such preventive effects may also be produced in case of approval (*omologazione*) of the Settlement Agreement by the Court for a maximum period of one year starting from the date of the approval.

Prospective Noteholders should also note that under the Servicing Agreement the Servicer has undertaken to adhere to Settlement Agreements exclusively within the terms and limits provided for therein in respect of, inter alia, settlements, renegotiations and suspensions. For further details on such terms and limites, see the section entitled *"The Servicing Agreement"*.

For further details regarding the relevant features of the Settlement Agreement and the Settlement Procedure, see the section entitled "S*elected aspects of Italian law - Restructuring agreements in*

accordance with Law No. 3 of 27 January 2012".

RISK FACTORS RELATED TO TAX MATTERS

Tax Treatment of the Issuer

The Issuer is an Italian corporate entity and, as such, is subject in principle to corporate income tax ("*IRES*") and regional tax for productive activities ("*IRAP*"). However, assuming that, based on the provision of the Securitisation Law and on a correct application of the applicable accounting principle, the assets and liabilities acquired, assumed and beneficially owned by the Issuer are lawfully treated as off-balance sheet assets and liabilities for accounting purposes (i.e. a "substance over form" approach), any income derived by the Issuer from the Portfolio and under any of the documents pertaining to the Securitisation in relation to the Securitisation, should not be subject to any taxation with the only exception of amounts, if any, available to the Issuer after the full discharge of its obligations in relation to the Notes and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

This conclusion is based on the interpretation of article 83 of Italian Presidential Decree No. 917 of 22 December 1986, under which positive and negative items of income are included in the computation of the taxable income to the extent they must be included in the profit and loss account of the taxpayer and has been confirmed by the Italian tax authority in Circular letter of 6 February 2003, number 8/E and in resolution of 4 August 2010, number 77/E. In particular, the Italian tax authorities have stated that, in the context of a securitisation transaction, only amounts, if any, available to a securitisation vehicle after fully discharging its obligations towards the noteholders and any other creditors of the securitisation vehicle in respect of any costs, fees, and expenses in relation to the securitisation transaction, should be imputed for tax purposes to the securitisation vehicle.

It is, however, possible that the Ministry of Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses. As confirmed by the tax authority (Ruling No. 222 issued by *Agenzia delle Entrate* on 5 December 2003), the interest accrued on the Accounts will be subject to withholding tax on account of corporate income tax.

As of the date of this Information Memorandum , such withholding tax is levied at the rate of 26 per cent. and is to be imposed at the time of payment.

Withholding Tax under the Notes

Payments of interest and other proceeds under the Notes may or may not be subject to withholding or deduction for or on account of Italian tax pursuant to Decree 239.

If a withholding or deduction is levied on account of tax in respect of payments of amounts due to Noteholders pursuant to the Notes, neither the Issuer nor any other person will be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

U.S. Foreign Account Tax Compliance Withholding

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

Pursuant to FATCA, the Issuer and other non-U.S. financial institutions through which payments

on the Notes are made may be required to withhold such U.S. tax at this 30 per cent rate on all, or a portion of, "foreign passthru payments". According to Proposed U.S. Treasury Regulations, such withholding should begin no earlier than 2 years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payments". Such withholding may have to be made in respect of such "foreign passthru payments" on (i) any Notes characterized as debt (or which are not otherwise characterized as equity) for U.S. federal tax purposes that are issued or materially modified after the date that is six months after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payments" and (ii) any Notes characterized as equity for U.S. federal tax purposes, whenever issued.

In order to improve international tax compliance and to implement FATCA, the United States and a number of other jurisdictions have negotiated intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Account Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the U.S. Internal Revenue Service.

The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015. Pursuant to the US-Italy IGA, the Issuer is now required to report certain information in relation to its U.S. account holders to the Italian tax authorities in order (i) to obtain an exemption from FATCA withholding on certain payments it receives and/or (ii) to comply with any applicable Italian law. However, it is not yet certain how the United States and Italy will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

This withholding tax may be triggered on payments on the Notes where the Issuer or the Paying Agent is a foreign financial institution ("FFI") that is required to withhold on "foreign passthru payments" that it makes to a "recalcitrant account holder" or another FFI that is neither a "participating FFI" nor a "deemed-compliant FFI" (as such terms are defined in FATCA, including any accompanying U.S. regulations or guidance). The IGA may modify such withholding tax requirements.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, the Paying Agent or any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected. An investor who is able to claim the benefits of an income tax treaty between its own jurisdiction and the United States may be entitled to a refund of amounts withheld pursuant to the FATCA rules, though the investor would have to file a U.S. tax return to claim this refund and would not be entitled to interest from the U.S. Internal Revenue Service for the period prior to the refund.

Since the FATCA regulations are complex and uncertain in some respects, in particular with respect to the definition of so-called "foreign pass-thru payments", the application of FATCA to payments between financial intermediaries is not entirely certain. Indeed, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments

free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES, AND THE NOTEHOLDERS IS UNCERTAIN AT THIS TIME. THE ABOVE DESCRIPTION IS BASED IN PART ON REGULATIONS AND OFFICIAL GUIDANCE THAT IS SUBJECT TO CHANGE. EACH POTENTIAL NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH NOTEHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

GENERAL RISK FACTORS

Risks related to changes to the structure and documents

Resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders irrespective of their interests

Pursuant to the Rules of the Organisation of the Noteholders, (a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of the Class A Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Class J Notes; (b) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class A Notes shall be binding on the Class J Notes irrespective of the effect thereof on their interests; and (c) no Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class J Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the holders of the Class A Notes.

Prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting. Therefore certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution.

Certain modifications may be adopted by the Representative of the Noteholders without Noteholders' consent

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to certain conditions being met (including, in some cases, appropriate certifications being provided to the Representative of the Noteholders or a resolution of holders of the Most Senior Class of Notes representing a given percentage of the Principal Amount Outstanding of such Class of Notes not objecting to the relevant authorisation or waiver) concur with the Issuer and any other relevant parties in making any amendment, waiver or modification (other than a Basic Terms Modification) to the Rules of the Organisation of the Noteholders, the Conditions or any of the Transaction Documents (a) which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or

technical nature; (b) which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; (c) that the Issuer after consultation with the Originator considers necessary for the purposes of (i) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended), maintaining such eligibility; or (ii) complying with the EU Securitisation Rules.

There is no assurance that each Noteholder concurs with any such modification by the Representative of the Noteholders.

Claw Back of the Sales of the Receivables

Assignments executed under the Securitisation Law may be clawed-back (i) pursuant to article 67, paragraph 1, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to article 67, paragraph 2, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such originator is able to demonstrate that the issuer was aware of the insolvency of the originator. Please note that under the Securitisation Law the 2 years and 1 year suspect periods provided by article 67 of the Bankruptcy Law are reduced to 6 months and 3 months respectively.

In order to mitigate such risk, (a) according to the Transfer Agreement, the Originator has provided the Issuer with the following certificates: (i) a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) with non-insolvency (*con dicitura di non insolvenza*), and (ii) a solvency certificate issued by a legal representative of the Originator, stating that, inter alia, the Originator is not subject to any insolvency proceeding; and (b) under the Transaction Documents, the Originator has represented and warranted that it was and it will be solvent as of the date of execution of the Transfer Agreement, the Valuation Date and the Issue Date.

On 11 October 2017, the Italian Parliament approved Law No. 155 of 19 October 2017 (*Legge Delega*) conferring to the Government the powers to enact certain amendments to the Bankruptcy Law including, inter alia, to the claw-back discipline. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017 and introducing the "Company Crisis and Insolvency Code" (*Codice della Crisi di Impresa e dell'Insolvenza*) containing the reform of bankruptcy law, has been published on the Official Gazette of the Republic of Italy. It will enter into force as of 1 September 2020 except for certain amendments related, among others, to corporate governance and directors' liability which have entered into force as of 16 March 2019. It should be noted that, with the exception of certain amendments related to, inter alia, corporate governance and directors' liability which have entered into force as of 16 March 2019, the entry into force of the Company Crisis and Insolvency Code, which should have originally entered into force on 15 August 2020 was, due to a pandemic emergency caused by a new form of coronavirus initially delayed to 1 September 2021 by Law Decree No. 20/2020 and subsequently postponed to 16 May 2022, by way of the Law Decree No. 118 of 24 August 2021 (the "**Decree 118/2021**"). Furthermore, the Decree 118/2021 has also postponed to 31 December 2023 the entry into fore of Title II of Part I of the Company Crisis and Insolvency Code (relating to alert procedures and the assisted crisis resolution procedure before the OCRI).

Prospective investors should be aware that, as at the date of this Information Memorandum, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been entered into force and have not been tested in any case law nor specified in any further regulation and, therefore, the Issuer cannot predict their impact as at the date of this Information Memorandum.

Claw-Back Action against the payments made to companies incorporated under the Securitisation Law

According to article 4, paragraph 3, of the Securitisation Law, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action (revocatoria fallimentare) according to article 67 of the Bankruptcy Law, nor to any declaration of ineffectiveness (declaratoria di inefficacia) according to article 65 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the year/six months suspect period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 paragraphs 1 or 2, as applicable, of the Bankruptcy Law. In case of application of article 67, paragraph 1, of the Bankruptcy Law, 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 to the Transaction Documents when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Bankruptcy Law, 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 to the Transaction Documents when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

Interest rate risk

The Receivables have or may have (following, inter alia, renegotiations) interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the Euribor applicable under the Senior Notes, and may have different fixing mechanism), whilst the Senior Notes will bear interest at a rate based on the Euribor determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Senior Notes and on the Portfolio, which could determine a potential negative impact on the ability of the Issuer to timely and fully pay interest amounts due under the Notes. No hedge transactions have been entered into between the Issuer in order to hedge the interest rate risk and such unhedged mismatch, could adversely impact the ability of the Issuer to make payments on the Senior Notes.

The following considerations should however be made, as to the interest rate risk and its mitigation.

The Portfolio includes Receivables which (i) for a quota equal to 68% of the aggregate Outstanding Principal of the Receivables as at the Valuation Date derives from Loan Agreements with a floating interest rate indexed to mostly 3 months Euribor and, to a minor extent, to 6 month Euribor, 1 months Euribor and (ii) for a quota equal to 32% of the aggregate Outstanding Principal of the Receivables as at the Valuation Date derives from Loan Agreements with a fixed interest rate.

With reference to the floating rate Loan Agreements included in the Portfolio, the analysis of the historical gap between different Euribor indices has led to the conclusion that the basis risk of mismatch among 1 month Euribor, 3 months Euribor, 6 months Euribor and other parameters and 3 months Euribor (which is the index to which interest on the Senior Notes is linked) is limited and not material and would not have a negative impact on the Senior Notes (also on the basis of the structural features described in paragraphs (i), (ii), (iii) and (iv) below).

With reference to the fixed rate Loans included in the Portfolio, the potential risk due to the increasing interest scenario on the Receivables is mitigated by:

(i) the cap on the Rate of Interest on the Class A Notes (being 1.7%) that is below to the weighted average interest rate of the fixed rate Loans (being around 2%), reducing strongly the interest rate mismatch and the interest risk in case of interest rate upward movements;

(ii) the credit enhancement due to the subordination of the different Classes of Notes;

(iii) the Securitisation benefits from a single priority of payments that combines interest and principal proceeds: the principal proceeds generated by the amortisation of the Portfolio can be used to cover also the interest payments due on the Senior Notes;

(iv) with reference to the Senior Notes only, a cash reserve into the Cash Reserve Account has been established to cover an interest shortfall on such Notes and, if used, can be replenished on the subsequent Interest Payment Dates.

Prospective Noteholders should also note that the composition of the Portfolio and the cash flows that should derive therefrom have been appropriately evaluated and the Receivables have characteristics that demonstrate capacity to produce funds to service any payments due under the Notes. Although the Issuer believes that the structural features of the Securitisation and the characteristics of the Portfolio are such that the credit enhancement furnished by the above elements adequately mitigate the above described risks, there can, however, be no assurance that any such features will ensure timely and full receipt of interest amounts due under the Notes.

Prospective investors should therefore take into consideration the potential negative impact that any mismatch between interest accruing on the Senior Notes and on the Portfolio may have on the ability of the Issuer to timely and fully pay interest amounts due under the Notes.

Certain risks relating to the Real Estate Assets

Due Diligence

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

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

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

General real estate risk

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the *Mutui Ipotecari* will largely depend upon the value of the Real Estate Assets at the relevant time.

The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained.

The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real

Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans.

The security for the Notes consists of, inter alia, the Issuer's interest in the Loans. The value of such security may be affected by, among other things, a decline in property values as described above. Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Insurance coverage

All *Mutui Ipotecari* provide that the relevant Real Estate Assets must be covered by an Insurance Policy issued by leading insurance companies approved by the Originator. There can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the insurance policy or that, if such risks are covered, the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the insurance policy could adversely affect the value of the Real Estate Assets and the ability of the Debtor to repay the Loan.

Compulsory purchase

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

Historical Information

The historical financial and other information set out in the sections headed "*Banco BPM*", "*The Collection Policies*" and "*The Portfolio*", including in respect of the default rates, represents the historical experience of Banco BPM, which accepts responsibility for the fairness and accuracy of these sections. However, there can be no assurance that the future experience and performance of Banco BPM as Servicer will be similar to the experience shown in this Information Memorandum.

Servicing of the Portfolio

The Receivables have been serviced by Banco BPM in its capacity as Servicer starting from the Transfer Date pursuant to the Servicing Agreement. Previously, the Receivables were always serviced by Banco BPM in its capacity as owner of the Receivables.

The net cash flows deriving from the Receivables may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

The Servicer has undertaken to prepare and submit to the Issuer on a periodical basis certain reports in the form set out in the Servicing Agreement, containing information as to, inter alia, the Collections made in respect of the Receivables.

Back-Up Servicer Facilitator

Pursuant to the terms of the Intercreditor Agreement, the Back-Up Servicer Facilitator has undertaken, in the event that the appointment of the Servicer is terminated, to reasonably assist and cooperate with the Issuer in order to identify an eligible Successor Servicer or a Back-Up Servicer to

be appointed by the Issuer in accordance with the Servicing Agreement (for further details, see the section entitled " *The Intercreditor Agreement*" of this Information Memorandum).

It is not certain that a suitable Successor Servicer could be found to service the Receivables in the event that (i) Banco BPM becomes insolvent or its appointment as Servicer under the Servicing Agreement is otherwise terminated and (ii) the Back-Up Servicer Facilitator fails or is unable for any reasons to assist and cooperate with the Issuer in order to identify an eligible Successor Servicer or a Back-Up Servicer. If such an alternative Servicer was to be found it is not certain whether it would service the Portfolio on the same terms as those provided for by the Servicing Agreement.

Rights of Set-off (compensazione) and other rights of the Debtors

Under general principles of Italian law, the borrowers are entitled to exercise rights of set-off in respect of amounts due under any mortgage loan against any amounts payable by the originator to the relevant borrower. The assignment of receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice in the Official Gazette and (ii) the date of its registration in the competent companies' register. Consequently, Debtors may exercise a right of set off against the Issuer on the basis of claims against the Originator and/or the Issuer which have arisen before both the publication of the notice in the Official Gazette and the registration in the competent companies register have been completed.

In addition, on 24 December 2013, Decree No. 145 came into force providing that "*from the date of the publication of the notice of the assignment in the Official Gazette or from the date certain at law on which the purchase price has been paid, even in part, (...) in derogation from any other provisions, the relevant assigned debtors may not set-off the receivables purchased by the securitisation company with such debtors' receivables vis-à-vis the assignor arisen after such date*.". The transfer of the Portfolio from Banco BPM to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 31 March 2022, and (ii) published in the Official Gazette No. 38, Part II, of 2 April 2022.

Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any relevant Debtor of a right of set-off.

Italian Usury Law

The Usury Law introduced legislation preventing lenders from applying interest rates equal to or higher than the threshold rates – tassi soglia - (the "**Usury Rates**") set every three months by a Decree issued by the Italian Treasury (the last such Decree having been issued on 24 March 2022 and being applicable for the quarterly period from 1 April 2022 to 30 June 2022). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. 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 *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 would become null and void in its entirety.

The Italian Government has intervened in this situation with Law Decree No. 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law No. 24 by the Italian Parliament on 28 February 2001, which provides, inter alia, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion seems having been confirmed by the Italian Supreme Court, who recently stated (Cass. Sez. I, 11 January 2013, No. 602 and Cass. Sez. I, 11 January 2013, No. 603) that a reduction of the interest rate to the Usury Rates applicable from time to time, shall automatically apply.

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

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By decision No. 29 of 14 February 2002, the Italian Constitutional Court has stated, inter alia, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for such provisions of the Usury Law Decree providing that the interest rates due on instalments payable after 2 January 2001 on loans are to be substituted with lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such Decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

The Italian Supreme Court, under decision No. 350/2013, as recently confirmed by decision No. 23192/17, has clarified that the 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 Rates. Such 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.

Prospective Noteholders should note that whilst the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses, claims, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the relevant Loans as a result of the application of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Senior Notes may be adversely affected as a result of a Loan being found to be in contravention with the Usury Law, thus allowing the relevant borrower to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such Loan.

Under the Warranty and Indemnity Agreement, the Originator has represented that the interest rates applicable to the Loans are in compliance with the then applicable Usury Rate.

Compounding of Interest (Anatocismo)

According to Article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest can be capitalised after a period of not less than six months provided that the capitalisation has been agreed after the date on which it has become due and payable or from the date

when the relevant legal proceedings are commenced in respect of that monetary claim or receivable. According to Article 1283 of the Italian Civil Code, such provision may be derogated from only in the event that there are recognised customary practices (*usi*) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in Italy is a common market practice on the grounds that such practice should be characterised as a customary rule (*uso normativo*). According to certain judgements from Italian Supreme Court (*Corte di Cassazione*) (including judgements No. 2374/1999, No. 2593/2003 and No. 21095/2004 as recently confirmed by judgment No. 24418/2010 of the same Court), such practice has been re-characterised as an agreed clause (*uso negoziale*) and as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian Civil Code.

In this respect, it should be noted that Article 25, paragraph 3, of Legislative Decree No. 342 of 4 August 1999 ("**Law No. 342**") enacted by the Italian Government under a delegation granted pursuant to Law No. 142 of 19 February 1992 (the "***Legge Delega***") has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest will still be possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) dated 9 February 2000 and published on 22 February 2000. Law No. 342 was challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under the *Legge Delega*. By decision No. 425 dated 9 October 2000, the Italian Constitutional Court declared as unconstitutional on these grounds such Article 25, paragraph 3, of Law No. 342.

According to a ruling of the Tribunal of Bari dated 29 October 2008 the amortisation plans known as "French amortisation plans" (applied to certain type of loans in Italy, such as the Loan Agreements) are not valid, being in breach of Articles 1283 and 1284 of the Italian Civil Code. The rationale behind such ruling seems 58 to be, inter alia, that the French amortisation plans would per se lead to apply to the relevant loan an interest rate higher than the interest rate contractually agreed between the lender and the borrower and, therefore, to increase the cost of the financing for the borrower. According to such ruling, banks which use in their loans the French amortisation plan would be in breach of Article 1283 and 1284 as the relevant rate of interest and the cost of the financing would not be clearly indicated in the relevant loan agreement. As a result, the relevant contractual interest rate may be challenged by the relevant borrower and the legal interest rate may apply. It should be noted that paragraph 2 of Article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Law No. 147 of 27 December 2013. In particular, such Law (become effective on 1 January 2014), seems to remove the possibility for compounding of interest.

In this respect, Law Decree No. 91 of 24 June 2014 converted into law by Law No. 116 of 11 August 2014, has recently amended and replaced paragraph 2 of Article 120 of the Consolidated Banking Law, stating that the C.I.C.R. has to establish the methods and criteria of compounding of interest accrued in the context of the transactions regulated under Title VI of the Consolidated Banking Act with a periodicity of not less than one year. On 3 August 2016 the C.I.C.R. has issued such regulation.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the Originator has represented that all Loan Agreements have been executed and performed in compliance with all applicable laws, provisions and regulations including, inter alia, all the forms of publicity provided by Article 116 of the Consolidated Banking Act and by the C.I.C.R. Resolution dated 4 March 2003 on I.S.C. (*Indicatore Sintetico di Costo*) and T.A.N. (*Tasso Annuo Nominale*). Furthermore, the Originator has undertaken to indemnify the Issuer from and against, inter alia, all damages, loss, claims, liabilities, costs and expenses incurred by it arising from the non-compliance of the terms and conditions of any relevant Loan Agreement with the provisions of Article 1283 of the Italian Civil Code.

Preferred claims

According to a ruling of the Tribunal of Genoa dated 25 January 2001 and the relevant judgement of the Italian Supreme Court (*Corte di Cassazione*) dated 14 November 2003, issued with reference to Italian law decree No. 669 of 31 December 1996 and converted into law No. 30 of 28 February 1997, claims of any person having concluded preliminary agreements (contratti preliminari) with the relevant Mortgagor for the purchase of the Real Estate Assets which were registered in the relevant real estate registries (*Agenzia del Territorio – Servizio di Pubblicità Immobiliare*) prior to the registration of the relevant Mortgage or even after such registration, would be preferred to the claims of the creditors of the relevant Mortgage.

Concentration of roles in Banco BPM

Under the terms of the Transaction Documents Banco BPM has performed and will perform multiple roles in the context of the Securitisation, such as, inter alia, the Originator and the Servicer. The concentration of such roles in one entity may, in the event of insolvency of Banco BPM, adversely impact the structure of the Securitisation and the Issuer's ability to meet its obligations under the Notes.

Prospective Noteholders should note, however, that such risk is mitigated by the provisions of the Transaction Documents, which already provide and regulate the terms and conditions of the replacement of the different Issuer's counterparts in the context of the Securitisation.

Change of Law

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

Projections, forecasts and estimates

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

Prospective investors are 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 in this Information Memorandum to reflect events or circumstances occurring after the date of this Information Memorandum.

RISK RETENTION AND TRANSPARENCY REQUIREMENTS

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described below and in this Information Memorandum generally for the purposes of complying with the provisions of articles 6 of the Securitisation Regulation on risk retention and with the provisions of articles 7 and 22 of the Securitisation Regulation on transparency requirements. None of the Issuer, Banco BPM (in any capacity) or any other party to the Transaction Documents makes any representation that the information described below or in this Information Memorandum is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks, please refer to the risk factors entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*", "*The Securitisation Regulation and the STS framework*", "*Investors' compliance with due diligence requirements under the Securitisation Regulation*" and "*Disclosure requirements under CRA Regulation and the Securitisation Regulation*".

1. Risk retention

Under the Intercreditor Agreement, Banco BPM, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, from the Issue Date, 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, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes;

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

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

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

provided that the Originator will be required to do so only to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

In addition, the Originator has warranted and undertaken that:

(a) the material net economic interest held by it will not be split amongst different types of retainers and will not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; and

(b) it has not selected the Receivables with the aim of rendering losses on the Receivables transferred to the Issuer higher than the losses on comparable receivables held on the balance sheet of the Originator, pursuant to article 6(2) of the Securitisation Regulation.

2. Transparency requirements

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation.

Each of the Issuer and the Originator has agreed that the Originator is designated as Reporting Entity (such designation being made also under the Transfer Agreement), pursuant to and for the purposes of article 7(2) of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and article 22 of the Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that European DataWarehouse is registered in accordance with article 10 of the Securitisation Regulation and meets the requirements set out in the fourth sub-paragraph of article 7(2) of the Securitisation Regulation to act as Designated Repository.

In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the Securitisation Regulation.

As to pre-pricing information, the Originator has confirmed that, before pricing, it has been, as initial holder of the Notes, in possession of, and in case of subsequent sale of the Notes it will make available to potential investors:

(a) through the Designated Repository, the information under point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Loan, to the extent available) and, in draft form, the information and documentation under points (b) and (d) of the first sub-paragraph of article 7(1) of the Securitisation Regulation;

(b) through the Designated Repository, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised covering a period of at least 5 (five) years, and the sources of those data and the basis for claiming similarity, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(c) through the website of Bloomberg (being, as at the date of this Information Memorandum, www.bloomberg.com), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the Servicer, the Computation Agent and the Issuer have agreed and undertaken as follows:

(a) the Servicer pursuant to the Servicing Agreement shall:

(i) prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Reporting Date (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Loan, to the extent available), in compliance with point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date;

(ii) prepare the Inside Information and Significant Event Report, containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation (including, inter alia, any material change of the Priority of Payments and of the Collection Policies relating to the Receivables and the occurrence of any Event of Default), and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, on each Reporting Date (simultaneously with the Loan by Loan Report and the SR Investors Report);

(b) pursuant to the Agency and Accounts Agreement, the Computation Agent shall, subject to receipt of any relevant information from the Servicer, prepare the SR Investors Report in accordance with the provisions of the Agency and Accounts Agreement and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Designated Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date; and

(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Information Memorandum, the other final Transaction Documents, the final STS Notification and any other final document or information required under article 22(5) of the Securitisation Regulation, in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes and the competent authorities referred to in article 29 of the Securitisation Regulation pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),

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

In addition, pursuant to the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of Bloomberg (being, as at the date of this Information Memorandum, www.bloomberg.com), a liability cash flow model (as updated from time to time) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Each of the parties to the Intercreditor Agreement has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the specific framework for STS-securitisations and the EU Securitisation Rules. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient for such purposes.

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 *(Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation, a number of requirements must be met if the Originator and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS securitisation**") within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the Securitisation is intended to meet, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originator intends to submit on or about the Issue Date a notification to the ESMA for the Securitisation to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**").

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

The Originator and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to article 28 (T*hird party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction complies with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 of the Regulation (EU) No. 575 of 26 June 2013, as amended from time to time (the "**CRR**" and the "**CRR Assessment**") and the compliance with such requirements is expected to be verified by PCS on the Issue Date. When performing a CRR Assessment, PCS is not confirming or indicating that the securitisation subject to such assessment will be allowed to have lower capital allocated to it under the CRR. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met; therefore, no investor should rely on such CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. It is expected that the STS Verification and the CRR Assessment prepared by PCS will be available on the PCS website (https://pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, these PCS websites and the contents thereof do not form part of this Information Memorandum.

The STS status of a transaction is not static and under the Securitisation Regulation ESMA is entitled to update the list should the Securitisation be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the Originator. The investors should verify the current status of the Securitisation on ESMA's website from time to time.

As at the date of this Information Memorandum, no assurance can however be provided that the Securitisation (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation.

None of the Issuer, the Originator or any other party to the Transaction Documents makes any

representation or accepts any liability in that respect. Without prejudice to the above, the below set out elements of information in relation to each criteria set out in articles 19 to 22 of the Securitisation Regulation, on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Information Memorandum (including, without limitation, with regard to the risk retention requirements under article 6 of the Securitisation Regulation and the transparency obligations imposed under article 7 of the Securitisation Regulation), and are subject to any changes made therein after the date of this Information Memorandum.

Prospective investors should conduct their own due diligence and analysis to determine whether the elements set out below are sufficient to satisfy the criteria of Articles 20 to 22 of the Securitisation Regulation.

The purpose of this section is not to assert or confirm the compliance of the Securitisation with those criteria, but only to facilitate the own reading and analysis by such prospective investors:

1. Article 20 (Requirements relating to simplicity) of the Securitisation Regulation

(a) for the purpose of compliance with article 20(1) of the Securitisation Regulation, pursuant to the Transfer Agreement the Originator has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 38 Part II of 2 April 2022, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 31 March 2022 (collectively (i) and (ii) are referred to as the "**Publications**"). For further details, see the section headed *"The Transfer Agreement" and "The Portfolio"*).

The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Underwriter, which may be disclosed to any relevant competent authority referred to in article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, under the Intercreditor Agreement the Originator has represented that it is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 4, point (43) of the CRR) in the Republic of Italy; therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20(4) of the Securitisation Regulation, the Receivables arise from Loans granted by the Originator and by Banca Popolare di Milano S.c.a.r.l. or Banco Popolare Società Cooperativa which have been merged into Banco BPM. Consequently, the requirement provided for under article 20(4) of the Securitisation Regulation is met on the Originator. For further details, see the sections headed *"The Portfolio"* and "*Banco BPM*";

(d) with respect to article 20(5) of the Securitisation Regulation, the transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through the Publications; therefore, the requirements of article 20(5) of the Securitisation Regulation are not

applicable;

(e) with respect to article 20(6) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Valuation Date and the Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of its 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 the Receivables under the Transfer Agreement and is freely transferable to the Issuer;

(f) for the purpose of compliance with article 20(7) of the Securitisation Regulation, the disposal of Receivables from the Issuer is permitted solely following the delivery of a Issuer Acceleration Notice, in accordance with Condition 11.4 (*Enforcement - Disposal of the Portfolio following the delivery of an Issuer Acceleration Notice*) and with the relevant provisions of the Intercreditor Agreement, provided that the Originator under the Transaction Documents has (i) an option right connected with the purchase of the Portfolio in accordance with the Transfer Agreement only for the purpose of paying the amounts required under the applicable Priority of Payments for the redemption of the Notes; (ii) an option right connected with the purchase of single Receivables pursuant to the Servicing Agreement in order for the Originator to avoid discrimination between its borrowers and the Debtors and (iii) the option to sell, in its capacity of Servicer, Defaulted Claims pursuant to the Servicing Agreement in order to maxim the recovery on such claims in the exclusive interest of the Noteholders. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the sections headed *"The Transfer Agreement", "The Servicing Agreement"* and *"The Intercreditor Agreement"*);

(g) for the purpose of compliance with article 20(8) of the Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Valuation and the Transfer Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by (i) the Banco BPM and (ii) by Banca Popolare di Milano S.c.a.r.l and Banco Popolare Società Cooperativa, which have been merged into Banco BPM, as Originator in accordance with all similar loan disbursement policies which apply same approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by the Originator according to similar servicing procedures; (iii) the Receivables arise from Loans granted to the Debtors which are SMEs and therefore fall in the asset type named "*credit facilities, including loans and leases, provided to any type of enterprise or corporation*" provided under article 1(a)(iv) of the Commission Delegated Regulation (EU) 2019/1851 (the "**Commission Delegated Regulation on Homogeneity**") and meet the homogeneity factors set out under article 2(3)(a)(i) and 2(3)(b)(ii) of the Commission Delegated Regulation on Homogeneity (i.e. obligors are micro-, small- and medium-sized enterprises and the obligors are resident in

the same jurisdiction). In addition, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) as at the Valuation Date and the Transfer Date, the Receivables comprised in the Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, the Guarantors; (ii) the Loans provide for a repayment through constant instalments as determined in the relevant Loan Agreement; and (iii) as at the Valuation Date and the Transfer Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (for further details, see the sections headed "*The Portfolio*" and "*The Warranty and Indemnity Agreement*");

(h) for the purpose of compliance with article 20(9) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at Valuation Date and the Transfer Date, the Portfolio does not comprise any securitisation positions (for further details, see the sections headed "*The Portfolio*" and "*The Warranty and Indemnity Agreement*");

(i) for the purpose of compliance with article 20(10) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that: (i) the Receivables have been originated by it in the ordinary course of its business; (ii) as at the Valuation Date and the Transfer Date, the Receivables comprised in the Portfolio have been originated by the Originator in accordance with credit policies that are not less stringent than the credit policies applied by the Originator at the time of origination to similar exposures that are not assigned under the Securitisation; (iii) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC or in article 18, paragraphs from 1 to 4 , paragraph 5, letter (a), and paragraph 6 of Directive 2014/17/UE and point 33 of the EBA Guidelines on the STS Criteria, to the extent applicable taking into consideration the nature of the Loans; (iv) the Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables. In addition, since no exposure will be sold to the Issuer after the Issue Date, the Originator shall not be held to disclose without undue delay any material changes from prior underwriting standards (for further details, see the sections headed "*The Portfolio*" and "*The Warranty and Indemnity Agreement*");

(j) for the purpose of compliance with article 20(11) of the Securitisation Regulation, the Portfolio has been selected on the Valuation Date and transferred to the Issuer on the Transfer Date. Under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Valuation Date and Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) No. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge: (i) has been declared insolvent or had a court grant his creditors a final non appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Transfer Date; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history available to the Originator; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation (for further details, see the sections headed "*The Portfolio*" and "*The Warranty and Indemnity Agreement*");

(k) for the purpose of compliance with article 20(12) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that,

as at the Valuation Date and the Transfer Date, the Receivables comply with the Criteria and under the Intercreditor Agreement, the Originator represented that the Receivables arise from Loans in respect of which at least one instalment has been paid as at the Transfer Date;

(l) for the purpose of compliance with article 20(13) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted as at the Valuation Date and the Transfer Date that, in order to determine the creditworthiness of the relevant Debtor, the reimbursement of the outstanding balance of the Loans at maturity and so the capacity to reimburse the Noteholders, the Originator has not based its assessment predominantly on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of the Real Estate Assets. Furthermore the pool of exposure has a high granularity, where the Outstanding Principal of the Receivables owed by the same Debtor does not exceed 2% of the Outstanding Principal of all the Receivables pursuant to article 243(2)(a) of Regulation (EU) 575/2013 (for further details, see the section the "*The Portfolio*");

2. Article 21 (Requirements relating to standardisation) of the Securitisation Regulation

(a) for the purpose of compliance with article 21(1) of the Securitisation Regulation, under the Intercreditor Agreement the Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Risk Retention and Transparency Requirements*");

(b) for the purpose of compliance with article 21(2) of the Securitisation Regulation, in order to mitigate any interest rate risk connected with the Notes, (A) the Conditions provide that the Rate of Interest on the Class A Notes are subject to a cap of 1.7% per annum, so that with respect to the Class A Notes only, if the relevant Rate of Interest is higher than 1.7% per annum, the rate of interest applicable on the Class A Notes shall be equal to 1.7% per annum (for further details, see Condition 7.3 (*Interest - Rate of Interest on the Senior Notes)*), and (B) with reference to the payment of interest on the Senior Notes, the Cash Reserve has been established into the Cash Reserve Account in accordance with the provisions of the Subordinated Loan Agreement and the Conditions. In addition, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Valuation Date and the Transfer Date, the Portfolio does not comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes of any Class, it shall not enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation (for further details, see Condition 5 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that all Loan Agreements are denominated in Euro (or granted in a currency other than Euro and converted into Euro) and do not contain provisions which allow for the conversion into another currency, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Transaction Overview*" and "*Terms and Conditions of the Notes*");

(c) for the purpose of compliance with article 21(3) of the Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that pursuant to the Loan Agreements, the interest calculation methodologies related to the Mortgage Loans are based on or generally used sectoral rates reflective of the cost of funds in compliance with the applicable laws, and do not refer to complex formulae or

derivatives; and (ii) the Rate of Interest applicable to the Notes is calculated by reference to EURIBOR (for further details, see Condition 7.3 *(Interest - Rate of Interest on the Senior Notes*)); therefore, any referenced interest payments under the Receivables and the Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(d) for the purpose of compliance with article 21(4) of the Securitisation Regulation (A) following the service of an Issuer Acceleration Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of an Issuer Acceleration Notice; and (iii) the Issuer shall, if so directed by the Representative of the Noteholders, 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 and strictly in accordance with the instructions approved thereby and the relevant provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see the sections headed *"The Terms and Conditions of the Notes"* and *"The Intercreditor Agreement"*);

(e) as to repayment of principal, both prior and following the service of an Issuer Acceleration Notice, the Senior Notes will rank in priority to the Junior Notes; therefore, the requirements of article 21(5) of the Securitisation Regulation are not applicable;

(f) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed *"The Transfer Agreement"*); therefore, the requirements of article 21(6) of the Securitisation Regulation are not applicable;

(g) for the purpose of compliance with article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the other Transaction Documents - Corporate Services Agreement" "The Servicing Agreement", "The Agency and Accounts Agreement",* and *"The Terms and Conditions of the Notes"*). In addition, the Servicing Agreement contains provisions aimed at ensuring that a default by or an insolvency of the Servicer or a downgrading does not result in a termination of the servicing activities, including provisions regulating the replacement, with the cooperation of the Back-Up Servicer Facilitator, of the defaulted or insolvent or downgraded Servicer with any Successor Servicer or a Back-Up Servicer, as the case may be (for further details, see the sections headed "*The Servicing Agreement*"). Finally, the Agency and Account Agreement contains provisions aimed at ensuring the replacement of the Interim Account Bank, the Transaction Account and the Paying Agent in case of its default, insolvency or other specified events (for further details, see the sections headed "*The Agency and Accounts Agreement"*);

(h) for the purpose of compliance with article 21(8) of the Securitisation Regulation, under the Servicing Agreement, the Servicer has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines on STS Criteria. In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Successor Servicer shall, inter alia, have a long lasting expertise in servicing exposures of

a similar nature to those securitised for and has well documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed *"The Servicing Agreement"*);

(i) for the purpose of compliance with article 21(9) of the Securitisation Regulation, the Servicing Agreement and the Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*The Collection Policies*"). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Servicing Agreement, the Servicer has undertaken to provide promptly the Reporting Entity and the Computation Agent with the information referred to under article 7, paragraph 1, letters (f) and (g) of the Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards (for further details, see the section headed "*The Risk retention and Transparency Requirements*" and "*The Servicing Agreement"*). Furthermore, pursuant to the Agency and Accounts Agreement and the Intercreditor Agreement, (i) the Computation Agent has undertaken to prepare the SR Investor Report setting out certain information with respect to the Notes (including, inter alia, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the SR Investor Report from the Computation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the Designated Repository (for further details, see the sections headed, *"The Agency and Accounts Agreement" and "The Risk retention and Transparency Requirements*");

(j) for the purposes of compliance with article 21(10) of the Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed "*Terms and Conditions of the Notes*");

3. Article 22 (Requirements relating to transparency) of the Securitisation Regulation

(a) for the purposes of compliance with article 22(1) of the Securitisation Regulation, under the Intercreditor Agreement the Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) in case of transfer of any Notes by the Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the Designated Repository, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the section headed "*The Intercreditor Agreement"*);

(b) for the purposes of compliance with article 22(2) of the Securitisation Regulation, an external verification (including verification that the data disclosed in this Information

Memorandum in respect of the Receivables is accurate) has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found (for further details, see the section headed "*The Portfolio – Pool Audit Reports*");

(c) for the purposes of compliance with article 22(3) of the Securitisation Regulation, under the Intercreditor Agreement the Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by the Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing through the Designated Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, under the Intercreditor Agreement, the Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes, upon request, through the Designated Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer; and (2) update such cash flow model, in case there will be significant changes in the cash flows (for further details, see the section headed "*The Intercreditor Agreement"*);

(d) for the purposes of compliance with article 22(4) of the Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare the Loan by Loan Report setting out information relating to each Loan in respect of the immediately preceding Collection Period (including, inter alia, the information related to the environmental performance of the Real Estate Assets, to the extent required by any applicable law or regulation), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investor Report) to the investors in the Notes through the Designated Repository (for further details, see the sections headed "*The Risk retention and Transparency Requirements*");

(e) for the purposes of compliance with article 22(5), under the Intercreditor Agreement and the Transfer Agreement, the Originator and the Issuer have designated among themselves Banco BPM as the Reporting Entity pursuant to article 7(2) of the Securitisation Regulation and have agreed, and the other parties thereto have acknowledged, that the Reporting Entity shall be responsible for compliance with article 7 of the Securitisation Regulation, pursuant to the Transaction Documents. In that respect, Banco BPM, in its capacity as Reporting Entity, will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information through the Designated Repository.

Under the Intercreditor Agreement, the Reporting Entity has confirmed that it has appointed European DataWarehouse as Designated Repository.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to inform the potential investors in the Notes in accordance with Condition 17 (*Notices*) in case of replacement of the Designated Repository.

As to pre-pricing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement:

(i) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation, including, to the extent required by any applicable law or regulation, data on the environmental performance of the Real Estate Assets) and the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data covers a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ii) in case of transfer of any Notes by the Originator to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing through the Designated Repository appointed by the Reporting Entity, (i) the information under point (a) of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets, to the extent required by any applicable law or regulation) upon request, as well as the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(iii) the Reporting Entity has made available to investors in the Notes a draft of the STS Notification (as also defined under the Securitisation Regulation).

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

(i) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes all the information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Designated Repository, as the case may be, the Loan by Loan Report (simultaneously with the SR Investor Report) by no later than one month after the relevant Interest Payment Date;

(ii) pursuant to the Agency and Accounts Agreement, the Computation Agent will prepare the SR Investor Report (which includes all the information set out under point (e) of the first

subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Designated Repository the SR Investor Report (simultaneously with the Loan by Loan Report) by no later than the 1 (one) month after the relevant Interest Payment Date;

(iii) pursuant to the Servicing Agreement, the Servicer will prepare the Inside Information and Significant Event Report (which includes all the information set out under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, including, inter alia, the events which trigger changes in the Priorities of Payments) and will deliver it to the Reporting Entity without delay in order for the Reporting Entity to make it available without delay to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Designated Repository; it being understood that, in accordance with the Servicing Agreement, the Servicer shall (A) without undue delay and also (B) by no later than the 1 (one) month after the relevant Reporting Date: (y) prepare the Inside Information and Significant Event Report on the basis of the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation; and (z) deliver it to the Reporting Entity in order to make it available without delay to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Designated Repository;

(iv) the Issuer will deliver to the Reporting Entity (i) a copy of the final Information Memorandum and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession); and

(v) the Reporting Entity shall make available to the investors in the Notes the STS Notification (as defined under the Securitisation Regulation) by not later than 15 (fifteen) days after the Issue Date,

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

In addition, under the Intercreditor Agreement, the Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the Designated Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and (2) to update such cash flow model, in case there will be significant changes in the cash flows. Under the Intercreditor Agreement, the Reporting Entity has undertaken to the Issuer and the Representative of the Noteholders:

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

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

pursuant to the Securitisation Regulation.

Under the Intercreditor Agreement, each of the relevant parties (in any capacity) has undertaken to notify promptly to the Reporting Entity and the Servicer any information set out under point (f) of the first subparagraph of article 7(1) of the Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (as the case may be) in order to allow the Servicer to prepare and deliver to the Reporting Entity the Inside Information and Significant Event Report in a timely manner in order for the Reporting Entity to make it available (A) without undue delay and (B) by no later than the 1 (one) month after the relevant Reporting Date in accordance with the provisions above and the Servicing Agreement.

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the Securitisation Regulation are fulfilled by the Reporting Entity, under the Intercreditor Agreement each party to such agreement has undertaken to provide the Reporting Entity with any further information which from time to time is required under the Securitisation Regulation that is not covered under the Intercreditor Agreement.

Under the Intercreditor Agreement, the relevant parties agreed that any costs, expenses and taxes deriving from compliance with the provisions of the Securitisation Regulation and the Regulatory Technical Standards in relation to the transparency requirements shall be borne by Banco BPM.

4. Criteria for credit-granting

With reference to Article 9 of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that it (or, as the case may be, the different bank which originated the Receivables) complies and has complied with, in respect of the Portfolio, the credit-granting criteria and procedures and all other obligations and provisions set out under article 9 of the Securitisation Regulation.

5. First contact point

Banco BPM will be the first contact point for investors in the Notes and competent authorities pursuant to and for the purposes of third sub-paragraph of article 27(1) of the Securitisation Regulation.

The designation of the Securitisation as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and UK MIFIR and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the Securitisation as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation.

PCS SERVICES

Application has been made to Prime Collateralised Securities (PCS) EU SAS ("**PCS**") to assess compliance of the Notes with the criteria set forth in the CRR regarding STS-securitisations (the "**CRR Assessment**"). There can be no assurance that the Notes will receive the CRR Assessment (either before issuance or at any time thereafter) and that CRR is complied with.

In addition, an application has been made to PCS for the Securitisation to receive a report from PCS verifying compliance with the criteria stemming from Article 18, 19, 20, 21 and 22 of the Securitisation Regulation (the "**STS Verification**"). There can be no assurance that the Securitisation will receive the STS Verification (either before issuance or at any time thereafter) and if the Securitisation does receive the STS Verification, this shall not, under any circumstances, affect the liability of the Originator and the Issuer in respect of their legal obligations under the Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation.

The STS Verifications and the CRR Assessments (the "**PCS Services**") are provided by PCS. No PCS Service is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in any PCS Service constitutes legal advice in any jurisdiction. PCS is authorised by the Autorité des Marchés Financiers as a third-party verification agent, pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union. Other than as specifically set out above, none of the activities involved in providing the PCS Services are endorsed or regulated by any regulatory and/or supervisory authority nor is PCS regulated by any other regulator.

By providing any PCS Service in respect of any securities PCS does not express any views about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Investors should conduct their own research regarding the nature of the CRR Assessment and the STS Verification. It is expected that the PCS Services prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with detailed explanations of its scope at https://pcsmarket.org/disclaimer/ on and from the Issue Date. For the avoidance of doubt, this PCS websites and the contents thereof do not form part of this Information Memorandum and must read the information set out in http://pcsmarket.org.

In the provision of any PCS Service, PCS has based its decision on information provided directly and indirectly by the Originator. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any PCS Service is not a confirmation or implication that the information provided by or on behalf of the Originator as part of the relevant PCS Service is accurate or complete. In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43, (together, the "**STS criteria**"). Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, Article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria.

The EBA has issued the EBA Guidelines on STS Criteria. The task of interpreting individual STS criteria rests with national competent authorities ("**NCAs**"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA Interpretations**"). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCAs Interpretation. There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS.

There can be no guarantees that any future guidelines issued by EBA or NCAs Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCAs. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCAs interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCAs as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCAs.

Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

The task of interpreting individual CRR criteria as well as the final determination of the capital required by a bank to allocate for any investment rests with prudential authorities (PRAs) supervising any European bank. The CRR criteria, as drafted in the CRR, are subject to a potentially wide variety of interpretations. In compiling a CRR Assessment, PCS uses its discretion to interpret the CRR criteria based on the text of the CRR, and any relevant and public interpretation by the European Banking Authority. Although PCS believes its interpretations reflect a reasonable approach, there can be no guarantees that any prudential authority or any court of law interpreting the CRR criteria will agree with the PCS interpretation. PCS also draws attention to the fact that, in assessing capital requirements, prudential regulators possess wide discretions.

Accordingly, when performing a CRR Assessment, PCS is not confirming or indicating that the securitisation the subject of such assessment will be allowed to have lower capital allocated to it under the CRR Regulation. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met.

Therefore, no bank should rely on a CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS criteria that speak to actions taking place following the close of any transaction such as – without limitation – the obligation to continue to provide certain mandated information.

THE PORTFOLIO

Introduction

Pursuant to the terms of the Transfer Agreement the Issuer purchased from Banco BPM without recourse (*pro soluto*) the Portfolio and other connected rights arising out of the Loans on the Transfer Date in accordance with Securitisation Law.

The Receivables have been selected as at the Valuation Date on the basis of the Criteria which are set out below and which were published on 2 April 2022 in No. 38 Part II of the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and registered with the competent companies' register on 31 March 2022 as required under the Securitisation Law.

The Receivables have characteristics that (taken together with the structural features of the Securitisation and the arrangements entered into or to be entered into in accordance with the Transaction Documents) demonstrate capacity to produce funds to service any payments due and payable on the Senior Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Receivables and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Noteholders may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Information Memorandum, including without limitation under the section headed "*Risk factors*", above.

The Loans have been originated only by (i) Banco BPM S.p.A. and (ii) Banca Popolare di Milano Scarl and Banco Popolare Società Cooperativa, which merged into Banco BPM as at 1 January 2017, For further details please refer to section headed "*Banco BPM*".

Under the Intercreditor Agreement, the Originator represented that in any case it has carried out a credit assessment in respect of the relevant borrower of each Loan, in accordance with its credit and underwriting policies.

As at the Valuation Date:

(i) the Portfolio consisted of 28,411 Loans;

(ii) the aggregate Outstanding Principal of the Receivables is equal to Euro 2,433,252,981.88;

(iii) the Outstanding Principal of the Receivables owed by the same Debtor does not exceed 2% of the Outstanding Principal of all the Receivables.

Criteria

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

(1) loans originally disbursed by Banco BPM or by other banks which were subsequently transferred to Banco BPM either by way of merger (*fusione*), de-merger (*scissione*), contribution of going concern (*conferimento di ramo d'azienda*) or transfer of going concern (*cessione di ramo d'azienda*);

(2) loans the principal debtors of which are (also in case of novation (*accollo*) or apportionment (*frazionamento*) of the relevant loan):

(a) one or more individuals (including individual firms) who are resident in Italy;

or

(b) one or more entities (including partnerships) incorporated pursuant to Italian law and having their registered office in Italy;

(3) loans the principal debtors of which fall within the definition of small and medium enterprises set out in the recommendation of the European Commission of 6 May 2003, No. 2003/361/CE;

(4) loans the principal debtor of which belongs to one of the following categories of S*ettore Attività Economica*, according to the criteria set out by the Bank of Italy in the *circolare* No.140 of 11 February 1991, as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*): No. 166 (*Enti Produttori Di Servizi Assistenziali, Ricreativi e Culturali*), No. 256 (*Holding Finanziarie Private*), No. 268 (*Altre finanziarie*), No. 280 (*Mediatori, agenti e consulenti di assicurazione*), No. 283 (*Promotori finanziari*), No. 284 (*Altri ausiliari finanziari*), No. 430 (*Imprese produttive*), No. 431 (*Holding private*), No. 432 (*Holding operative private*), No. 450 (*Associazioni fra imprese non finanziarie*), No. 480 (*Quasi-società non finanziarie artigiane - Unità o società con 20 o più addetti*), No. 481 (Q*uasi- società non finanziarie artigiane - Unità o società con più di 5 e meno di 20 addetti*), No. 482 (*Quasi-società non finanziarie artigiane - Società con meno di 20 addetti*), No. 490 (*Quasi-società non finanziarie altre - Unità o società con 20 o più addetti*), No. 491 (*Quasi-società non finanziarie altre - Unità o società con più di 5 e meno di 20 addetti*), No. 492 (*Quasi-società non finanziarie altre - Società con meno di 20 addetti*), No. 614 (*Artigiani*), No. 615 (*Altre famiglie produttrici*). In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled to require the branch being the addressee of the relevant payment due which category listed above is applicable to such loan and whether such loan has been classified as a loan entered into for business purposes;

(5) loans which are entirely disbursed and in relation to which there is no obligation or possibility to make additional disbursements;

(6) loans which are denominated in Euro (or originally disbursed in the former italian currency ("Lira") and subsequently re-denominated in Euro);

(7) loans which are governed by Italian law;

(8) loans providing for a contractual interest rate which falls within one of the following categories:

(a) "fixed rate loans", being those loans whose interest rate is not subject to any variation throughout the remaining duration of the loan;

(b) "floating rate loans", being those loans whose interest rate is linked to the relevant index determined by contract, subject to any variation throughout the remaining duration of the loan;

(c) "mixed rate loans", being those loans in respect of which interest accrues at a fixed rate for a specified period of time determined by contract and at the floating rate of the relevant index thereafter (and *vice versa*);

(d) "modular rate loans" which contemplate the right, that can be exercised one or more times during the life of the loan, of the relevant borrower to switch from (A) a floating rate to (B) a fixed rate determined as aggregate of (i) the interest rate swap applicable to the relevant remaining term (IRS) and (ii) the spread, pre-determined by contract, over the relevant index as determined pursuant to the paragraph (i) above, and *vice versa*;

(9) loans falling within one of the following categories:

(i) *ipotecari* mortgage loans, other than those listed in (ii) and (iii) below, entered into between (and including) 3 March 2001 and (and including) 6 September 2021;

(ii) *fondiari* mortgage loans entered into in accordance with the provisions of article 38 et seq. of the legislative decree No. 385 of 1 September 1993 between (and including) 13 January 2000 and (and including) 10 February 2022;

(iii) *agrari* mortgage loans entered into in accordance with articles 43, 44 e 45 of the legislative decree 1 September 1993, No. 385 between (and including) 2 January 1999 and (and including) 25 February 2022;

(iv) loans different from the ones listed under paragraphs (i), (ii) and (iii) above, entered into between (and including) 28 February 2005 and (and including) 25 February 2022;

(10) loans:

(i) having the first instalment falling after 14 March 2022; or

(ii) which, as at 9 February 2022, have all due instalments which have been paid in whole;

(11) loans providing for a "french" or Italian" amortisation plan, but both having instalment due dates which occur on a monthly, bimonthly, quarterly, four-monthly, semi-annual or yearly basis;

(12) loans having a principal outstanding amount equal to, or higher than, € 4,000;

(13) loans having a principal outstanding amount equal to, or lower than, € 10,500,000;

(14) in respect of the loans which qualify as *mutui ipotecari*, loans secured by real estate assets located within the territory of the Republic of Italy where the relavant ratio beteween (i) the outstanding principal debt of the loan and (ii) the estiamted value of the Real Estate Asset as at the Valuation Date is equal to or lower than 100%;

(15) loans in respect of which the payment of the relevant instalments is made through (a) automatic debit on the borrower's banking account (including the payments with RID - *Rimessa Interbancaria Diretta*), (b) MAV (*Mediante Avviso*) or (c) cash;

(16) loans which since three years before the Valuation Date until the Transfer Date have not been object of forbearence measures (as defined under the Supervisory Instructions), as the

borrower may verify with any branch of Banco BPM;

The Receivables do not comprise those claims arising out of loans meeting the criteria set out above but which also meet as of the same date (unless otherwise provided) one or more of the following criteria from (A) to (L):

(A) loans which, as at the Valuation Date, have been transferred by Banco BPM to the vehicles BPM Covered Bond s.r.l. and BPM Covered Bond 2 s.r.l. pursuant to, respectively, two trasfer agreements executed on 28 March 2022, as being identified as at the same Valuation Date in accordance with the criteria included in the notices of the assignments published on the Official Gazette n. 37 of 31 March 2022 respectively with code TX22AAB3646 e TX22AAB3647;

(B) loans granted, to individuals who as at the Valuation Date (even in the case of joint holders of the loan) were employees and/or directors (including executives (*dirigenti*) and officers (*funzionari*)) of Banco BPM or of any other company of the "Banco BPM Group";

(C) loans advanced under any applicable law or regulation or convention providing for financial support of any kind with regard to principal and/or interest to the relevant borrower (so-called mutui agevolati);

(D) loans disbursed to public entities, public administrations or ecclesiastical entities;

(E) loans for building purpose granted by Banca Popolare di Milano Scarl on a date preceeding 31 July 2007;

(F) loans having one or more instalments, which have not fallen due, which result, as at the Valuation Date, already paid in whole or in part;

(G) loans in respect of which (a) a payment holiday is provided for by primary or secondary mandatory provisions or applicable regulation of the competent supervisory authority or (b) the relevant borrower has obtained a payment holiday in accordance with mandatory provisions of laws or regulations or an order by a supervisory authority and, in both the cases, (c) such payment holiday is pending as at the Valuation Date.

(H) loans different from the ones indicated under criterion 9, paragraphs (i), (ii) and (iii) which as at the Valuation Date are secured by guarantees which qualify as fideiussioni or fideiussioni omnibus in favour of Banco BPM which secure at least another legal relationship between Banco BPM and the relevant borrower and/or guarantor;

(I) with reference to loans with a mortgage over real estate assets, loans secured only by real estate assets with cadastral classification B-F-E;

(J) loans the payment of which provides under the relevant loan agreements for a reimbursement type "bullet" or "balloon";

(K) loans originally granted by Banca Italease S.p.A. and thereafter transferred to Banco BPM further to merger, de-merger or contribution of going concernor transfer of going concern;

(L) loans which as at the Valuation Date were registered in the ABACO (*Attivi Bancari*

Collateralizzati) procedure, serviced by Bank of Italy, in respect of which the relevant borrowers, if not be aware of the information needed for the recognizability of such criteria, may have any such references on the following web site: www.gruppo.bancobpm.it/bpl-mortgages-8.

In relation to the Criteria listed above, "execution date" means the original and effective execution date of the relevant loan without taking into any consideration any novation (*accollo*) perfected after such date or, in relation to loans arising from the apportionment (*frazionamento*), the date of the relevant apportionment.

For the above purpose the list of the Receivables included in the Portfolio which as at the Valuation Date comply with the Criteria is reported under schedule 1 to the Transfer Agreement and is available for inspection on the following web site: www.gruppo.bancobpm.it/bpl-mortgages-8 and in the registed office of Banco BPM S.p.A. in Piazza F. Meda, 4 20121 Milan.

Under the Intercreditor Agreement, the Originator also represented that in respect of all the Receivables at least one instalment has been paid as at the Transfer Date.

Main characteristics of the Portfolio

The Loan Agreements have the characteristics illustrated in the following tables. The Loans include only loans granted to the Debtors and classified as:

(a) Mortage Loans;

(b) *Mutui Fondiari*;

(c) *Mutui Agrari*; and

(d) other unsecured Loans;

in any event no resident mortage loans are included in the Portfolio.

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

Certain monetary amounts and percentages included in this section 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.

The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer.

As of today, the Receivables backing the issues of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

Portfolio as at 14/03/2022	
Outstanding Principal Amount (€)	2,433,252,981.88
Number of Loans	28,411
Largest Outstanding Principal Amount (€)	10,500,000.00
Average Outstanding Principal Amount (€)	85,644.75
Initial Principal Amount (€)	4,390,334,293.17
Largest Initial Principal Amount (€)	14,699,400.00
Smallest Initial Principal Amount (€)	4,000.00
Average Initial Principal Amount (€)	154,529.38
Weighted Average Yield (%)	1.798
Weighted Average Original Term (years)	12.13
Weighted Average Seasoning (years)	4.64
Weighted Average Residual Term (years)	7.49
No. of Debtors	25,315
Largest Debtor's Outstanding Principal Amount (€)	10,500,000.00
Largest 20 Debtors Outstanding Principal Amount (€)	135,410,455.66
Fixed Rate Loans % (by Outstanding Principal Amount)	32.41%
Floating Rate Loans % (by Outstanding Principal Amount)	67.59%

Loan Type	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
Secured	5,820	20.49%	1,440,518,577.76	59.20%
Unsecured	22,591	79.51%	992,734,404.12	40.80%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Borrowers SAE*	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
> 200 - < 299	230	0.81%	18,329,805.36	0.75%
> 400 - < 499	16,234	57.14%	1,773,288,496.35	72.88%
614	3,471	12.22%	83,848,670.05	3.45%
615	8,476	29.83%	557,786,010.12	22.92%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

**Settore di Attività Economica, as classified in accordance with the SAE criteria issued by the Bank of Italy*

Current Outstanding Balance	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
[<=20000]	13,203	46.47%	138,298,099.11	5.68%
[>20000 - <=50000]	7,904	27.82%	252,641,355.77	10.38%
[>50000 - <=100000]	3,027	10.65%	215,062,353.52	8.84%
[>100000 - <=200000]	1,981	6.97%	281,136,204.49	11.55%
[>200000 - <=400000]	1,143	4.02%	320,818,732.74	13.18%
[>400000 - <=600000]	423	1.49%	208,568,266.40	8.57%
[>600000 - <=800000]	218	0.77%	153,259,698.64	6.30%
[>800000 - <=1000000]	163	0.57%	149,210,421.50	6.13%

[>1000000 - <=2000000]	236	0.83%	332,784,560.33	13.68%
[>2000000 - <=3000000]	68	0.24%	166,287,275.50	6.83%
[>3000000 - <=5000000]	32	0.11%	122,334,869.89	5.03%
[>5000000]	13	0.05%	92,851,143.99	3.82%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Original Outstanding Balance	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
[<=20000]	5,698	20.06%	51,203,403.19	2.10%
[>20000 - <=50000]	10,125	35.64%	193,969,909.12	7.97%
[>50000 - <=100000]	5,592	19.68%	218,906,217.64	9.00%
[>100000 - <=200000]	3,059	10.77%	255,656,064.08	10.51%
[>200000 - <=400000]	1,844	6.49%	300,838,690.28	12.36%
[>400000 - <=600000]	722	2.54%	207,964,070.99	8.55%
[>600000 - <=800000]	351	1.24%	133,609,284.80	5.49%
[>800000 - <=1000000]	290	1.02%	163,232,148.88	6.71%
[>1000000 - <=2000000]	462	1.63%	383,839,238.27	15.77%
[>2000000 - <=3000000]	156	0.55%	206,003,085.56	8.47%
[>3000000 - <=5000000]	75	0.26%	162,300,334.09	6.67%
[>5000000]	37	0.13%	155,730,534.98	6.40%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Origination Date - Year	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
< =2005	234	0.82%	35,455,365.24	1.46%
2006	172	0.61%	30,278,298.71	1.24%
2007	303	1.07%	62,970,419.22	2.59%
2008	358	1.26%	50,493,302.32	2.08%
2009	425	1.50%	71,662,267.01	2.95%
2010	795	2.80%	154,067,857.45	6.33%
2011	561	1.97%	93,925,072.66	3.86%
2012	275	0.97%	29,363,978.95	1.21%
2013	250	0.88%	29,020,048.14	1.19%
2014	204	0.72%	27,498,551.78	1.13%
2015	385	1.36%	79,277,878.96	3.26%
2016	958	3.37%	114,238,758.61	4.69%
2017	2,483	8.74%	175,925,221.39	7.23%
2018	4,294	15.11%	180,404,465.09	7.41%
2019	6,676	23.50%	268,327,937.58	11.03%
2020	3,396	11.95%	203,911,288.83	8.38%
2021	5,312	18.70%	651,673,568.68	26.78%
2022	1,330	4.68%	174,758,701.26	7.18%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Seasoning	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
1. [<=0,5]	4,207	14.81%	490,315,916.92	20.15%
2. [>0,5 - <=1]	1,915	6.74%	304,232,795.30	12.50%
3. [>1 - <=3]	9,231	32.49%	456,648,073.86	18.77%
4. [>3 - <=5]	7,706	27.12%	372,927,362.70	15.33%
5. [>5 - <=7]	1,714	6.03%	215,162,742.49	8.84%
6. [>7 - <=10]	735	2.59%	88,702,255.03	3.65%
7. [>10 - ∞]	2,903	10.22%	505,263,835.58	20.76%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Maturity Date - Year	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
2022	4,945	17.41%	147,198,037.58	6.05%
2023	6,590	23.20%	241,372,647.59	9.92%
2024	5,377	18.93%	201,448,478.04	8.28%
2025	3,897	13.72%	222,799,007.29	9.16%
2026	2,825	9.94%	244,559,699.00	10.05%
2027	923	3.25%	158,051,915.99	6.50%
2028	503	1.77%	128,835,925.94	5.29%
2029	411	1.45%	93,569,289.54	3.85%
2030	368	1.30%	104,787,516.76	4.31%
2031	516	1.82%	183,355,368.26	7.54%
2032	237	0.83%	105,161,289.70	4.32%
2033	226	0.80%	111,833,141.28	4.60%
2034	173	0.61%	57,774,717.48	2.37%
2035	233	0.82%	67,992,485.03	2.79%
2036	274	0.96%	119,017,866.98	4.89%
2037	153	0.54%	44,597,263.63	1.83%
2038	113	0.40%	33,368,552.66	1.37%
>=2039	647	2.28%	167,529,779.13	6.89%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Remaining	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
1. [<=0,5]	1,923	6.77%	32,413,371.92	1.33%
2. [>0,5 - <=1]	4,363	15.36%	164,940,398.14	6.78%
3. [>1 - <=3]	11,502	40.48%	437,459,724.44	17.98%
4. [>3 - <=5]	6,204	21.84%	463,883,273.67	19.06%
5. [>5 - <=7]	1,104	3.89%	252,106,256.36	10.36%
6. [>7 - <=10]	1,303	4.59%	390,850,475.83	16.06%
7. [>10 - ∞]	2,012	7.08%	691,599,481.52	28.42%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Interest rate	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
[<=1%]	2,524	8.88%	693,066,147.70	28.48%
[>1% - <=3%]	13,963	49.15%	1,454,764,192.54	59.79%
[>3% - <=5%]	9,653	33.98%	247,458,047.62	10.17%
[>5% - <=7%]	1,937	6.82%	34,499,749.02	1.42%
[>7% - ∞%]	334	1.18%	3,464,845.00	0.14%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Actual Interest rate type	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
Fixed	10,496	36.94%	788,627,356.09	32.41%
Floating	17,915	63.06%	1,644,625,625.79	67.59%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Spread on Floating Loans	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
BCE	18	0.10%	1,442,299.69	0.09%
Eur 1m	352	1.96%	41,412,220.02	2.52%
Eur 3m	17,020	95.00%	1,511,035,277.05	91.88%
Eur 6m	525	2.93%	90,735,829.03	5.52%
Total	**17,915**	**100.00%**	**1,644,625,625.79**	**100.00%**

Amortization type	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
French	28,391	99.93%	2,420,677,420.12	99.48%
Italian	20	0.07%	12,575,561.76	0.52%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Payment frequency	Number of Loans	Original Outstanding Balance	Current Outstanding Balance	Outstanding %
Monthly	25,717	90.52%	1,793,190,851.62	73.70%
Quarterly	1,333	4.69%	403,704,387.63	16.59%
Semiannual	1,361	4.79%	236,357,742.63	9.71%
Total	**28,411**	**100.00%**	**2,433,252,981.88**	**100.00%**

Pool Audit Reports

Pursuant to article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, the Pool Audit Reports has been prepared in respect of the Portfolio prior to the Issue Date and no significant adverse findings have been found.

BANCO BPM

Introduction

Banco BPM S.p.A. (the "**Originator**" or "**Servicer**" or the "**Interim Account Bank**" or the "**Transaction Bank**" or the "**Administrative Servicer**" or the "**Underwriter**" or "**Banco BPM**" and together with its subsidiaries, the "**Group**" or the "**Banco BPM Group**") was incorporated on 13 December 2016 and is one of the largest banking groups in Italy as at 31 December 2021, based on revenues, assets and net income, with approximately 20,000 employees, 1,508 branches and 4 million customers concentrated in the Lombardy, Veneto and Piedmont regions. Banco BPM's duration has been set to 23 December 2114, however it may be extended.

The Group is the product of a merger between Banco Popolare Società Cooperativa ("**Banco Popolare**") and Banca Popolare di Milano S.c.a.r.l. ("**BPM**") which took place on 1 January 2017 (the "**Merger**").

The Group's core activities are divided into the following segments: Retail, Corporate, Institutional, Private, Investment Banking, Strategic Partnerships, Leases and the Corporate Centre.

The majority of the Group's activities are based in Italy. Outside of Italy, the Group has foreign operations in Switzerland, China and India.

History of the Group

BPM

BPM was incorporated as a limited liability co-operative company in 1865 to facilitate access to credit for merchants, small businessmen and industrialists. In 1876, BPM became part of the "*Associazione nazionale delle Banche Popolari*" and in the early 1900s it increased its business through the establishment of new branches in northern Italy. Since the 1950s-60s, BPM has grown considerably through the acquisition of interests in other lending institutions and the incorporation of several banks such as Banca Popolare di Roma, Banca Briantea, Banca Agricola Milanese, Banca Popolare Cooperativa Vogherese, Banca Popolare di Bologna e Ferrara, Banca Popolare di Apricena, INA Banca, Cassa di Risparmio di Alessandria, Banca di Legnano and Banca Popolare di Mantova. The late 1980s saw the establishment of the Bipiemme – Banca Popolare di Milano group (the "**BPM Group**"), of which BPM was the parent company, performing, in addition to banking activities, strategic guidance, governance and supervision of its financial and instrumental subsidiaries. The BPM Group operated mainly in Lombardy (where 63% of its branches were situated), but also in Piedmont, Lazio, Puglia and Emilia Romagna, predominantly providing commercial banking services to retail and small-medium sized companies (SMEs) as well as to corporates, through a dedicated internal structure. In addition, BPM offered its customers capital market services, brokerage services, debt and equity underwriting, asset management, insurance underwriting and sales, factoring services and consumer credit. From 1999 onwards, BPM operated an online banking service called WeBank.

Banco Popolare

Banco Popolare was incorporated on 1 July 2007 following the merger between Banco Popolare di Verona e Novara Società Cooperativa a Responsabilità Limitata ("**BPVN**") and Banca Popolare Italiana – Banca Popolare di Lodi Società Cooperativa ("**BPI**"). Banco Popolare, together with its subsidiaries, formed the Banco Popolare group (the "**Banco Popolare Group**").

In turn, BPVN was incorporated in 2002 as a result of the merger between Banca Popolare di Verona – Banco S. Geminiano and S. Prospero Società cooperativa di credito a responsabilità limitata.

BPI was incorporated in 1864 and was the first cooperative bank established in Italy. It was formed to promote savings by local customers and to provide banking services to support their business activities. BPI was listed on the *Mercato Ristretto* of the Italian Stock Exchange in 1981 and was listed on the MTA from 1998 onwards. In June 2005, BPI changed its name from Banca Popolare di Lodi S.c. a r.l. to Banca Popolare Italiana – Banca Popolare di Lodi Società Cooperativa.

Banco Popolare operated abroad through an international network made up of banks, representative offices and international desks. It also had relationships with around 3,000 correspondent banks. The Group's foreign operations included a subsidiary company, Banca Aletti Suisse, and representative offices in China (Hong Kong and Shanghai), India (Mumbai) and Russia (Moscow). In 2014, following a merger by incorporation of Credito Bergamasco, Banco Popolare further simplified its organisational model by rationalising Credito Bergamasco's local management. On 16 March 2015, Banca Italease S.p.A. was merged into Banco Popolare with effect for accounting and tax purposes as of 1 January 2015.

Banco BPM

Banco BPM is a bank incorporated in Italy as a *società per azioni*, having its registered office at Piazza F. Meda, 4, Milan, Italy, telephone number +39 02 7700 **1**, registered with the Companies' Register of Milan under number 09722490969 and with the register of banking groups held by the Bank of Italy "Codice meccanografico" 5034 under number 8065, authorised to carry out business in Italy pursuant to the Consolidated Banking Act.

Banco BPM carries out the functions of a bank and holding company, which involve operating functions as well as coordination and unified management functions in respect of all the companies included within the Banco BPM Group.

The main functions of the head office units are located in the Milan and Verona offices, while the functions of Banco Popolare that were previously located in Lodi (Human and Institutional Resources, Public Entities and Third Sector, and Investments) and Novara (Division & Banks of the Territory) will be gradually moved to the two offices in Milan and Verona on the basis of a programme that will take into account criteria of efficiency and cost saving targets and in order to retain significant organisational structures in Lodi and Novara. At the date of this Information Memorandum, the functions of the central and administrative structures are allocated as follows: (i) Verona: Accounting & Tax, Audit, Compliance, Credit, Divisional Banking Activities, Institutional/Public and Other Clients, Planning and Control, Retail Clients, Risks, General and Corporate Secretary, Equity Investments and Leasing; and (ii) Milan: Communication, Corporate, Finance, Private & Investment Banking, Investor Relations, Legal, M&A and Corporate Development, Operations/Organisation, Human Resources, IT, Asset Management and Bancassurance.

Pursuant to Article 2504-*bis* of the Italian Civil Code, as a result of the Merger, Banco BPM has assumed the rights and obligations of the companies participating in the Merger and has succeeded those companies in all of their relationships, including court actions existing prior to the Merger. Moreover, pursuant to Article 57, paragraph 2, of the Consolidated Banking Act, any liens and guarantees of any sort granted by anyone or otherwise existing in favour of the banks participating

in the Merger remain valid and maintain the relevant order of priority, without any formality or annotation being necessary, in favour of Banco BPM.

The admission to listing on the MTA was requested for the shares of Banco BPM issued as a result of the Merger starting from the Date of Effect.

In relation to the admission to listing, Banco BPM published a "*Documento di Registrazione*", which was filed with and approved by CONSOB on 23 December 2016 (No. 0113422/16).

Through the Merger (and as a result of the resolution approving the Merger) BPM and Banco Popolare, having ascertained that they had assets exceeding the threshold of Euro 8 billion pursuant to Article 29, paragraph 2-*bis*, of the Consolidated Banking Act, were transformed from "*società cooperative*" (cooperative companies) into "*società per azioni*" (joint-stock companies), in accordance with the requirements of Article 29, paragraph 2-*ter*, of the Consolidated Banking Act.

On 3 March 2020, the board of directors of Banco BPM approved a strategic plan (the "Strategic Plan"), containing the strategic guidelines and economic, financial and capital objectives of the Group for the period of 2020-2023.

The Strategic Plan contains the Group's target through to 2023 prepared on the basis of macroeconomic projections as of its approval date and strategic actions that need to be implemented.

The Strategic Plan is based on numerous assumptions and hypotheses, some of which relate to events not fully under the control of the board of directors and management of Banco BPM. In particular, the Strategic Plan contains a set of assumptions, estimates and predictions that are based on the occurrence of future events and actions to be taken by, inter alia, the board of directors of Banco BPM, in the period from 2020 to 2023, which include, among other things, hypothetical assumptions of different natures subject to risks and uncertainties arising from the current economic environment, relating to future events and actions of directors and the management of the Issuer that may not necessarily occur, events, actions, and other assumptions including those related to the performance of the main economic and financial variables or other factors that affect their development over which the directors and management of Banco BPM do not have, or have limited, control.

In this respect, on 7 May 2020 the Issuer announced that the targets of the Strategic Plan were no longer considered relevant to the current scenario, as they were drawn up on the basis of assumptions formulated before the outbreak of the global COVID-19 pandemic and the adoption of restrictive measures to contain it, in a macroeconomic scenario that is substantially different to that which has been prevailing since the first half of 2020. The Group will therefore prepare a new business plan once there is more certainty as to the future scenario, so that it can be based on new and more updated assumptions, both in macroeconomic and industry terms.

Although the Issuer has not updated its Strategic Plan, in 2020 and 2021 Banco BPM (the "**Bank**") has adopted strategic initiatives aimed at managing the risks arising from the Covid-19 pandemic, which are focused on: (i) credit quality monitoring processes, through the development of early engagement initiatives with debtors and a review to the approach of unlikely to pay credits with a view to maximise recovery rates; (ii) review of business priorities, with a focus on enhancing the Group's operations in subsidised financing and switching direct funding into indirect funding (in particular, asset management operations); and (iii) the upgrade of the Group's IT systems in order

to foster the transition to digitalisation of the Group's operations – which will allow the Group to further rationalise its branch network and its personnel turnover plan – and the enhancement of cyber-security.

TERM OF BANCO BPM

The Banco BPM's term, pursuant to the provision of Article 2 of the Banco BPM's Articles of Association (the "**By-laws**"), ends on 23 December 2114, and may be extended.

CORPORATE PURPOSE

The purpose of Banco BPM, according to Article 4 of the By-laws, is to collect savings and provide loans in various forms, both directly and through subsidiaries. In compliance with applicable regulations and after obtaining the necessary authorisations, Banco BPM may carry out, directly or through controlled companies, all banking, financial and insurance transactions and services, including the setting up and management of open or closed-end pension schemes, and other activities that may be performed by lending institutions, including issuance of bonds, the exercise of financing activity regulated by special laws and the sale and purchase of company receivables.

Banco BPM may carry out any other transaction that is instrumental to or in any way related to the achievement of its corporate purpose. To pursue its objectives, Banco BPM may adhere to associations and consortia of the banking system, both in Italy and abroad.

Banco BPM, in its capacity as Parent Company of the Banking Group Banco BPM, pursuant to the laws from time to time in force, including Article 61, Paragraph 4, of the Consolidated Baking Act, in exercising the activity of direction and coordination, issues guidelines to Group members, also for the purpose of executing instructions issued by the Regulatory Authorities and in the interest of the stability of the Group.

The determination of the criteria for the coordination and direction of the Group companies, as well as for the implementation of the instructions issued by the Regulatory Authorities, is reserved to the exclusive competence of the Board of Directions of the Banco BPM.

PRINCIPAL SHAREHOLDERS

Pursuant to Article 120 of the Consolidated Financial Act, shareholders who hold more than 3% of the share capital of a listed company are obliged to notify that company and the Italian regulator CONSOB of their holding.

As at the date of this Information Memorandum, the significant shareholders of Banco BPM are the following (source: CONSOB):

	% of Ordinary Shares
Capital Research and Management Company	4.988

CORPORATE GOVERNANCE SYSTEM

The corporate governance of Banco BPM is based on a traditional corporate governance system with a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is responsible for the strategic supervision and management of Banco BPM and carries out all of the ordinary or extraordinary transactions that prove necessary, useful or in any way appropriate for achieving Banco BPM 's corporate purpose, with the assistance of the the Intra Board Committees and the Co-General Managers.

The Board of Statutory Auditors is appointed by the shareholders' meeting based on a list of nominees. The nomination mechanism requires that the Chairman of the Board of Statutory Auditors be drawn from the minority list (in accordance with Article 35 of the By laws).

THE COLLECTION POLICIES

Credit policies

Mortgage Loans are entered into by the Originator as *mutui fondiari* and *mutui ordinari ipotecari*.

The Debtors pay either a monthly, quarterly and semi-annually loan instalment by direct debit from their accounts, or by cash payment or by MAV.

The decision to enter into and advance a Mortgage Loan is taken at the appropriate decision-making level in the Originator in according with limits defined in the Credit Policy

The analysis and credit-decision process is supported by a preliminary investigation of the loan which takes into account multiple risk factors and fully covers the grant from the "request" to the fund "allocation". The main criteria adopted are as follows:

1. The credit worthiness of each single debtor is ascertained through an internal rating process to be attributed to the debtor, automatically updated from time to time upon occurrence of certain circumstances.
2. In addition to the internal rating process, in determining the credit worthiness of a debtor, evaluations are being made as to the past performance of such debtor and any of its related entities and/or guarantors.
3. Loan to value ratios do not exceed 80%
4. Mortgage over real estate properties (which is first ranking in an economic sense) is 150% than the loan amount.

The main documents the customer has to provide for a loan procedure are:

1. Certificates from the registry office regarding the applicant and the other parties involved in the signature of the loan agreement;
2. income documentation and any other documentation proving the ability to repay;
3. technical documentation for the assets offered as guarantee (e.g. title deeds and land registry certificates);
4. a Notary's report.

The same documentation described in points 1 and 2 is requested also for the guarantors.

Moreover, apart from the above documentation, additional documentation shall be requested, depending on the type of debtor:

- if the applicant is the owner of an individual firm or is an independent professional:

  (a) registration in the Professional Register and/or Chamber of Commerce;

  (b) accounts and tax documentation linked to the business in question;

  (c) useful information on the business in question (e.g. sector performance, corporate development programme, etc.).

- if the applicant is a company:

  (a) articles of Association and last available copy of these for the company;

  (b) updated Chamber of Commerce certificate, from which can be proved, for the company and its directors, the non-existence of bankruptcy proceedings and the validity of the

appointments;

(c) statement on the assignment of proxy powers (if necessary);

(d) balance sheet with income statement for the current financial period;

(e) financial statements for the last two financial periods (if belonging to a group with consolidated financial statements and financial statements for the most important companies in the group);

(f) updated report on bank guarantees and how they are used.

After the approval, the preparation of the documentation and the conclusion of the Mortgage Loans are delegated to the Back Offices Department (BO) which:

- enter the transaction in the internal mortgage procedure;
- appoint a surveyor to evaluate the property;
- verify that the property insurance is in favour of the Originator;
- prepare the minutes of the mortgage loan;
- check property documentation received by the notary; and
- upon successful completion of the previous activity checks, update the mortgage loan status to "payable";
- upon request of the agency send the minutes to the notary for the mortgage contract signature.

Once the bank and the customer stipuled the contract and the notary registered the mortgage, relevant documents are sent to the Back Office that stores them.

The Back Office Department, based on the necessary feasibility analyses and in compliance with the applicable credit/authorization decision, is also responsible for:

- on economic conditions: verifying the coherence between the single operation and the internal credit decision and the internal regulations and verifying the mortgage validity;
- issuance of specific certifications requested by the borrowers, in particular the certifications concerning the amount of interest to be paid/expenses sustained;
- pre-payment of the Mortgage Loans, which involves the reduction to nil of the outstanding balance of the loan and is often accompanied by a request for the release of the Mortgage;
- preparation of amendments and other acts ancillary to the Mortgage Loans Agreements, such as:
    - the extension of the Mortgage Loan, following a restructuring of the transaction or an extension of payments;
    - the taking over (*accollo*) of the loan, customarily requested by the purchaser of the Real Estate Asset, as a method to pay part of the purchase price;
    - the reduction/cancellation of the Mortgage, or the partial or total release of the Mortgage; and
    - any request made to the insurance companies for the release of the *vincolo* on the insurance policies.

Collection policies

The monitoring of credit risk is carried out also by defining processes for monitoring and managing

performing loans as well as loans included in the watch list and non-performing loans.

For each of these processes, Banco BPM Group uses IT procedures in support of the activities of the Managers.

The Collection Policies described below are consistent with the credit status of each borrower position.

Monitoring and managing loans classified as performing

The Customer Relationship Manager, who is the responsible for managing the relationship with customers included in his portfolio, plays a crucial role in the monitoring process.

The Customer Relationship Manager is responsible for handling relationships with customers as well as acting in order to maintain and improve credit quality by closely monitoring the evolution of relationships.

The process of monitoring and managing performing loans consists of a set of activities carried out by the Customer Relationship Manager and by other internal departments which are responsible for credit monitoring and controls in order to guarantee that the credit relationship with the counterparty remains in performing status and to promptly detect any signs of delay and/or irregularity.

In particular, with reference to mortgages, the systematic examination of the evidences reported by the automatic performance assessment tools and the monitoring of compliance with the commitments allow the rapid activation of the Customer Relationship Manager for a concrete solution of the problems detected, facilitating the timely recruitment of measures to maintain the relationship performing (alias “in bonis”).

Referring to the latter, an IT system of "credit warnings" is put in place, within which, in the section "detection of overruns", all the daily overrides on credit lines and overdue installments are reported every day. In these situations, the Relationship Manager contacts the customer to verify the reasons for the failure or partial payment and, consequently, to propose the most appropriate actions (accept the overrun because the payment will take place in a short period of time, propose a renegotiation to decrease the installment amount, propose a suspension of payments for a specific period of time, etc. ..). A specific IT system called “ELISE” (), dedicated to the management of loans and used both by the Back Office department and by the entire Branch network, sends communications to debtors on regular basis, at each unpaid instalment at due date. The automatic alerts are sent on the last working day of the month in which the instalment is due when the due date is at least three working days before the end of the month. Otherwise, the alerts are sent on the last working day of the following month.

For performing positions (“in bonis”), the Bank grants a few days within which the payment can be made without any consequences. For all payments made in this period, default interests are not applied and the value date of the payment of the instalment is the original due date.

After that date, default interests contractually agreed start to be applied up to the maximum limit set by provisions on usury. The “usurious” interest rate is defined by a decree of the Ministry of Economy and Finance on quarterly basis (the current legislation envisages that the verification of non-usury of default rates is carried out, as for the corresponding interest payments, at the agreement and not at the payment).

Irrespectively of the Relationship Manager’s behavior, the IT system automatically intercepts (i.e. in a way which is independent from elements of discretion of the Relationship Manager) the positions that show the first signals of anomaly. Thus, the IT system will insert these positions in a specific “watch list”.

Monitoring and managing “watch list loans”

For all the positions classified as performing, where anomalies are detected through trend risk indicators - the valuation is expressed by the counterparty's internal rating and other particularly serious events concerning the credit quality - are included in a "watch list" properly supported by an IT procedure.

The "Monitoring of performing credit" process consists of a set of activities carried out by the Relationship Manager along with other people responsible for credit monitoring and control; these activities are aimed at promptly identify any signals of tensions and/or irregularity as well as to carry out any interventions required to restore the position to a performing status or, when this is not possible, to take the necessary actions to protect the Bank's credit claims.

According to the process, the Relationship Manager maintains the responsibility to manage the customers belonging to his own portfolio with the aim to put in place the necessary management actions to bring the relationship back to regular conditions. Assessment objectivity is ensured through a system of rules aimed at guaranteeing, both during the internal classification and during the identification of the related management actions, the put into place of adequate mechanisms of organizational interaction between the roles responsible for the relationship management (Relationship Manager) and the credit quality control roles ("Monitoring and default prevention" structure and "Credit governance" of the parent company).

The phases of the abovementioned process, with the support of the PMG IT procedure, involve:

- on daily basis, the automatic identification of positions with irregularities that requires the adoption of dedicated management interventions;
- the Relationship Manager's analysis in order to properly evaluate the risk, considering any participation in Groups of linked borrowers as well as relationships in place with other companies within the Banking Group;
- analysis of consistency of the calculated rating and assessment of the need to activate a potential rating override process;
- classification, within the process, in an "management category" consistent with the type of irregularity found and with the timing of recovery of regular operations;
- the definition of behavior and actions, within the pre-determined period of time, whose outcome is subject to measurement;
- the maintenance of the performing classification and the automatic exclusion from the watch list either when the interception causes are no longer verified or through a specific decision taken by the decision making bodies (*Organi della Banca*) when it has been verified the absence of the financial difficulty of the customer and there are no exposures that benefit from an active measure of tolerance;
- the classification with a higher level of risk is realized automatically either when all the conditions for the classification under Past Due or Unlikely to Pay have been found or through an automatic or manual request and then approved by the decision making bodies defined in the "Regulations of the limits of autonomy and powers for loan granting and management".

To support the recovery of exposures against "Private" and "Business" customers up to 300k of exposure, the "watch list or non-performing loan reminder" process has been put in place and it is triggered when the first delay occurs in the payment of the loan periodical installment or for negative bank account balance .

This process pursues the objective of promptly implementing the actions necessary to restore the position to performing status, avoiding customer's default and simultaneously maintaining the relationship with the customer.

The process is supported by the IT procedure named "Recupera" integrated into the PMG system,

which governs a series of actions, starting from the written reminder to the borrower, to the telephone contact and the assignment of debt recovery to different external recovery companies according the persistence of the unpaid positions.

The management of the positions within the "watch list and non-performing loan reminder" process is highlighted to the Relationship Manager to avoid any overlap of the actions taken by the external companies with those taken internally by the Bank. Furthermore, the IT procedure permits to identify in any moment the list of the position under management along with their level of insolvency, updated accounting data, the plaintiff and the action underway as well as the results of solicit actions that have been already carried out.

Exposures with unpaid amounts are in any case subject to monitoring activities set by another IT procedure Definition of Default (DOD) with the aim to verify the achievement of time and materiality thresholds for the automatic classification as non-performing loan (Past due) defined by Bank of Italy.

Monitoring and managing "Forbearance positions"

Banco BPM has defined the criteria for the identification and management of "Forbearance" or "Forborne loan".

The renegotiation of contractual agreements of a loan, granted to the customer in order to allow him to meet his requirements despite the situation of financial difficulty that he is going through, constitutes a measure of forbearance by the Bank.

The Decision-making Bodies of the performing or non-performing loan chain are liable for certifying, when deciding on the loan proposal, the consistency or inconsistency, with respect to the elements examined, of the valuation made by the "Proposing Party" regarding the situation of financial difficulty of the borrower and to the identification of the concession as a forbearance measure in relation to each granted credit facility.

Once classified as "forborne", exposures are managed as part of the referred processes ("Monitoring and managing non-performing loans" for "Impaired forbearance exposures" and "Performing loan monitoring and management" for "Other forborne exposures").

Following the concession of forbearance, the exposure is monitored in order to:

a) ensure the regular performance of the relationships with customers and the persistence of conditions for (i) the ceasing of the forborne status with reference to customers classified as performing ("in bonis") or for (ii) the reclassification as performing, by maintaining the *forbearance measure* (*under probation*) for customers that have been already classified as "Impaired forbearance exposures";

b) identify and evaluate the events that may anticipate the ineffectiveness of the *forbearance* concession, referable to (i) the failure to comply with any new deadlines agreed, (ii) to the onset of an overdraft or (iii) to the downgrade of creditworthiness consequently to events that may compromise the full recovery of the exposure.

With reference to points a) and b), the following two cases are observed:

The position has a regular trend

Termination of the forborne loan condition for performing positions

The Customer Relationship Manager verifies the persistence of the following conditions in order to declare the end of the condition of *forborne* loan and consequently activates the process of reclassification as performing ("in bonis") of the exposure already identified as "Other forborne exposures":

- at least 24 months must have elapsed from the granting of forbearance as part of the classification of the position as performing;
- the debtor must not have positions about to become past due (considering the tangible thresholds currently into force) for more than 30 days;
- the payment of the amount due, as indicated by the forbearance concession, must have been made on a regular basis in the past 12 months and must have involved a "more than insignificant" portion of the principal or interest;
- no elements should lead to classify the position as non-performing loans.

The decision concerning the end of the forborne loan condition and the subsequent reclassification as performing of the exposure already identified as "Other forborne exposures" is made by the "Monitoring and Prevention Default department" of the Parent Company through a process procedurally verified, which allows to check the objective elements of regularity of the position as well as the Monitoring Manager's declaration about the absence of subjective elements (including any valuation of "non insignificance" of the repaid loan).

Reclassification as performing of "Impaired forbearance exposures" maintaining the condition of forborne loan

Positions classified as Unlikely to Pay, which are beneficiaries of a forbearance measure, for which (i) at least 12 months have elapsed from the granting of forbearance or the end of payment holidays schema and (ii) do not show any past due or overdraft, are automatically recognized on daily basis.

To initiate the proposal for the classification as "performing", the Manager of the non-performing position verifies the absence of concerns regarding the full payment of the due amount when one of the following conditions is met:

- the amount of the exposure, that at the time of the forbearance concession was classified as past due or overdraft, has been fully paid;
- the amount paid is equal to the credit that may have been written off as part of the credit restructuring agreement or;
- the customer's ability to comply with terms and conditions indicated by the forbearance concession has been demonstrated.

Following a valuation of the financial situation of the borrower, the decision concerning the reclassification as performing ("in bonis") of the "Impaired forbearance exposures" (non-performing positions) is taken through the approval of the authorized Body as defined by the "Regulations of the limits of autonomy and powers for loan granting and management";.

Following the resolution of reclassification as performing, the position maintains the forbearance condition (forbearance under probation) and the identification as "Other forborne exposures". This condition can be declared as terminated only when all the above mentioned conditions exist with reference to the "*termination of the forborne loan condition for performing positions*".

The position has an irregular trend

If the position has registered a default after the grant of the forbearance status, the process provides the immediate solicitation to the customer in order to settle the position.

Once the necessary time for the solicitation to the client and for the verification of the causes that determined the default has expired, the Customer Relationship Manager for the position identified as "Other forborne exposures" or the Manager responsible for the non-performing position for "Impaired

forbearance exposures" will evaluate whether the events, that may also be independent of the granted forbearance, require the consideration of a more precautionary measure to protect the loan. Furthermore, this valuation takes into consideration the proposal to attribute a higher risk to the position and, in particular:

- as "Unlikely to Pay", for positions classified as "performing";
- as "Unlikely to Pay" with management class "revoked", with closure of credit lines and immediate notice to pay sent to the borrower for the positions classified as "Past Due" or already classified as "Unlikely to Pay".

The decision on the classification as "Unlikely to Pay" is taken through resolution of the authorized Body, on the proposal of a proponent (see the section "Classification of positions in non-performing loans categories").

If an exposure, already reclassified from "non-performing" ("Impaired forbearance exposures") to "performing loans" or "in bonis" ("Other forborne exposures"), has had positions that are about to be classified as Past Due (considering the tangible thresholds currently into force) for more than 30 days or benefits from a further forbearance concession, it is automatically classified as unlikely to pay.

Classification in non-performing loans categories

The process of "Classification of positions in non-performing loans categories" lays down the rules and responsibilities of the Relationship Manager and those of the Manager of the Non-performing Position aimed at ensuring the consistency of the operational status of the position with the deterioration of the risk profile of the customer and compliance with the Supervisory provisions.

Futhermore, the process is designed to ensure the return of the position to a performing status when the causes that determined the classification within the non-performing loans categories no longer exist, coherently with the rules established by the European Banking Authority (EBA) on *forbearance* and *non-performing exposures,* by art. 78 of the European Regulation 675/15 and by the Bank of Italy on the new "classification in non-performing loans categories" (see update of Circular n.272 "Accounts Matrix", Chap. II "Credit Quality").

The expected classifications are: "Past due and/or overdue non-performing exposures" (Past Due), "Unlikely to Pay" and "Bad Loans".

The classification as Past Due is carried out automatically for the positions that reach the thresholds envisaged by the ECB Default Guidelines.

Exposures to parties experiencing temporary financial hardship are defined Unlikely to Pay whereby the debtor is assessed by the Bank as unlikely to pay its credit obligations in full (for the principal and interest) without collateral enforcement.

This valuation is carried out by the Manager regardless of the presence of any overdue or installments past due and not paid. Therefore, it is not necessary to wait for any explicit sign of irregularity (failure to repay or non-redemption) if there are elements or indicators that may imply the risk of default of the borrower (for example, even a crisis of the industrial sector in which the debtor operates).

In order to guarantee the promptness of the credit recovery process, some automatic methods for the classification as Unlikely to Pay have been provided for those positions that:

- persist as non-performing Past Due for more than 180 days;
- are in performing or past due non-performing status with credit facilities or overdrafts exceeding 1,500.00 euro, which are classified as "*Sofferenze*" by Centrale dei Rischi ;
- showing one of the following states: bankruptcy, "*concordato preventivo"*, *"liquidazione coatta amministrativa" or "pregiudizievoli gravi";*

- following a forbearance concession, have undergone a loss of more than 1% (in this case, there's an automatic classification);
- have received one forbearance measure and the loss is equal or less than 1%;

These proposals must be assessed by the competent Customer Relationship Manager of the non-performing position with the support of the head office of Default Preventing for exposure > 30k and are subject to an approval process, managed through IT system LAWEB, which requires the intervention of intermediate Bodies, responsible for providing a non binding opinion, and the competent decision-making Body based on the amount.

Exposures to insolvent customers (even if they have not yet been legally acknowledged as such) or customers in similar positions, regardless of any anticipated loss formulated by the Bank, are defined as Bad Loans. Therefore, the existence of any (real or personal) personal guarantee to protect the loans is not considered.

Monitoring and managing non-performing loans

The management of non-performing loans in Banco BPM Group is primarily based on a model that assigns the management of a defined non-performing portfolio to specialized managers (Non-performing loan managers).

Positions are assigned to individual Managers using an automatic process based on the geographic location of the loan, identified according to the Branch, Business Area and Area Office to which the customer is associated and on the total exposure of the position. However, it is possible to manage exceptions, through a controlled process, to assign a position to a different Manager from the one identified automatically, as well as for temporary situations.

Processes for monitoring and managing non-performing loans are differentiated based on:

– the exposure's classification status, which distinguishes between customers with Bad Loans positions and customers with other non-performing loan statuses:

– the amount of the exposure, based on its size (at the customer's Economic Group level);

– the product, distinguishing between "leasing" exposures and other types of exposure;

– the goals of the Bank by distinguishing between positions "Core" or " Non Core".

Past Due and Unlikely to pay:

With reference to the amount of the exposure and the type of the counterparty, the responsibility for the management of positions, at the time of classification:

– up to euro 30,000, remains attributed to the Branches,

– over euro 30,000 and up to 5 million, is assigned to specialized personnel of the unit "Network"

– over 5 million is assigned to "Strategic Positions and restructuring" office;

With reference to smaller positions, which remain under the responsibility of the Branches, the management is supported by a very detailed and guided process, with time limits defined beforehand and with minimal discretion.

The process of monitoring and managing larger positions, which is always assigned to specialized managers, allows greater discretion to identify more flexible and customized solutions.

The processes are designed to govern the actions of the manager and to detect any inaction.

For positions classified as Past Due or Unlikely to Pay, the non-performing loan Managers are

responsible for management decisions regarding the positions assigned to their respective portfolios, in compliance with established decision-making powers, but they are supported in administrative management by the managers (Client Relationship Manager) of the Network in which portfolio the relationship as well as the economic results achieved are still attributed.

For legal requirements, the Managers of non-performing loans receive support from an internal legal structure, which belongs to the Legal Department and Regulatory Affairs. It is structured in order to carry out in the best way possible its advisory activities to the central office structures and the Branch Network.

To ensure an efficient loan management, powers are assigned to the Decision-Making bodies of the Branch and to the Headquarter competent units in proportion with the above-mentioned operational limits and with the associated operational needs

The system of levels of autonomy and operational powers is structured to protect the Bank from conflicts of interest through the attribution of decision-making responsibilities in the matter of classification to higher or lower risk classes, value adjustments (provisioning) or the waiver of loans, to Bodies higher than those that manage the positions.

The bank has in place a servicing agreement with external specialized companies for "Non performing portfolio" who manage the process of solicitation of unpaid amount and or negative exposure. Servicing activity is supported by a specific workflow integrated into LAWEB procedure.

All positions classified as Unlikely to Pay in exceeding 30,000 euro are subject to a six-monthly review by the Manager of the non-performing position in order to verify the progress of the relationship with the customer and his financial position, as well as to define the consistency of expected losses with respect to such assessments. The review may be required in advance if the IT system automatically detects the occurrence of certain pre-codified detrimental conditions.

Within the review activities, as regards the determination of the expected losses, we distinguish two cases:

- within the relevant threshold (euro 1.000,000): the loss forecasts are automatically aligned ;
- beyond the relevant threshold: the manager of the non-performing position must perform an analytical assessment within 30 days from the classification of the position as Unlikely to Pay, meanwhile (and as a precautionary measure) the loss forecasts automatically assigned to the position are calculated as for positions under threshold. In the assessment, the Manager must explicitly specify the methodology adopted for the identification of the cash flows (Going or Gone Concern).

In case of real estate collateral, the Manager of the non-performing position must consider the market value "with assumption" of the guarantee in the assessment. The value is determined taking into consideration the fire sale value[1] (SRV) of the asset. In case of individual guarantee positions, with gross exposure:

- greater than the relevant threshold of euro 300,000: the value of the asset must be certified by an appraisal. Considering this valuation, the Manager of the non-performing position must renew the appraisal during the classification of the exposure as Unlikely to Pay and, subsequently, every 12 months. If the value of the real estate collateral of the individual position has already been estimated and it is lower than euro 300,000, the update of the appraisal is evaluated on the basis of the incidence of the value of the real estate collateral on the gross exposure;
- lower than the relevant threshold of euro 300,000: the value of the real estate property is automatically updated every six months through the use of price changes provided by a

specialized third party company that uses methodologies based on the revision of the data provided by the Italian Internal Revenue Agency (Real Estate Market Observatory).

In order to prudently consider any depreciation of real estate properties provided as collateral and to correctly quantify the effective value, the Manager must use "fire sale value" and, when the position is classified as back-to-bonis the market value with assumption.

- In the credit analytical assessment, if the value of the real estate collateral refers to an out-of-date appraisal, a reduction (haircut) is applied based on the age and the type of debtor. If the market value with assumption is not available, the non-performing loan Manager must use the the market value applying specific reductions (haircuts).

The non-performing loan Manager may propose additional provisions against the perception of an increase in the perceived risk. These proposals to revise provisions are automatically subject to a resolution procedure, managed through the LAWEB procedure. It requires the intervention of intermediary Bodies that must express a non binding opinion and of the competent deliberating body as defined in the "Regulations of the limits of autonomy and powers for loan granting and management".

Furthermore, the PEG procedure historicizes all the information and evaluation expressed on the position for decision tracking purposes.

Bad loans (Sofferenze)

The Bad Loans management model is based on the specialization of management competences between internal structures of Banco BPM and external ones, envisaging that positions with higher relevance and complexity are internally managed.

This model envisages:

- the assignment to the "Non Core NPE" unit of the coordination of all the activities for the recovery of Bad Loans and the direct management of customers classified as non-performing who are not assigned to the external management mandate in terms of size and reputational impact;
- the assignment to an external Servicer of the direct management – through a specific mandate and with predefined limits – of clients classified as non-performing not internally managed;
- the possibility, in particular circumstances, to call back from the Servicer any positions previously assigned.

The Servicer's activity is always monitored by the unit "Performance Management NPE".

The internal management responsibility is assigned to specialized managers, all of whom report directly to the Non Core NPE unit. They are identified among the resources with legal skills.

For internally managed positions, the Manager, after a first attempt to contact the borrower and guarantors, defines, on a case by case basis, whether it is possible to collect the debt out of court, or to activate legal actions, such as the registration of a lien on real estate assets of the borrower or guarantors.

In case of legal actions, the process involves external law firms for executive activities; they are contacted by internal managers. They coordinate actions relating to the borrower and guarantors and send proposals to the competent decision-making Bodies.

- Bad Loans with exposure within the relevant threshold of Euro 1.000,000 are automatically assigned loss forecasts.
- Bad Loans with exposure exceeding the relevant threshold must be subject to a periodic review by the Manager of the Bad Loan in order to verity the consistency of loss forecasts, except for positions with a loss forecast equal or higher than the 95%. When analytically assessing bad loans,

the Manager of the Bad Loan must apply – consistently with the Guidelines regarding management of loans classified as bad – the "gone concern" approach which envisages, as the main source of repayment, the amount obtained from the sale of the assets subject to any secured guarantee (pledge or appraisal). In addition to this source of repayment, potential repayment flows from the asset of the debtor or guarantors must be assessed as well as any liquidity or other sources of income, other than real estate assets of the debtor or guarantors.

- With secured guarantees on real estate assets, the Manager of the Bad Loan must consider the effective value of the guarantee in the appraisal, as specified below.
- To quantify the coverage of the exposure provided by the real estate asset, "market value with assumption (MVWA)"[1] – must be acquired. The MVWA must be certified through a monitoring appraisal, drawn down according to the method-related indications approved by the Bank. The value of the technical consultancy (CTU) or the value formulated at the auction by the competent Court if there are active judicial procedures are considered like a MVWA.
- For individual guaranteed positions, with gross exposure:
  - greater than euro 300,000: the market value and the MVWA of the asset must be certified by an appraisal that must be renewed once the position is classified as Bad Loan and, subsequently, every 12 months. If the value of the asset of the single position has already been estimated and it is lower than the threshold of euro 300,000, the update of the appraisal is evaluated on the basis of the incidence of the value of the real estate collateral on the gross exposure;
  - lower than euro 300,000: the value of the real estate property is automatically updated every six months through the use of price changes provided by a specialized third party company that uses methodologies based on the revision of the data provided by the Italian Internal Revenue Agency (Real Estate Market Observatory;
- for secured positions where the sum of the gross exposure is higher than the euro 300,000 euro threshold, the market value and the "MVWA" of the asset must refer to the value of the asset as reported by an expert appraisal. The appraisal must be renewed once the position is classified as Bad Loans and, then, every 12 months;
- In order to prudently taken into account the depreciation of properties provided as collateral and to quantify their expected value, the bad loan manager must use the MVWA.If the value of the real estate collateral refers to an out-of-date appraisal, a reduction (haircut) is applied based on the vintage and the type of debtor in relation to specific tables indicated in the internal Guidelines for the management of Bad Loans.

The Manager of the Bad Loan must periodically review the provisions of positions over the relevant threshold according to the frequency criteria set out in the internal "Guidelines for the management of bad loans".

In particular, the receivables valuation must be continuously updated and when any new elements that may generate a significant change either in recoverable cash flows or in the expected loss arise.

The minimum revision frequency shall be differentiated according to (i) the size of the estimated recovery forecasts, (ii) the presence of real guarantees that are supporting the loan and (iii) the expected loss.

The 12 months periodical review is required for position with an exposure > 1 million euro with the

[1] "The market value with assumption" is determined according to the definition set out in Regulation (EU) 575/2013 article 4 paragraph 1 point 76, considering that all the conditions set out in the explanation cannot be satisfied. For further information on the concept of 'assumption', please refer to the ABI 2018 (3.1), TEGoVA (EVS 2016 - EVS.1) and RICS 2017 (VPS 4.8) guidelines.

exception for those with a predicted recovery lower or equal to the 5% of the total exposure.

If necessary, the expected loss may also be revised before the periodical review of the position.

For positions with an exposure over the relevant threshold, the expected loss review must be anticipated with respect to the periodical review in case there has been an automatic detection of a relevant reduction of the market value of the guarantees, (ii) in case of a new bidding for the collateral or (iii) in case of serious adverse events.

The above rules also apply to Bad Loans under external management.

Proposals to revise provisions are automatically subject to a decision-making process managed through the IT Procedure LAWEB, which requires the intervention of intermediary Bodies, responsible for providing an opinion, and the competent decision-making body as defined in the "Regulations of the limits of autonomy and powers for loan granting and management".

Furthermore, the LAWEB procedure historicizes all the information and evaluation expressed on the position for decision tracking purposes.

Structure of the control system

The general structure of the control system includes:

- line controls (level I)
- controls on risks and on compliance (level II).

Line controls (level I)

First-level line controls are aimed at ensuring proper execution of transactions and are carried out directly by operating structures because they are first in charge of the process of risk management.

In compliance with this responsibility, during daily operations, operating structures must identify, measure or evaluate, monitor and mitigate the risks deriving from the normal course of the business in compliance with the risk management process.

First-level line controls can be either "automatic" controls, i.e. carried out directly by application procedures, or hierarchical controls, implemented as part of the same chain of responsibility.

The second-level line controls include those carried out by the "Monitoring and Default Prevention" and "Credit Governance" departments ", or by other structures that carry out the operations.

Through the second-level line controls, the above departments exercise their overall responsibility on the results of the loan processes, preserving the autonomous ability to guide and control them. In particular, these checks envisage the intervention on the operational structures to press for corrective actions, either directly or by means of the central structures of the Area Offices and of the Companies of the Banking Group.

The line controls (of first and second level) can be implemented either systematically or by sampling.

These controls are defined in the regulations on loans issued with reference to each process, according to criteria and methods able to guarantee that all exposures arising from irregularities or inaction are highlighted and examined.

Controls on risks and on compliance (level II)

Controls on risks and on compliance are aimed at ensuring the correct implementation of the risk management processes put in place by the operational structures, the compliance with the operating limits assigned to various functions and the compliance of business operations with regulations,

including self-regulation.

The essential element which characterizes the level II controls concerns the fact that they are carried out by a risk control unit separate from the production one. Consequently, the level II controls include the goal to ensure that level I controls are effectively performed as well.

The level II controls regarding loans are assigned to the Risks unit through the "Loan control and monitoring function".

This unit is responsible for the verification of the correct implementation of the lending processes by the business units, respecting the already established rules and, more specifically, with reference to:

- the monitoring of the performance of exposures classified as performing;
- the monitoring of the performance of exposures classified as non-performing loans;
- the consistency of the classification in the operational statuses of the "Loan management and monitoring: watch list" process, among the exposures subject to concessions of "tolerance" (forbearance), in the statuses of the non-performing loan;
- the appropriateness of the provisions;
- the suitability of the debt recovery process.

Level II controls efficiency is ensured through the identification and definition of a "basic" series of controls. They are defined without affecting the autonomy of the "Loan control and monitoring function" in identifying and carrying out other controls activities deemed functional for the assigned role.

The controls envisage the systematic application of indicators of anomaly to the loan portfolio, the assessment of the deviations detected from time to time, the in-depth analysis of the individual positions and, if necessary, adaptation measures on the same.

THE ISSUER'S ACCOUNTS

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has established the Accounts iun the following terms.

The Issuer has established with the Interim Account Bank an euro-denominated account into which, *inter alia*, the Servicer is required to deposit all the Collections as they are collected in accordance with the Servicing Agreement (the "**Interim Account**").

The Issuer has established and shall at all times maintain with the Paying Agent, an euro-denominated account into which, *inter alia*, on the Business Day immediately preceding each Interest Payment Date the Issuer is required to transfer from the other Accounts the amounts necessary to make the payments due in accordance with the applicable Priority of Payments (the "**Payments Account**");

The Issuer has established and shall at all times maintain with the Transaction Bank, the following accounts:

(i) an euro-denominated account with respect to the Receivables (the "**Collection Account**") into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the Interim Account;

(ii) an euro-denominated account into which the Issuer has deposited the Retention Amount on the Issue Date (the "**Expenses Account**"). The Expenses Account will then be replenished on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to the Retention Amount and such amount will be applied by the Issuer to pay the Expenses in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation;

(iii) an euro-denominated account into which (a) on the Issue Date, the Cash Reserve Initial Amount will be credited as being funded by way of (i) applying the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) and (ii) utilising the proceeds drawn by the Issuer under the Subordinated Loan Agreement; and (b) on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, the amount necessary (if any) to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount (the "**Cash Reserve Account**").

The Issuer also opened with the Transaction Bank a euro-denominated account (the "**Equity Capital Account**") into which the sum representing 100 *per cent.* of the Issuer's equity capital (equal to € 12,000) has been deposited and will remain deposited therein in an amount not lower than Euro 10,000 for so long as all notes issued (including the Previous Notes) or to be issued by the Issuer (including the Notes) have been paid in full.

The Interim Account, the Collection Account, the Expenses Account, the Payments Account and the Cash Reserve Account are referred to as the "**Accounts**" and any one of them, the "**Account**"). Each of the Interim Account Bank, the Paying Agent and the Transaction Bank has agreed to pay interest on funds on deposit from time to time in the respective Accounts a rate separately agreed in the remuneration letter esecuted between the Issuer and the Transaction Bank and the Interim Account Bank.

Each of the above Accounts (other than the Interim Account, the Expenses Account and the Equity Capital Account) will be respectively maintained with each of the Transaction Bank and the Paying Agent, as long as it is an Eligible Institution.

Cash flow through the Accounts

Interim Account

Collections in respect of the Loans will be paid by the Debtors to the Servicer. Under the Servicing Agreement, the Servicer is required to transfer the Collections (including any recovery under the Defaulted Claims) into the Interim Account, by no later than the same Businees Day on which are received, for value as at the relevant receipt date, provided that, in the case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the Interim Account, by no later than the Business Day on which the operational delay in the transfer has been resolved.

In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Debtor to the Interim Account; and (ii) by, respectively, cash, inter-banking direct debit of the Debtors' bank account open with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the Interim Collection Account through an automatic process.

The Interim Account Bank is then required to transfer by 1 p.m. (Italian time) on each Business Day the balance standing to the credit of the Interim Account into the Collection Account which is held with the Transaction Bank.

Under the Agency and Accounts Agreement, all interest accrued from time to time on the balance of the Interim Account will be credited to the Interim Account in accordance with the rate agreed between the Issuer and the Interim Account Bank.

Collection Account

The Collection Account will be credited as follows:

(i) on the Issue Date, the aggregate amounts collected under the Loans between the Valuation Date and the Issue Date;

(ii) on each Business Day, any Collections received from the Interim Account;

(iii) on the Issue Date, any amount remaining on the Payments Account after making all payments or transfer due on that date;

(iv) any other amount received by the Issuer in respect of the Portfolio (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer pursuant to the Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Transfer Agreement and the Warranty and Indemnity Agreement and any indemnity paid by the Originator or the Servicer pursuant to the Warranty and Indemnity Agreement or the Servicing Agreement, as the case may be, but excluding the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Transfer Agreement or

the Intercreditor Agreement);

(v) any other amount received by the Issuer under the Transaction Documents which is not expressed to be paid into another Account; and

(vi) all interest accrued from time to time on the balance of the Collection Account.

The Collection Account will be debited as follows:

(i) on the Issue Date, part of the interest components related to the Receivables collected from the Valuation Date up to (but excluding) the Issue Date (in an amount equal to the Retention Amount) will be transferred into the Expenses Account;

(ii) on the Issue Date, part of the interest components related to the Receivables collected from the Valuation Date up to (but excluding) the Issue Date (in amount equal to the Cash Reserve Initial Amount) will be transferred into the Cash Reserve Account; and

(iii) 2 (two) Business Days prior to each Interest Payment Date, the Issuer Available Funds then standing to the credit of the Collection Account will be transferred into the Payments Account.

Cash Reserve Account

The Cash Reserve Account will be credited as follows:

(i) on the Issue Date, part of the Cash Reserve Initial Amount out of the proceeds of the Subordinated Loan;

(ii) on the Issue Date, part of the Cash Reserve Initial Amount out of the interest components related to the Receivables collected from the Valuation Date up to (but excluding) the Issue Date;

(iii) on each Interest Payment Date, an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Target Cash Reserve Required Amount in accordance with the Pre-Enforcement Priority of Payments; and

(iv) all interest accrued from time to time on the balance of the Cash Reserve Account.

The Cash Reserve Account will be debited as follows:

(i) 2 (two) Business Days prior to each Interest Payment Date, the Issuer Available Funds then standing to the credit of the Cash Reserve Account will be transferred into the Payments Account.

Expenses Account

The Expenses Account will be credited as follows :

(i) on the Issue Date, the Retention Amount from the Collection Account;

(ii) on each Interest Payment Date, an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount in accordance with the applicable Priority of Payments; and

(iii) all interest accrued from time to time on the balance of the Expenses Account.

The Expenses Account will be debited as follows:

(i) during each Interest Period, the amounts standing to the credit of the Expenses Account will be used to pay the Expenses falling due in the relevant Interest Period;

(ii) 2 (two) Business Days prior to the Interest Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Interest Payment Date will be transferred into the Payments Account; and

(iii) after the Interest Payment Date on which the Notes have been redeemed in full and/or cancelled, the amounts remaining on the Expenses Account will be used to pay any known Expenses not yet paid and any Expenses falling due after such Interest Payment Date.

Payments Account

The Payments Account will be credited as follows :

(i) on the Issue Date, the proceeds of the issuance of the Notes (to the extent not subject to set-off with the Purchase Price due to the Originator pursuant to the Transfer Agreement);

(ii) 2 (two) Business Days prior to each Interest Payment Date, the Issuer Available Funds then standing to the credit of the Collection Account and the Cash Reserve Account;

(iii) 2 (two) Business Days prior to the Interest Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Interest Payment Date;

(iv) upon receipt thereof, the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Transfer Agreement or the Intercreditor Agreement; and

(v) all interest accrued from time to time on the balance of the Payments Account.

The Payments Account will be debited as follows:

(i) on the Issue Date, the Purchase Price for the Portfolio (to the extent not subject to set-off with the monies due by the Underwriter in connection with the subscription of the Notes) to be paid to the Originator;

(ii) on the Issue Date, any amount remaining after making payments due under paragraph (i) above;

(iii) 1 (one) Business Day prior to each Interest Payment Date, an amount equal to the amount of principal and interest due in respect of the Notes; and

(iv) save as provided for in paragraph (iii) above, on each Interest Payment Date, all payments to be made in accordance with the applicable Priority of Payments, as specified in the relevant Payments Report.

Payments of Expenses

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay the Expenses, provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the relevant Interest Period, the Issuer shall pay any due but unpaid Expenses (or procure that any due but unpaid Expenses is paid) on the immediately following Interest Payment Date, in accordance with the applicable Priority of Payments.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the " Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-bis of the Consolidated Financial Act and (ii) the Joint Regulation. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.

The (i) Euro 1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064 and (ii) Euro 656,397,000 Class J Asset Backed Notes due 25 October 2064 have been issued by the Issuer on the Issue Date pursuant to the Securitisation Law to finance the purchase by the Issuer of the Portfolio from the Originator pursuant to the Transfer Agreement. The principal source of payment of interest and of repayment of principal due and payable in respect of the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

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.

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 during normal business hours at the registered office of the Representative of the Noteholders, being, as at the Issue Date, Via Alfieri 1, 31015 Conegliano (TV), Italy and at the registered office of the Issuer, being, as at the Issue Date, Via Alfieri 1, 31015 Conegliano (TV), Italy.

1.4 Description of Transaction Documents

1.4.1 Pursuant to the Subscription Agreement, the Underwriter has agreed to subscribe for the Notes and appointed the Representative of the Noteholders to perform the activities described in the Subscription Agreement, these Conditions, the Rules and the other Transaction Documents.

1.4.2 Pursuant to the Transfer Agreement, the Originator has assigned and transferred without recourse to the Issuer the Receivables under the Securitisation Law.

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

that such transactions comply with the provisions of article 2.3(c) and article 2.6 *bis* of the Securitisation Law.

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

1.4.5 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain corporate and accounting services in relation to the Securitisation.

1.4.6 Pursuant to the Administrative Services Agreement, the Administrative Servicer has agreed to provide to the Issuer certain administrative services in relation to the Securitisation.

1.4.7 Pursuant to the Agency and Accounts Agreement, the Computation Agent, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Servicer and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Agency and Accounts Agreement also contains provisions relating to, *inter alia*, the payment of principal, and interest in respect of the Notes.

1.4.8 Pursuant to the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

1.4.9 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Portfolio and the Transaction Documents.

1.4.10 Pursuant to the Mandate Agreement, the Representative of the Noteholders shall, subject to an Issuer Acceleration Notice being served upon the Issuer following the occurrence of an Event of Default and 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 the Issuer is a party.

1.4.11 Pursuant to the Quotaholder's Agreement, certain rules in relation to the corporate management of the Issuer have been provided for the Securitisation.

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

1.5 Acknowledgement

Each Noteholder (other than the Underwriter), by reason of holding the Notes, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim,

expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Banca Finint or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

1.6 **Representative of the Noteholders**

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders. and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

2. DEFINITIONS AND INTERPRETATION

2.1 ***Definitions***

In these Conditions:

"**Accounts**" means, collectively, the Interim Account, the Collection Account, the Cash Reserve Account, the Payments Account and the Expenses Account and "**Account**" means any one of them;

"**Administrative Servicer**" means Banco BPM, or any successor corporate servicer appointed from time to time in respect of this Securitisation;

"**Administrative Services Agreement**" means the agreement dated on or about the Issue Date between the Administrative Servicer, the Representative of the Noteholders and the Issuer, 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;

"Agency and Accounts Agreement" means the agency and accounts agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Interim Account Bank, the Agents, the Administrative Servicer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"Agents" means, collectively, the Computation Agent, the Paying Agent and the Transaction Bank;

"**AIFM Regulation**" means the Commission Delegated Regulation (EU) no. 231/2013, as the same may be amended from time to time;

"**Applicable Privacy Law**" means (i) the EU General Data Protection Regulation (**GDPR**), and, where applicable, (ii) the Privacy Code; (iii) the Privacy Law; as well as (iv) any applicable guideline, law, code or measure issued by competent bodies or supervisory authorities, including any decrees issued by the Italian Data Protection Authority;

"**Back-Up Servicer**" means the back-up servicer appointed by the Issuer in accordance with the Servicing Agreement;

"Back-up Servicing Facilitator" means Banca Finint or any other entity acting as back-

up servicer facilitator from time to time pursuant to the Intercreditor Agreement;

"**Banca Finint**" means Banca Finanziaria Internazionale S.p.A., breviter Banca Finint S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with 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*";

"**Banco BPM**" means Banco BPM S.p.A., a bank incorporated in Italy as a joint stock company (società per azioni), having its registered office at Piazza F. Meda, 4, Milan, Italy, registered with the companies' Register (registro delle imprese) of Milan under number 09722490969 and with the register of banking groups held by the Bank of Italy "Codice meccanografico" 5034 under number 8065, authorised to carry out business in Italy pursuant to the Consolidated Banking Act;

"**Banco BPM Group**" means the banking group enrolled under the register of the banking groups pursuant to article 64 of the Consolidated Banking Act at n. 8065 of which Banco BPM is the holding company;

"Bankruptcy Law means Italian Royal Decree no. 267 of 16 March 1942, as amended and/or supplemented from time to time;

"BNYM Mellon, Milan Branch" means The Bank of New York Mellon SA/NV, Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 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 Milan under no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act;

"Borsa Italiana" means Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy;

"**Business Day**" means a day on which banks are open for business in Milan, Dublin and London and which is a TARGET Settlement Day;

"**Calculation Date**" means four Business Days prior to each Interest Payment Date;

"**Cancellation Date**" means the earlier of: (i) the date on which the Notes have been redeemed in full; and (ii) the date on which the Representative of the Noteholders has certified to the Issuer, in accordance with the Intercreditor Agreement, that the Other Issuer Creditors shall have no further claim against the Issuer in respect of any unpaid amounts under the Transaction Documents;

"**Cash Reserve**" means the monies standing to the credit of the Cash Reserve Account at

any given time;

"**Cash Reserve Account**" means a euro-denominated account with IBAN: IT16-C-05034-11701-000000003045 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

"**Cash Reserve Initial Amount**" means the amount equal to 4 per cent of the Principal Outstanding Amount of the Senior Notes as being funded by (i) applying the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) as being credited into the Cash Reserve Account from the Collection Account and (ii) utilising the amounts drawn down by the Issuer under the Subordinated Loan Agreement and credited into the Cash Reserve Account;

"**Class A Notes**" means € 1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064 issued by the Issuer on the Issue Date;

"**Class A Principal Payment**" means, with reference to each Interest Payment Date prior to the delivery of an Issuer Acceleration Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final redemption*), Condition 8.6 (*Optional Redemption for taxation reasons*) or Condition 8.5 (*Optional Redemption*), an amount equal to the lower of (i) the Target Amortisation Amount on such Interest Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Interest Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with item (viii) (*eighth*) of the Pre-Enforcement Priority of Payments, and (iii) the Principal Amount Outstanding of the Class A Notes on such Interest Payment Date (prior to any payment being made on such Interest Payment Date in accordance with the Pre-Enforcement Priority of Payments).

"**Class J Notes**" means € 656,397,000 Class J Asset Backed Notes due 25 October 2064 issued by the Issuer on the Issue Date;

"**Class J Principal Payment**" means, with reference to each Interest Payment Date prior to the delivery of an Issuer Acceleration Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final redemption*), Condition 8.6 (*Optional Redemption for taxation reasons*) or Condition 8.5 (*Optional Redemption*), an amount equal to the lower of (i) the Target Amortisation Amount on such Interest Payment Date less the Class A Principal Payment on such Interest Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Interest Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with item (xiv) (*fourteenth*) of the Pre-Enforcement Priority of Payments; and (iii) the Principal Amount Outstanding of the Class J Notes on such Interest Payment Date (prior to any payment being made on such Interest Payment Date in accordance with the Pre-Enforcement Priority of Payments), provided that, in the case of all Interest Payment Dates other than the Cancellation Date, the Class J Principal Payment will be capped to an amount that makes the Principal Amount Outstanding of the Class J Notes on such Interest Payment Date (after any payment being made on such Interest Payment Date in accordance with the Pre-Enforcement Priority of Payments) not lower than Euro 1,000.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Collection Account**" means a euro-denominated current account with IBAN: IT62-A-05034-11701-000000003043 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

"**Collection End Date**" means the last calendar day of each month in each year.

"**Collection Period**" means each quarterly period commencing on (and including) the first calendar day of January, April, July and October (included) in each year and ending on, respectively, the last calendar day of March, June, September and December (included) in each year until redemption in full of the Notes; being the first Collection Period, the period commencing on the Valuation Date (included) and ending on 30 June 2022 (included);

"**Collections**" means all amounts received by the Servicer or any other person on their behalf in respect of the Receivables and the relavant instalments;

"**Collection Policies**" means the servicing and collection policies of Banco BPM set out in schedule 1 to the Servicing Agreement;

"**Computation Agent**" means Banca FININT, or any other person acting as calculation agent from time to time under the Securitisation;

"**Conditions**" means the terms and conditions of the Notes;

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

"Consolidated Banking Act" means the Italian Legislative Decree no. 385 of 1 September 1993, as amended and supplemented from time to time;

"Consolidated Financial Act" means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented from time to time;

"COR" means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations;

"**Corporate Servicer**" means Banca Finint or any successor corporate servicer appointed from time to time pursuant to the Corporate Services Agreement;

"**Corporate Services Agreement**" means the agreement dated on or about the Issue Date between the Corporate Servicer, the Representative of the Noteholders and the Issuer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"CRA Regulation" means Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended;

"**CRD IV**" means the Directive 2013/36/UE adopted on 27 June 2013 by the European Parliament and the European Council which, repealed the so-called "Capital Requirements Directives" (being an expression making reference to Directive 2006/48/EC and Directive

2006/49/EC) (as amended, the "**CRD**"), relating to, inter alia, exposures to transferred credit risk in the context of securitisation transactions;

"**Criteria**" means the criteria set out in schedule 1 to the Transfer Agreement on the basis of which the Receivables and the Loan Agreements from which they arise are identified.

"CRR" means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time;

"CRR Amendment Regulation" means Regulation (EU) no. 2401 of 12 December 2017 amending the CRR;

"CRR Assessment" means the assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR carried out by PCS;

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior 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 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+

"**DBRS Minimum Rating**" means: (a) if a long-term senior debt rating by Fitch, a long-term senior debt rating by Moody's and a long-term senior debt rating by S&P in respect of

the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such long-term senior debt rating remaining after disregarding the highest and lowest of such long-term senior debt ratings from such rating agencies (provided that (i) if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one long-term senior debt rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such long term senior debt ratings shall be so disregarded); (b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but long-term senior debt 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 long-term senior debt ratings (provided that if such long-term senior debt 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 paragraphs (a) and (b) above, but long term senior debt 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 long-term senior debt rating (provided that if such long-term senior debt 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 paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time;

"**Debtor**" means any small and medium enterprises as borrower and any other entity who entered into a Loan Agreement as principal debtor or Guarantor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to the Originator or having assumed the borrower's obligation under an *accollo*, or otherwise;

"Decree 239" means Italian Legislative Decree no. 239 of 1 April 1996, as amended and/or supplemented from time to time, and any related regulations.

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

"**Defaulted Claims**" means, collectively, the Non Performing Claims and the Unlikely to Pay Claims;

"**Designated Repository**" means the securitisation repository designated by the Reporting Entity where the information required by article 7(1) of the Securitisation Regulation is made available, being as at the Issue Date the website of European DataWarehouse GMBH (being, as at the date of the Information Memorandum https://editor.eurodw.eu) or such other repository which will be appointed by the Reporting Entity in accordance with the applicable Securitisation Regulation;

"EBA" means the European Banking Authority.

"EBA Guidelines on STS Criteria" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"ECB" means the European Central Bank.

"**Eligible Institution**" means:

(I) with respect to any entity (other than Banco BPM acting as Transaction Bank),

means (a) any depository institution organised under the laws of any statewhich 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 applicable 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 S&P and Moody's published criteria applicable from time to time):

(A) with respect to Moody's:

(i) A2 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-1" in respect of short term debt.

(B) with respect to DBRS, a rating at least equal to "A" being: (A) in case a public or private rating has been assigned by DBRS, the higher of (I) the rating one notch below the institution's COR (if assigned), and (II) the long-term senior unsecured debt rating or deposit rating; or (B) in case a long-term COR has not been assigned by DBRS, the higher of the relevant institution's issue rating, long-term senior unsecured debt rating or deposit rating; or (C) in case a public or private rating has not been assigned by DBRS, a DBRS Minimum Rating.

(II) With respect to Banco BPM acting as Transaction Bank:

(i) for so long as its long-term deposit are rated at least "Ba3" by Moody's; and

(ii) for so long as (A) the higher of (i) its long-term, unsecured and unsubordinated debt obligations (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or (ii) the rating one notch below the Banco BPM's Critical Obligations Rating (COR) given by DBRS; or (B) in case a public or private rating has not been assigned by DBRS, the DBRS Minimum Rating, is at least "BBB(low)";

"**Equity Capital Account**" means a euro-denominated deposit account open with the Transaction Bank into which the sum representing 100 per cent. of the Issuer's equity capital (equal to €12,000) has been deposited and will remain deposited therein in an amount not lower than Euro 10,000 for so long as all notes issued (including the Previous Notes) or to be issued by the Issuer (including the Notes) have been paid in full;

"**EURIBOR**" means the Euro-Zone Inter-bank offered rate for three month Euro deposits

which appears on Reuters page "EURIBOR01" (the "**Reuters Page**") or, in the event that such rate is determined by the Representative of the Noteholders pursuant to Condition 7.8 (*Interest - Determination or calculation by the Representative of the Noteholders*) below, on Bloomberg page "EURO03M" (the "**Bloomberg Page**") (except in respect of the Initial Interest Period where it shall be the rate per annum obtained by linear interpolation of the Euro-Zone inter-bank offered rate for 1 (one) and 3 (three) months deposits in Euro, which appear on the Reuters Page or the Bloomberg Page, as the case may be); or

(a) such other page as may replace the Reuters Page or the Bloomberg Page, as the case may be, on that service for the purpose of displaying such information; or

(b) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters Page or the Bloomberg Page, as the case may be, as fixed at or about 11.00 a.m. (Milan time) on the Interest Determination Date (the "**Screen Rate**"); or

(c) if the Screen Rate is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Issuer at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Milan time) on that date; or

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

(iii) if only one of the Reference Banks provides the Issuer with such an offered quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the immediately preceding Interest Period which one of sub-paragraph (i) or (ii) above shall have been applied to;

"ESMA" means the European Securities and Markets Authority.

"EU Insolvency Regulation" means Regulation (EU) no. 848 of 20 May 2015, as amended and/or supplemented from time to time;

"EU Securitisation Rules" means, collectively, (i) the Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, and (vi) any other rule or official interpretation implementing and/or supplementing the same;

"Euro", "**EUR"** or **€** means 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, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*);

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any creditor (other than the Other Issuer Creditors) arising in connection with the Securitisation and required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing or to comply with applicable legislation;

"**Expenses Account**" means the euro-denominated current account with IBAN: IT39-B-05034-11701-000000003044 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"ExtraMOT Market" means the multilateral trading facility "ExtraMOT" managed by Borsa Italiana;

"ExtraMOT Market Regulation" means the regulation related to the management and functioning of the ExtraMOT Market issued by Borsa Italiana and in force since 8 June 2009 (as amended and/or supplemented from time to time);

"ExtraMOT PRO" means the professional segment of ExtraMOT Market managed by Borsa Italiana on which financial instruments are traded and accessable only to professional investors (as defined the ExtraMOT Market Regulation);

"**Extraordinary Resolution**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"FATCA" means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986;

"FATCA Withholding" means any withholding applicable under FATCA or an IGA (or any law implementing an IGA);

"**Final Redemption Date**" means the Interest Payment Date immediately following the earlier of: (i) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (ii) the date when all the Receivables then outstanding will have been entirely written off by the Issuer;

"**Guarantee**" means the Mortgages and any guarantee granted to the Originator securing the repayment of the Receivables, with the exception of the so-called "*fideiussioni omnibus*" or similar;

"Guarantor" means any third party who has granted a Guarantee;

"IGA" means each intergovernmental agreement entered into between the United States and other relevant jurisdictions to facilitate the implementation of FATCA;

"**Individual Purchase Price**" means the individual purchase price for each Receivable, being

equal to the outstanding principal amount under the relevant Loan, as at the Valuation Date, as listed in schedule 1 to the Transfer Agreement;

"**Information Memorandum**" means the Information Memorandum of the Notes prepared in accordance with article 2 of the Securitisation Law;

"Inside Information and Significant Event Report" means the report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation, to be prepared and delivered by the Servicer in accordance with the Servicing Agreement;

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (*including, without limitation, "fallimento", "liquidazione coatta amministrativa", "concordato preventivo", and "amministrazione straordinaria"*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a pignoramento or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a reputable law firm selected by it), such proceedings are 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 reputable law firm 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 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 of any indebtedness given by it 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 (expect for 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 such company or corporation; or

(e) such company or corporation has become subject to any similar bankruptcy proceedings under non-Italian jurisdictions, if applicable.

"**Insolvency Proceedings**" means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of court settlements with creditors (*accordi di ristrutturazione dei debiti and piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

"**Insurance Companies**" means any insurance companies which open the Insurance Policies;

"**Insurance Policies**" means each of the insurance policies taken out in relation to each Real Estate Asset and each Loan, with the exception ot policies for death risk of the Debtor;

"**Insurance Premia**" means the insurance premia paid by Banco BPM and which are due to Banco BPM by the Issuer in accordance with the Transfer Agreement.

"**Intercreditor Agreement**" means an intercreditor agreement dated on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Interest Amount**" has the meaning given to it in Condition 7.5 (*Determination of the Interest Amount on the Senior Notes*);

"**Interest Amount Arrears**" means the portion of the relevant Interest Amount for the Class A Notes, calculated pursuant to Condition 7 (*Interest)*, which remains unpaid on the relevant Interest Payment Date;

"**Interest Determination Date**" means:

(a) prior to the service of an Issuer Acceleration Notice, in respect of each Interest Period, the date falling two TARGET Settlement Days prior to the Interest Payment Date at the beginning of such Interest Period;

(b) following the service of an Issuer Acceleration Notice, in respect of each Interest Period, the Calculation Date immediately prior to the Interest Payment Date at the end of such Interest Period;

"**Interest Payment Date**" means (a) prior to the service of an Issuer Acceleration Notice, the 25th of January, April, July and October in each year (or, if any such date is not a Business Day, that date will be the first following day that is a Business Day, the first Interest Payment Date of the Notes being 25 July 2022 - the "**First Interest Payment Date**") and (b) following the service of an Issuer Acceleration Notice, any other day on which any payment is due to be made in accordance with the Post- Enforcement Priority of Payments,

the Conditions and the Intercreditor Agreement;

"**Interest Period**" means each period from (and including) an Interest Payment Date to (but excluding) the next immediately following Interest Payment Date, provided that the first Interest Period will commence on (and including) the Issue Date and will end on (but excluding) the First Interest Payment Date (the "**Initial Interest Period**");

"**Interim Account**" means a euro-denominated current account with IBAN: IT11-W-05034-11701-000000003023 open by the Issuer with the Interim Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"**Interim Account Bank**" means Banco BPM, or any successor thereto appointed from time to time in accordance with the Agency and Accounts Agreement;

"Investors Report" means the report setting out certain information with respect to the Portfolio and the Notes, to be prepared and delivered by the Computation Agent in accordance with the Agency and Accounts Agreement;

"Investors Report Date" means the date falling 1 (one) Business Day after each Interest Payment Date.

"**Issue Date"** means 27 April 2022;

"**Issuer**" means BPL Mortgages S.r.l. a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 04078130269, with a quota capital of Euro 12,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law;

"**Issuer Acceleration Notice**" has the meaning given to it in Condition 10.2 (*Delivery of an Issuer Acceleration Notice*);

"**Issuer Available Funds**"

(i) as of each Calculation Date prior to the service of an Issuer Acceleration Notice, an amount equal to the sum of:

(a) the amount standing to the credit of the Collection Account and of the Payments Account as at the end of the Collection Period immediately preceding the relevant Calculation Date consisting of, *inter alia*:

(I) payment of interest and repayment of principal under the Loans,

(II) any collections and/or recovery in respect of Defaulted Claims including any disposal proceeds deriving from the sale of any Defaulted Claims,

(III) any amount received by the Issuer under any of the Transaction

Documents during the preceding Collection Period, and

(IV) all amounts of interest accrued in respect of any of the Accounts and paid during the Collection Period immediately preceding such Calculation Date;

(b) the Cash Reserve as at the relevant Calculation Date;

(c) any refund or repayment obtained by the Issuer from any tax authority in respect of the Receivables, the Transaction Documents or, otherwise, the Securitisation during the immediately preceding Collection Period; and

(d) without duplication of (a) above, on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the balance of the Expenses Account;

(ii) as of each Calculation Date following the service of an Issuer Acceleration Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Receivables, the Note Security and the Issuer's Rights under the Transaction Documents;

"**Issuer's Rights**" means any monetary right arising out in favour of the Issuer against the Debtors and any other monetary right arising out in favour of the Issuer in the context of the Transaction, including the Collections;

"**Joint Regulation**" means the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as amended and supplemented from time to time;

"**Junior Noteholders**" means the holders of the Class J Notes;

"**Junior Notes**" means the Class J Notes;

"**Junior Notes Remuneration**" means, on each Interest Payment Date:

(a) prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds to be applied on such Interest Payment Date minus all payments or provisions to be made under the Pre-Enforcement Priority of Payments under items (i) to (xv); or

(b) following the service of an Issuer Acceleration Notice or in the event the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), the Issuer Available Funds to be applied on such Interest Payment Date minus all payments or provisions to be made under the Post-Enforcement Priority of Payments under items (i) to (xi);

"**Letter of Undertaking**" means a letter of undertaking dated on or about the Issue Date between the Originator, the Issuer and the Representative of the Noteholders as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**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;

"**Limited Recourse Loan**" means any limited recourse loan, or other form of financing, advanced by the Originator to the Issuer pursuant to the terms of the Letter of Undertaking;

"Loan by Loan Report" means the report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Reporting Date (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, if available), in compliance with point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards, to be prepared and delivered by the Servicer in accordance with the Servicing Agreement;

"**Loans**" means, from time to time, the aggregate of the secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *altri prestiti*) comprised in the Portfolio, which have been listed under schedule 1 of the Transfer Agreement and in respect of which the relevant Receivables are transferred to the Issuer under the Transfer Agreement;

"**Loan Agreement**" means each document setting out the terms and conditions pursuant to which the relevant Loan, the Mortgages and the Guarantees have been granted;

"**Local Business Day**" has the meaning given to it in Condition 9.3 (*Payments on Business Days*);

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

"**Margin**" means 0.70 % per annum;

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

"**Maturity Date**" means the Interest Payment Date falling in October 2064;

"**Meeting**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"**Monte Titoli**" means Monte Titoli S.p.A., a joint stock company under the laws of the Republic of Italy, having its registered office at Piazza degli Affari 6, 20123 Milan, Italy, VAT code and enrolment with the companies' register of Milan no. 03638780159;

"**Monte Titoli Account Holder**" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"**Monte Titoli Mandate Agreement**" means the agreement entered into between the Issuer and Monte Titoli, 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;

"**Moody's**" means Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's Italia S.r.l., as the case may be. In particular:

(1) Moody's Investors Service Inc. is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by ESMA pursuant to Article 4(3) of the CRA Regulation; and

(2) Moody's Investors Service Ltd and Moody's Italia S.r.l. are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA website (for the avoidance of doubt, such website does not constitute part of this Information Memorandum);

"**Mortgagor**" means any subject, being the relevant debtor or a third party, granting a Mortgage in favor of the Originator, as a security for the Receivables arising from the Loans, and/or any of its successors and transferees;

"**Mortgage**" means the mortgage securities (*ipoteche*) created on the Real Estate Assets, pursuant to Italian law, in order to secure claims in respect of the Receivables;

"**Most Senior Class of Notes**" means, at any time:

(a) the Class A Notes; or

(b) if no Class A Notes are then outstanding, the Class J Notes;

"***Mutuo Agrario***" means any Loans which the Originator has qualified as "*mutuo agrario*" under the list of Loans included in schedule 1 to the Transfer Agreement, the Receivables of which are assigned by the Originator to the Issuer pursuant to the Transfer Agreement;

"***Mutuo Fondiario***" means any Loans which the Originator has qualified as "*mutuo fondiario*" under the list of Loans included in schedule 1 to the Transfer Agreement, the Receivables of which are assigned by the Originator to the Issuer pursuant to the Transfer Agreement;

"***Mutuo Ipotecario***" or "**Mortgage Loans**" means any Loans which the Originator has qualified as "*mutuo ipotecario*" under the list of Loans included in schedule 1 to the Transfer Agreement, the Receivables of which are assigned by the Originator to the Issuer pursuant to the Transfer Agreement;

"**Non performing Claims**" means the Receivables classified as "*Sofferenze*" by the Servicer, on behalf of the Issuer in accordance with the Collection Policies (*Pratiche Concordate*) and the Supervisory Instructions after the Valuation Date;

"Noteholders" means the holders of the Notes;

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

"**Organisation of Noteholders**" means the organisation of the Noteholders created by the issue and subscription of the Notes and regulated by the Rules of the Organisation of Noteholders attached hereto as a schedule;

"**Originator**" means Banco BPM or any permitted successor or assignee thereof;

"**Originator's Claims**" means, collectively, the monetary claims that Banco BPM may have from time to time against the Issuer under the Transfer Agreement (other than in respect of the Purchase Price) and the Warranty and Indemnity Agreement, and including, without limitation, the relevant Rateo Amounts, the relevant Insurance Premia, the interest on the relevant Purchase Price and all amounts due and payable to Banco BPM for the repayment of any loan granted to the Issuer under clause 11.4 of the Transfer Agreement and clause 6.4.3 of the Warranty and Indemnity Agreement;

"**Outstanding Principal**" means, in respect of a Receivable, the aggregate of the outstandind principal amount of the relevant Loan as at the Valuation Date (included), net of any payment of principal component psif until such date);

"**Outstanding Principal as at the Valuation Date**" means, with respect to each Receivable, the outstanding principal amount due under the related Loan as at the Valuation Date (net of principal payments paid up to and including the Valuation Date);

"**Other Issuer Creditors**" means the Noteholders, the Representative of the Noteholders, the Originator, the Computation Agent, the Servicer, the Paying Agent, the Interim Account Bank, the Underwriter, the Transaction Bank, the Corporate Servicer, the Administrative Servicer, the Back-Up Servicer, the Back-up Servicer Facilitator, the Subordinated Loan Provider and any other party that may from time to time become a party to any Transaction Document;

"Paying Agent" means BNYM, Milan Branch or any other entity acting as paying agent from time to time pursuant to the Agency and Accounts Agreement;

"**Payments Account**" means a euro-denominated current account with number: 4628849780 open by the Issuer with the Paying Agent, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"PCS" means Prime Collateralised Securities (PCS) EU SAS;

"**Pool Audit Reports**" means the reports prepared by an appropriate and independent party pursuant to article 22, paragraph 2, of the Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify:

(i) that the data disclosed in the Information Memorandum in respect of the Receivables is accurate;

(ii) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and

(iii) that the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Banco BPM are compliant with the Criteria that are able to be tested prior to the Issue Date;

"**Portfolio**" means the portfolio including the Receivables assigned to the Issuer;

"**Portfolio Outstanding Amount**" means, on each Interest Payment Date, the aggregate Outstanding Principal of all the Receivables as at the end of the immediately preceding Collection Period;

"**Post-Enforcement Final Redemption Date**" means the earlier to occur between: (i) the date when the Notes are due for payment under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*) in the event that the Issuer opts for the early redemption of the Notes in accordance therewith, (ii) the date when the Portfolio Outstanding Amount will have been reduced to zero, and (iii) the date when all the Receivables then outstanding will have been entirely written off by the Issuer;

"**Post-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 6.2 (*Post-Enforcement Priority of Payments*);

"**Pre-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 6.1 (*Pre-Enforcement Priority of Payments*);

"**Previous Securitisation**" means the securitisation transaction of loans receivables carried out by the Issuer in accordance with the Securitisation Law completed with the issuance of the Previous Notes;

"**Previous Notes**" means (i) € 2,585,300,000.00 Class A Asset Backed Floating Rate Notes due 2058, € 1,216,455,000.00 Class B Asset Backed Floating Rate due 2058 issued on 21 December 2012, (ii) € 995,100,000.00 Class A2 - 2016 Mortgage-Backed Floating Rate Notes due 2058 issued on 28 October 2016 and (iii) € 1,504,300,000.00 Class A - 2019 Mortgage-Backed Floating Rate Notes due 2058 and € 69,670,000.00 Class B - 2019 Mortgage-Backed Notes due 2058 issued on 14 March 2019;

"**Principal Amount Outstanding**" means, on any day and in relation to each Class, the aggregate principal amount outstanding upon issue, minus the aggregate amount of all Principal Payments in respect of that Class of Notes which have become due and payable (and which have actually been paid) on or prior to that day;

"**Principal Payments**" has the meaning given in Condition 8.4 (*Principal Payments*);

"**Priority of Payments**" means, as the case may be, any of the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments;

"**Privacy Law**" means Legislative Decree number 196 of 30 June 2003, as amended and supplemented from time to time (the "**Privacy Code**") and, to the extent applicable, Law

number 675 of 31 December 1996, inclusive of any regulations for the implementation thereof, as supplemented by any regulations as the Italian Privacy Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) may issue from time to time.

"**Purchase Price**" means the purchase price paid by the Issuer to the Originator as consideration for the Receivables under the Transfer Agreement;

"**Quotaholder**" means SVM Securitisation Vehicles Management S.r.l.;

"**Quotaholder's Agreement**" means the quotaholder's agreement in relation to the Issuer dated the Issue Date, between the Issuer, SVM Securitisation Vehicles Management S.r.l. and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Rate of Interest**" has the meaning given in Condition 7.3 (*Rate of interest on the Senior Notes*);

"**Rateo Amount**" means the interest accrued on the relevant Loans up to the Valuation Date (excluded) but not yet due.

"**Rating Agencies**" means Moody's and DBRS;

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure the Receivables pursuant to the Loan Agreements.

"Receivables" means each and every monetary claim originated by the Originator existing as at the Transfer Date and arising under the Loans which met the Criteria as at the Valuation Date (or in such other date as being specified for such Criteria), including, but not limited to:

(a) the monetary claims in relation to:

(i) amounts due as principal pursuant and as interest accrued (but not collected) to in relation to the Loan Agreements as at the Transfer Date (included);

(ii) the legal, default and agreed interest, which accrues in relation to each Loan following the Transfer Date (included);

(iii) all amounts due as at the Transfer Date (included), or that accrue thereafter, as damages, reimbursement of expenses (including legal and judicial fees), losses, costs and indemnities in relation to each Loan, including any penalties;

(iv) any other amount due to the Originator as at the Transfer Date (included), or which will accrue thereafter in relation to the Loans and the Guarantees related thereto;

(v) amounts deriving from the enforcement of the Guarantees; and

(vi) any amount deriving from any enforcement proceeding;

(b) any monetary claims relted to or conneted to the Loans and the Loan Agreements, including the claims for reimbursement of damages by the Debtors;

(c) the monetary claims pursuant or in relation to the Insurance Policies;

(d) any right or action of the Originator in force of law or agreement in relation to the Loans, the Receivables, the Guarantees, the Insurance Policies and/or any other related deed, contract or document, to the extend thatthey are transferrable pursuant to the Securitisation Law; and

(e) the monetary claims of the Originator towards third parties as reimbursement of damages arising out any actions of such third parties in respect of the Loans, the Receivables, the Guarantees and the Insurance Policies.

"**Reference Banks**" means, initially, Barclays Bank PLC, Lloyds Bank plc and HSBC Bank plc, each acting through its principal London office and, if the principal London office of any such bank is unable or unwilling to continue to act as a Reference Bank, the principal London office of such other bank as the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders (acting upon instruction of the Noteholders) to act in its place;

"Regulatory Technical Standards" means:

(a) the regulatory and implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(b) in relation to risk retention requirements, the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the relevant regulatory technical standards referred to in paragraph (a) above;

"**Relevant Clearing System**" means Euroclear and/or Clearstream, Luxembourg;

"**Relevant Date**" means, in respect of any payment in relation to the Notes, whichever is the later of:

(a) the date on which the payment in question first becomes due; and

(b) if the full amount payable has not been received by the Paying Agent or the Representative of the Noteholders on or prior to such date, the date on which, the full amount having been so received, notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*);

"**Reporting Date**" means the date falling no later than seven Business Days immediately following the end of each preceding Collection Period, being the first Reporting Date on 25 August 2022;

"Reporting Entity" means the Originator or any other person acting as reporting entity pursuant to article 7(2) of the Securitisation Regulation from time to time under the Securitisation as notified by the Issuer to the investors in the Notes.

"**Representative of the Noteholders**" means Banca FININT or any other person acting as representative of the Noteholders from time to time under the Securitisation;

"**Retention Amount**" means the amount of € 50,000;

"**Rules of the Organisation of the Noteholders**" or the "**Rules**" means the rules of the organisation of the Noteholders attached as Exhibit 1 to the Conditions, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereof;

"Securitisation" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

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

"**Securitisation Regulation**" means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or supplemented from time to time;

"**Security Interest**" means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security;

"**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 Noteholders**" means the holders of the Senior Notes.

"**Senior Notes**" means the Class A Notes;

"**Servicer Report**" means the report prepared and submitted by the Servicer on each Reporting Date in the form set out in the Servicing Agreement and containing, inter alia, information as to the relevant part of the Portfolio and the relevant Collections in respect of the preceding Collection Period together with all such information required under the Securitisation Regulation;

"**Servicer**" means Banco BPM;

"**Servicer's Advance**" means those amounts due to the Servicer by the Issuer, under the Servicing Agreement;

"**Servicer Report Delivery Failure Event**" means any event (which do not constitute an Event of Default) occurred upon any of the Servicer's failure to deliver the relevant Servicer Report within three Business Days from the relevant Reporting Date provided that such event will cease to be outstanding when the Servicer delivers the relevant Servicer Report;

"**Servicing Agreement**" means the servicing agreement entered into on the Transfer Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to

be supplemental thereto;

"**Solvency II Directive**" means the Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance;

"**Solvency II Regulation**" means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive;

"Solvency II Amendment Regulation" means the Commission Delegated Regulation (EU) no. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

"SR Investors Report" means the report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the Securitisation Regulation), to be prepared and delivered by the Computation Agent in accordance with the Agency and Accounts Agreement;

"**Subordinated Loan**" means each subordinated loan granted by the Subordinated Loan Provider in connection with the Subordinated Loan Agreement;

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

"**Subordinated Loan Provider**" means each of Banco BPM or any permitted successor or assignee thereof;

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

"Successor Servicer" means any successor to the Servicer as being appointed in accordance with the Servicing Agreement;

"**Supervisory Regulations**" means the "*Disposizioni di Vigilanza per le banche*" issued by Bank of Italy with the Circular n. 285 of 17 December 2013, as amended and supplemented from time to time, and any other circulars issued by Bank of Italy and applicable to the Securitisation, including the Circular of Bank of Italy n. 272 of 30 July 2008 (as being amended from time to time);

"STS" means simple, transparent and standardised within the meaning of article 18 of the Securitisation Regulation;

"STS Assessments" means, collectively, the STS Verification and the CRR Assessment;

"STS Notification" means the notification sent by the Originator on or prior to the Issue Date in respect of the Securitisation for the inclusion in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation;

"STS-securitisation" means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the Securitisation Regulation;

"STS Verification" means the assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation carried out by PCS;

"**Underwriter**" means Banco BPM;

"**Usury Law**" means Law number 108 of 7 March 1996 and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000, as subsequently amended and supplemented;

"**Usury Rates**" means the interest rates considered as "*usurari*" pursuant to Italian law;

"**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;

"**Value Added Tax**" or "**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;

"**Target Amortisation Amount**" means, in respect of any Interest Payment Date prior to the delivery of an Issuer Acceleration Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final redemption*), Condition 8.6 (*Optional Redemption for taxation reasons*) or Condition 8.5 (*Optional Redemption*), an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Claims) comprised in the Portfolio.

"**Target Cash Reserve Amount**" means (i) on the Issue Date, the Cash Reserve Initial Amount; (ii) on each Calculation Date thereafter an amount equal to the higher of (a) 4 per cent. of the aggregate Principal Amount Outstanding of the Senior Notes and (b) 10% of the Cash Reserve Initial Amount and (iii) €0 on the earlier of (i) the Maturity Date; (ii) the Final Redemption Date and (iii) the Interest Payment Date on which the Senior Notes are redeemed in full;

"**TARGET Settlement Day**" means any day on which the TARGET system is open;

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

"**Transaction Bank**" means Banco BPM, or any successor thereto appointed from time to time in accordance with the Agency and Accounts Agreement;

"**Transaction Documents**" means the Transfer Agreement , the Servicing Agreement, the Warranty and Indemnity Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement, the Mandate Agreement, the Monte Titoli Mandate Agreement, the Quotaholder's Agreement, the Letter of Undertaking, the Subscription Agreement, the Conditions and the Rules of the Organisation of Noteholders, the Information Memorandum and the Subordinated Loan Agreement and any other document which may be deemed to be necessary in relation to the Securitisation;

"**Transfer Agreement**" means the transfer agreement executed on the Transfer Date 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;

"**Transfer Date**" means 29 March 2022;

"**Unlikely to Pay Claims**" means the Receivables (A) classified as "*inadempienze probabili* (unlikely to pay)" by the Servicer, on behalf of the Issuer in accordance with the Collection Policies (*Pratiche Concordate*) and the Supervisory Regulation after the Valuation Date and (B) for which 180 days have elapsed from the expiry of the first instalment which has become Unpaid Instalment (*Rata Insoluta*);

"**Unpaid Instalment**" means an instalment which, at a given date, is due but not fully paid and remains such for at least 30 calendar days, following the date on which it should have been paid under the terms of the relevant Loan;

"**Valuation Date**" means, 00.01 of 14 March 2022;

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement executed on the Transfer Date, between the Issuer and Banco BPM, 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;

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting of such holders of Notes in accordance with the Rules of the Organisation of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

2.2 ***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;

a "**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.

2.3 ***Transaction Documents and other agreements***

Any reference to the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.4 ***Master Definitions Agreement***

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

3. FORM, DENOMINATION AND TITLE

3.1 Denomination

The Senior Notes are issued in minimum denominations of Euro 100,000. The Junior Notes are issued in minimum denominations of Euro 1,000.

3.2 Form

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

3.3 Title and Monte Titoli

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. No physical documents of title will be issued in respect of the Notes.

3.4 The Rules of the Organisation of the Noteholders

The rights and powers of the Noteholders may only be exercised in accordance with Rules of the Organisation of the Noteholders, attached hereto as Exhibit 1, which shall constitute an integral and essential part of these Conditions.

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited, as further specified in Condition 16 (*Limited Recourse and Non Petition*), to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code.

4.2 Segregation by Law

By virtue of Italian law, the Issuer's right, title and interest in and to the Portfolio and to any 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 amounts deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under the Securitisation 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 the Other Issuer Creditors and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.3 Ranking

Both prior to and following the delivery of a Issuer Acceleration Notice, in respect of interest and principal the Senior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes, but in priority to the Junior Notes.

4.4 Conflict of interest

The Intercreditor Agreement and 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 the interest of different Class of Noteholders, then the Representative of the Noteholders is required under the Rules of the Organisation of the Noteholders to have regard only to the interests of the holders of the Most Senior Class of Notes.

4.5 Obligations of Issuer only

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

5. ISSUER COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, nor shall it cause or permit (to the extent permitted by applicable laws) any other party to the Transaction Documents to, 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, save for any Security Interest created in the context of the Prvious Securitisation and any further securitisation under Condition 5.11 (*Further Securitisations*) below, 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; or

5.2 **Restrictions on activities**

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, the Previous Securitisation or any further securitisation complying with the provisions of the Condition 5.11 (*Further Securitisations*) or any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* as defined in article 2359 of the Italian Civil Code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset, including in the context of enforcement proceedings relating to the Real Estate Assets; 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 its Quotaholder, or increase its capital, save as required by the 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, 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 to be incurred in relation to the Previous Securitisation and any further securitisation pursuant to Condition 5.11 (*Further Securitisations*) below) or give any guarantee, indemnity or security in respect of any indebtedness or 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 convey or transfer its properties or assets substantially as an entirety to any other person; 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 any of its obligations thereunder; or

5.8 **Bank Accounts**

have an interest in any bank account other than the Accounts or any bank accounts open in relation to the Previous Securitisation or any further securitisation pursuant to Condition 5.11 (*Further Securitisations*) below; or

5.9 **Statutory Documents**

amend, supplement or otherwise modify its by-laws (*statuto*) or articles of association (*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 **Centre of interest or establishment outside Italy**

move its "centre of main interest" (as that term is used in article 3(1) of the EU Insolvency Regulation), or establish any branch or "establishment" (as that term is used in article 2(10) of the EU Insolvency Regulation), outside the Republic of Italy; or

5.11 **Further Securitisations**

for avoidance of doubt, nothing shall prevent the Issuer from carrying out further securitisation transactions (other than the Securitisation and the Previous Securitisation), without the prior written consent of the Representative of the Noteholders, as provided in or envisaged by any of the Transaction Documents, provided that: (a) a prior notice is delivered to the Rating Agencies, (b) any such further securitisation transaction would not adversely affect the then current rating of any of the Senior Notes, (c) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law and (d) all parties to the transaction documents executed in connection with the further securitisation and

the holders of the notes issued in the context of such further securitisation will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Condition 16 (*Non Petition and Limited Recourse*);

5.12 **Derivatives**

enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation.

6. PRIORITY OF PAYMENTS

6.1 Pre-Enforcement Priority of Payments

Prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period and to the extent not paid by the Originator under the Letter of Undertaking);

(ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to the Representative of the Noteholders;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all the Interest Amounts due and payable on the Class A Notes;

(vi) *sixth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;

(vii) *seventh,* for so long as there are Senior Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the Payments Account;

(viii) *eigth*, in or towards repayment, *pro rata* and *pari passu*, of the Class A

Principal Payment;

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents;

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement; and

(C) all amounts due and payable to the Originator in connection with the granting of the limited recourse loan under the Letter of Undertaking;

(xi) *eleventh,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre- Enforcement Priority of Payments);

(xii) *twelfth*, in or towards satisfaction of all amounts due and payable to the Originator in respect of the Rateo Amounts (if any) under the terms of the Transaction Documents;

(xiii) *thirteenth*, to pay any surplus received in accordance with the Transaction Documents to the Originator;

(xiv) *fourteenth*, upon repayment in full of the Senior Notes, in or towards repayment, *pro rata* and *pari passu*, of the Class J Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xv) *sixteenth*, on the Final Redemption Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and

(xvi) *seventeenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

6.2 Post-Enforcement Priority of Payments

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date

in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period and to the extent not paid under the Letter of Undertaking);

(ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to the Representative of the Noteholders;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, tthe Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of Interest Amount (including any interest accrued but unpaid) on the Class A Notes at such date;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Class A Principal Payment;

(vii) *seventh*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents;

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement; and

(C) all amounts due and payable to to the Originator in connection with the granting of the limited recourse loan under the Letter ofUndertaking;

(viii) *eighth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post- Enforcement Priority of Payments);

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth*, to pay any surplus received in accordance with the Transaction Documents to the Originator;

(xi) *eleventh*, in or towards repayment, *pro rata* and *pari passu*, of the Class J Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xii) *twelfth,* on the Post-Enforcement Final Redemption Date and on any date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding on the Junior Notes until the Junior Notes are redeemed in full; and

(xiii) *thirteenth*, up to but excluding the Post-Enforcement Final Redemption Date, in or towards satisfaction,*pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date.

7. INTEREST

7.1 Interest Payment Dates and Interest Periods

Each Senior Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, and such interest will be payable in euro in arrears on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 9 (*Payments*). The Junior Notes will accrue interest in an amount equal to the Junior Notes Remuneration (if any) calculated in accordance with Condition 7.4 (*Interest on the Junior Notes*) of this Condition, payable in euro in arrears on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 9 (*Payments*).

7.2 Accrual of interest

Interest will cease to accrue on each Note on the due date for final redemption unless payment is improperly withheld or refused. In such event, it shall continue to accrue in accordance with this Condition 7 (both before and after judgment) until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and

(b) the Cancellation Date.

7.3 Rate of interest on the Senior Notes

The rate of interest applicable to the Senior Notes for each Interest Period will be determined by the Paying Bank on each Interest Determination Date preceding the relevant Interest Period, and will be the higher of:

(1) 0% (zero per cent); and

(2) the sum of:

(a) the EURIBOR; and

(b) the Margin;

the "**Rate of Interest**". In any event such Rate of Interest shall not be higher than 1.7%.

7.4 **Interest on the Junior Notes**

The Junior Noteholders shall be entitled, for each Interest Period, to the payment of an amount equal to the Junior Notes Remuneration calculated on each Calculation Date which will be payable on the next Interest Payment Date.

7.5 **Determination of the Interest Amount on the Senior Notes**

The Paying Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date in relation to each Interest Period, determine the amount of interest due in respect of the Senior Notes for the relevant Interest Period (each such amount, the "**Interest Amount**"). The Interest Amount shall be determined by applying the Rate of Interest, for such Interest Period to the Principal Amount Outstanding of the Senior Notes, during such Interest Period, multiplying the product of such calculation by the actual number of days in the Interest Period concerned divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

7.6 **Calculation of Junior Notes Remuneration**

The Computation Agent will, on the Calculation Date immediately preceding the Interest Payment Date, in relation to each Interest Period, calculate and communicate (through the Payments Report) to the Paying Agent and the Junior Noteholders any Junior Notes Remuneration that may be payable in respect of the Junior Notes on such Interest Payment Date.

7.7 **Publication of the Rate of Interest and the Interest Amount**

The Issuer shall notify (or cause the Paying Agent to notify, save in case of notification to be made through the Borsa Italiana system) the Rate of Interest and the Interest Amount applicable to each Class of Notes for each Interest Period and the Interest Payment Date in respect of such Interest Amount, promptly after determination (and in any event not later than the first day of each relevant Interest Period), to the Servicer, the Back-Up Servicer Facilitator, the Representative of the Noteholders, the Transaction Bank, the Computation Agent, the Administrative Servicer, the Corporate Servicer, Monte Titoli and, for what concerns the Senior Notes, Borsa Italiana and shall procure (or cause the Paying Agent to procure) that the same are published in accordance with Condition 17 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

7.8 **Determination or calculation by the Representative of the Noteholders**

If the Issuer (or the Paying Agent on its behalf) fails to determine the Rate of Interest and/or the Interest Amount in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders shall (but without incurring, in the absence of wilful misconduct (dolo) or gross negligence (colpa grave), any liability to any person as a result)

calculate and notify the relevant Interest Amount in the manner specified in this Condition 7 (*Interest*), and any such determination, calculation and notification shall be deemed to have been made by the Paying Agent.

7.9 **Reference Banks and Paying Agent**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there will at all times be three Reference Banks and a Paying Agent. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders (acting upon instructions of the Noteholders) to act as such in its place. The terminated or resigning Paying Agent shall continue to perform its obligations until a successor paying agent, approved in writing by the Representative of the Noteholders (acting upon instructions of the Noteholders) and notified to the Rating Agencies, has undertaken the role of the resigning Paying Agent and has adhered to the Agency and Accounts Agreement, the Intercreditor Agreement and the other Transaction Documents to which the Paying Agent is a party. If a new Paying Agent is appointed, a notice will be published in accordance with Condition 17 (*Notices*).

7.10 **Unpaid Interest with respect to the Notes**

Unpaid interest on the Notes shall accrue no interest.

7.11 **Fallback provisions**

(a) Notwithstanding anything to the contrary, including Condition 7.3 (*Rate of Interest*) and provisions set out under the definition of Euribor, the following provisions will apply if the Issuer (acting on the advice of the Servicer) determines that any of the following events (each a "**Base Rate Modification Event**") has occurred:

(i) a material disruption to Euribor, an adverse change in the methodology of calculating Euribor or Euribor ceasing to exist or to be published;

(ii) the insolvency or cessation of business of the Euribor administrator (in circumstances where no successor Euribor administrator has been appointed);

(iii) a public statement by the Euribor administrator that it will cease publishing Euribor permanently or indefinitely (in circumstances where no successor Euribor administrator has been appointed that will continue publication of Euribor or will be changed in an adverse manner);

(iv) a public statement by the supervisor of the Euribor administrator that Euribor has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(v) a public statement by the supervisor of the Euribor administrator which means that Euribor may no longer be used or that its use is subject to restrictions or adverse consequences;

(vi) a public announcement of the permanent or indefinite discontinuity of Euribor as it applies to the Notes; or

(vii) the reasonable expectation of the Issuer (acting on the advice of the Servicer) that any of the events specified in sub-paragraphs (i) to (vi) will occur or exist within six months of the proposed effective date of such Base Rate Modification.

(b) Following the occurrence of a Base Rate Modification Event, the Issuer (acting on the advice of the Servicer) will inform the Originator and the Representative of the Noteholders of the same and will appoint a rate determination agent to carry out the tasks referred to in this Condition 7.11 (the "**Rate Determination Agent**").

(c) The Rate Determination Agent shall determine an alternative base rate (the "**Alternative Base Rate**") to be substituted for Euribor as the Reference Rate of the Notes and those amendments to these Conditions and the Transaction Documents to be made by the Issuer as are necessary or advisable to facilitate such change (the "**Base Rate Modification**"), provided that no such Base Rate Modification will be made unless the Rate Determination Agent has determined and confirmed to the Representative of the Noteholders in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(i) such Base Rate Modification is being undertaken due to the occurrence of a Base Rate Modification Event and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and

(ii) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Senior Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(B) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or

(C) such other base rate as the Rate Determination Agent reasonably determines (and in relation to which the Rate Determination Agent has provided reasonable justification of its determination to the Issuer and the Representative of the Noteholders),

provided that, for the avoidance of doubt (I) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Noteholders; and (II) for the avoidance of doubt, the Servicer may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this paragraph (c) are satisfied.

(d) It is a condition to any such Base Rate Modification that:

(i) the Originator pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Representative of the Noteholders and the Servicer and each other applicable party including, without limitation, any of the agents to the Issuer, in connection with such modifications.

For the avoidance of doubt, such costs shall not include any amount in respect of any reduction in the interest payable to a Noteholder;

(ii) with respect to each Rating Agencies, the Servicer has notified such Rating Agencies of the proposed modification and, in the Servicer's reasonable opinion, formed on the basis of such notification, the relevant modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Senior Notes by such Rating Agencies; or (y) such Rating Agencies placing the Senior Notes on rating watch negative (or equivalent); and

(iii) the Issuer (or the Servicer on its behalf) provides at least 30 (thirty) days' prior written notice to the Senior Noteholders of the proposed Base Rate Modification. If the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of paragraph (c) above and if the Senior Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Senior Notes have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which the Senior Notes may be held within the notification period referred to above that they object to the proposed Base Rate Modification, then such modification will not be made unless a resolution of the Senior Noteholders is passed in favour of such modification in accordance with these Conditions by the Senior Noteholders representing at least the majority of the then Principal Amount Outstanding of the Senior Notes.

(e) When implementing any modification pursuant to this Condition 7.11, the Rate Determination Agent, the Issuer and/or the Servicer, as applicable, shall act in good faith and (in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*)), shall have no responsibility whatsoever to the Issuer, the Noteholders or any other party.

(f) If a Base Rate Modification is not made as a result of the application of paragraph (c) above, and for so long as the Issuer (acting on the advice of the Servicer) considers that a Base Rate Modification Event is continuing, the Servicer may or, upon request of the Originator, must, initiate the procedure for a Base Rate Modification as set out in this Condition 7.11 (including, for the avoidance of doubt, the re-application of paragraph (c) above).

(g) Any modification pursuant to this Condition 7.11 must comply with the rules of any stock exchange on which the Senior Notes are from time to time listed or admitted to trading and may be made on more than one occasion.

(h) As long as a Base Rate Modification is not deemed final and binding in accordance with this Condition 7.11, the Reference Rate applicable to the Notes will be equal to the last Reference Rate available on the relevant applicable screen rate pursuant to paragraph (a) above.

This Condition 7.11 shall be without prejudice to the application of any higher interest under applicable mandatory law.

It being understood that upon the occurrence of a Base Rate Modification Event, the Paying Agent shall be notified of any benchmark amendments, discontinuation, any adjustment

spread and any other changes to the interest calculation provisions at least ten Business Days prior to the first applicable Interest Determination Date.

In addition, none of the Agents is obliged to concur with the Issuer in respect of any conforming changes or amendments required as a result of a Base Rate Modification Event, to which, in the sole opinion of such Agent, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to such agents in the Agency and Accounts Agreement.

7.12 Interest Amount Arrears

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice pursuant to Condition 10 (*Events of Default*), prior to the service of an Issuer Acceleration Notice, in the event that on any Interest Payment Date a portion of the relevant Interest Amount for the Class A Notes remains unpaid ("**Interest Amount Arrears**") (in accordance with the Pre-Enforcement Priority of Payment) such Interest Amount Arrears shall be deferred on the following Interest Payment Date or on the day an Issuer Acceleration Notice is served to the Issuer, whichever comes first. Any such Interest Amount Arrears shall not accrue additional interest. A *pro rata* share of such Interest Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this paragraph, on each Class A Note on the next succeeding Interest Payment Date.

7.13 Notification of Interest Amount Arrears

If, on any Calculation Date, the Computation Agent determines that any Interest Amount Arrears in respect of the Senior Notes will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given or procured to be given (through the Payment Report) by the Issuer to the Representative of the Noteholders, the Rating Agencies, the Paying Agent, Monte Titoli, Borsa Italiana and to the Noteholders in accordance with Condition 17 (*Notices*), specifying the amount of the Interest Amount Arrears to be deferred on such following Interest Payment Date.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 Final redemption

Unless previously redeemed in full and cancelled as provided in this Condition, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Maturity Date, subject as provided in Condition 9 (*Payments*).

8.2 Cancellation Date

If the Notes cannot be redeemed in full on the Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.3 **Mandatory redemption**

Prior to the service of an Issuer Acceleration Notice, if, on any Calculation Date, there are Issuer Available Funds available for such purpose, the Issuer will apply such Issuer Available Funds on the Interest Payment Date immediately following such Calculation Date in or towards the mandatory redemption of the Notes of each Class (in whole or in part) in accordance with the Pre-Enforcement Priority of Payments.

After the delivery of an Issuer Acceleration Notice, the Issuer Available Funds and any other amounts received or recovered by the Representative of the Noteholders shall be applied by the Representative of the Noteholders in accordance with the Post Enforcement Priority of Payments.

8.4 **Principal Payment**

The principal amount payable in respect of each Note on any Interest Payment Date (each, a "**Principal Payment**") shall be a *pro rata* share of the Issuer Available Funds determined in accordance with the provisions of this Condition and the Pre- Enforcement Priority of Payments to be available to redeem Notes of the relevant Class on such date, calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Note to the then Principal Amount Outstanding of the Notes of such Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

8.5 **Optional redemption**

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) or the Senior Notes only, if all the Junior Noteholders consent, at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date (the "**Redemption Date**"), subject to the Issuer:

(i) has been notified by the Originator of the exercise of the repurchase option pursuant to article 14 of the Transfer Agreement;

(ii) giving not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Representative of the Noteholders, the Noteholders and the Rating Agencies, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and

(iii) having provided to the Representative of the Noteholders (also through the Servicer), upon or before the delivery of the notice under (ii) above, a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge all its obligations under the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and any obligations ranking in priority, or *pari passu*, thereto.

The Issuer is entitled, pursuant to the Transfer Agreement, to dispose of the Receivables in order to finance the redemption of the Notes in the circumstances described above and subect the compliance with the conditions under the Transfer Agreement. In particular, the Issuer has

irrevocably granted to the Originator an option right, pursuant to article 14 of the Transfer Agreement and article 1331 of the Italian Civil Code, to repurchase (in whole but not in part) the Portfolio then outstanding on the Redemption Date, in order to finance the early redemption of the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent). The exercise of the option is conditional upon

(i) the purchase price for the Receivables to be purchased (the "**Repurchase Price**") may not exceed (A) the outstanding principal amount of the Receivables to be repurchased, provided that none of such Receivables qualify as Defaulted Claims, or (B) the aggregate of: (I) the market value of the Receivables which are classified as Defaulted Claims (if any), as determined by one or more third-party experts independent from Banco BPM and the Banco BPM Group and any party of the Securitisation selected by the Issuer, the Servicer and the Representative of the Noteholders (acting upon instructions of the Noteholders) which shalll not be higher than their current value as at the date of exercise of the option right; and (II) the outstanding principal of the Receivables (increased of the interest accrued but still due) which are classified neither as Defaulted Claims. The Repurchase Price shall be equal to a minimun amount, calculated toghether with the other Issuer's reserves, which will allow the Issuer to redeem any principal amount on the Notes (or on the Senior Notes only if the Junior Noteholders give their consent) as at the relevant Interest Payment Date (plus any accrued interest) and any cost expenses in priority or pari passu to the payment on the Notes in accordance with the Priority of Payments and the Conditions; and

(ii) the delivery by the Originator to the Issuer and the Representative of the Noteholders of: (A) a solvency certificate signed by the legal representative of the Originator, dated the date on which the Receivables shall be repurchased, stating that the Originator is solvent; and (B) a good standing certificate in relation to the Originator issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 10 (ten) days before the date on which the Receivables shall be repurchased, stating that no insolvency proceeding is pending against the Originator;

in any case in accordance with the provisions of the Transfer Agreement and the Intercreditor Agreement.

8.6 **Optional redemption for taxation reasons**

Provided that no Issuer Acceleration Notice has been served on the Issuer, upon the imposition, at any time, of: (i) any Tax Deduction (other than a Decree 239 Withholding) in respect of any payments to be made to the Noteholders, or (ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables), subject to the following:

(i) that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 17

(*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

(ii) that upon or prior to giving such notice, 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 the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) 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 Interest Payment Date to discharge all of its outstanding liabilities in respect of all the Notes (in whole but not in part) or the Senior Notes only, if all the Junior Noteholders consent, and any other payment ranking higher or pari passu with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments,

then the Issuer may redeem all the Notes (in whole but not in part) or the Senior Notes only, if all the Junior Noteholders consent, at their Principal Amount Outstanding (plus any accrued and unpaid interest thereon up to and including the relevant Interest Payment Date), 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 is entitled, pursuant to article 14 of the Transfer Agreement, to dispose of the Portfolio (in whole but not in part) in order to finance the redemption of the Notes in the circumstances described above and in accordance with the procedure described therein and reported under Condition 8.5.

8.7 **Calculation of Issuer Available Funds, Principal Payments, Interest Amount and Principal Amount Outstanding**

On each Calculation Date, the Issuer will procure that the Computation Agent determines:

(i) the Issuer Available Funds;

(ii) the Principal Payments (if any) due on the Notes of each Class on the immediately following Interest Payment Date;

(iii) the Interest Amounts (if any) due on the Notes of each Class on the immediately following Interest Payment Date;

(iv) the Junior Notes Remuneration (if any);

(v) the Principal Amount Outstanding of each Class of Notes on the immediately following Interest Payment Date;

(vi) the amount of the Cash Reserve after draw-down and relevant replenishment on the immediately following Interest Payment Date;

(vii) the Interest Amount Arrears, if any, that will arise in respect of each of the Senior Notes on the immediately following Interest Payment Date;

(viii) the amount to be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Priority of Payments;

(ix) the Target Cash Reserve Amount;

(x) the amounts payable to the Subordinated Loan Provider under the Subordinated Loan Agreement; and

(xi) the payments (if any) to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Document;

and will determine how the Issuer's funds available for distribution pursuant to these Conditions shall be applied, on the immediately following Interest Payment Date, pursuant to the applicable Priority of Payments, and will deliver to the Paying Agent, the Transaction Bank and the Interim Account Bank a report setting forth such determinations and amounts.

Upon the occurrence of a Servicer Report Delivery Failure Event, on or prior to the following Calculation Date, based on the information available as of such date, the Computation Agent will calculate:

(i) the interest payable in respect of the Senior Notes on the immediately following Interest Payment Date;

(ii) the fees payable to the Servicer on the immediately following Interest Payment Date pursuant to item (iii) of the Pre-Enforcement Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicer Report;

(iii) without duplication of (b) above, the payments (if any) to be made on the immediately following Interest Payment Date pursuant to items from (i) to (vi) of the Pre-Enforcement Priority of Payments,

and, based on the information listed above, will compile a payments report in substantially the form attached as schedule 5 of the Agency and Accounts Agreement (the "**Provisional Payments Report**").

On the Calculation Date immediately following the Interest Payment Date on which a Servicer Report Delivery Failure Event has occurred (the "**Partial Distribution Interest Payment Date**"), subject to receipt of the relevant Servicer Report, the Computation Agent will calculate the amounts listed under the first paragraph above making any necessary adjustment to take into account any differences and/or discrepancies between (i) the amounts paid on the immediately preceding Partial Distribution Interest Payment Date in on the basis of the Provisional Payments Report and (ii) the actual amounts that would have been due on such Interest Payment Date had the relevant Servicer Report been delivered.

8.8 **Calculations final and binding**

Each determination by or on behalf of the Issuer under Condition 8.7 (*Calculation of Issuer Available Funds, Principal Payments, Interest Amounts and Principal Amount Outstanding*) will in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.

8.9 **Notice of determination and redemption**

The Issuer will cause each determination of any Interest Amounts, Principal Payments (if any) and Principal Amount Outstanding to each Class of Notes to be notified immediately after the calculation to the Representative of the Noteholders, the Agents, Monte Titoli and, and, as long as the Class A Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, Borsa Italiana and will immediately cause details of each such determination to be published in accordance with Condition 17 (*Notices*) prior to the relevant Interest Payment Date in accordance with the rules of such stock exchange.

8.10 **Notice irrevocable**

Any such notice as is referred to in Condition 8.9 (*Notice of determination and redemption*) shall be irrevocable and the Issuer shall be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition.

8.11 **Determinations by the Representative of the Noteholders**

If the Issuer, or the Computation Agent on its behalf, does not at any time for any reason make or cause to be made the calculations set out in Condition 8.8 (*Calculations final and binding*), the same may be fulfilled by the Representative of the Noteholders directly or, in the case of an activity which can be carried out only by banks, through such bank which the Representative of the Noteholders will appoint (acting upon instruction of the Noteholders) for such purpose, in accordance with the Agency and Accounts Agreement and each such activity will be deemed to have been made by the Issuer without the Representative of the Noteholders incurring any liability for any omission or error in so doing, save as are caused by its own gross negligence or wilful default. The making of any such calculation in accordance with this Condition shall (in the absence of manifest error) be final and binding upon all the parties.

8.12 **No purchase by the Issuer**

The Issuer will not purchase any of the Notes.

8.13 **Cancellation**

All Notes redeemed in full will forthwith be cancelled upon redemption and accordingly may not be reissued or resold.

9. **PAYMENTS**

9.1 **Payments through Monte Titoli, Euroclear and Clearstream, Luxembourg**

Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, directly or indirectly, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment

obligations under the Notes.

9.2 **Payments subject to tax laws**

Payments of principal and interest in respect of the Notes are subject in all cases to any tax or other laws, regulations and directives applicable thereto.

9.3 **Payments on Business Days**

If the due date for any payment of principal and/or interest in respect of any Note is not a day on which banks are open for general business (including dealings in foreign currencies) in the place in which the relevant Monte Titoli Account Holder is located (in each case, the "**Local Business Day**"), the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Local Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

9.4 **Change of Paying Agent**

The Issuer may or, as the case may be, shall, pursuant to the terms of the Agency and Accounts Agreement, terminate the appointment of the Paying Agent and appoint a replacement paying agent being an Eligible Institution. The Issuer will cause at least 30 (thirty) days' prior notice of any replacement of the Paying Agent to be given to the Noteholders in accordance with Condition 17 (*Notices*).

9.5 **Notification to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 7 (*Interest*) or Condition 8 (*Redemption, purchase and cancellation*), whether by the Reference Banks (or any of them), the Paying Agent, the Computation Agent or the Representative of the Noteholders, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents, all the Other Issuer Creditors and (in the absence of wilful default, bad faith or manifest error) no liability to the Representative of the Noteholders, the Noteholders or the Other Issuer Creditors shall attach to the Reference Banks, the Paying Agent, the Computation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 7 (*Interest*) or Condition 8 (*Redemption, purchase and cancellation*).

10. **EVENTS OF DEFAULT**

10.1 **Events of Default**

Subject to the other provisions of this Condition, each of the following events shall be treated as an "**Event of Default**":

(i) ***Non-payment***

the Issuer defaults in the payment of the amount of interest and/or principal when due on the Senior Notes and such default is not remedied within a period of five Business Days from the due date thereof (for the avoidance of doubt, the Issuer Acceleration Event relating

to non-payment of principal may only occur in case of non-payment of principal on the Maturity Date or on any date on which the principal becomes due and payable following a notice of redemption having been served to the Noteholders pursuant to Condition 8.5 (*Optional Redemption*) or 8.6 (*Optional Redemption for taxation reasons*)); or

(ii) ***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 to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of being remedied or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of being remedied remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied; or

(iii) ***Insolvency***

an Insolvency Event occurs with respect to the Issuer; or

(iv) ***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 and such unlawfulness remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of it to the Issuer requiring the same to be remedied,

10.2 **Delivery of an Issuer Acceleration Notice**

Upon occurrence of an Event of Default, then the Representative of the Noteholders,

(1) in the case of an Issuer Acceleration Event under (i) (*Non-payment*) or

(2) in the case of an Issuer Acceleration Event under (ii) (*Breach of other obligations*), (iii) (*Insolvency*) or (iv) (*Unlawfulness*), if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

shall serve an Issuer acceleration notice (the "**Issuer Acceleration Notice**") on the Issuer and the Noteholders in accordance with Condition 17 (*Notices*) declaring the Notes to be due and repayable at their Principal Amount Outstanding whereupon they shall become so due and payable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Conditions and described under Post Enforcement Priority of Payments and on such other dates the Representative of the Noteholders may determine, provided that the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all duly documented fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

10.3 **Consequences of Service of an Issuer Acceleration Notice**

Upon the delivery of an Issuer Acceleration Notice, the Notes shall (subject to Condition 16 (*Limited recourse and non-petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest, without further action, notice or formality, and all payments due by the Issuer shall be made in accordance with the Post-Enforcement Priority of Payments and on such other dates the Representative of the Noteholders may determine.

Following the service of an Issuer Acceleration Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

10.4 ***Representative of the Noteholders as* mandatario esclusivo**

The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the delivery of an Issuer Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Other Issuer Creditors from and including the date on which the Notes shall become due and repayable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

11. ENFORCEMENT

11.1 Proceedings

At any time after the delivery of a Issuer Acceleration Notice or the occurrence of an Insolvency Event on the Issuer, 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 or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been so directed by an Extraordinary Resolution of the Noteholders and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

11.2 Determination to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 10 (*Events of Default*) or this Condition 11 (*Enforcement*) by the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders shall attach to the Representative of the Noteholders in connection therewith.

11.3 Individual proceedings

No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so in a timely manner and such failure is continuing.

11.4 **Disposal of the Portfolio following the delivery of a Issuer Acceleration Notice or the occurrence of an Insolvency Event**

Following the delivery of a Issuer Acceleration Notice or the occurrence of an Insolvency Event on the Issuer, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio pursuant to article 21(4)(d) of the Securitisation Regulation and the EBA Guidelines on STS Criteria. In case of such disposal, the Originator will have the right to purchase the Portfolio with preference to any third party purchaser, pursuant to the terms and subject to the conditions set out in the Intercreditor Agreement.

12. TAXATION

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

None of the Issuer, the Representative of the Noteholders or the Paying Agent will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

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.

13. REPRESENTATIVE OF THE NOTEHOLDERS

13.1 *Legal representative*

The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.

13.2 *Appointment of Representative of the Noteholders*

Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, will be made by the Noteholders subject to and in accordance with the Rules, except for the initial Representative of the Noteholders which has been appointed by the Underwriter in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

13.3 *Modification and waiver*

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make amendment or modification to these Conditions or any of the Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Issuer Acceleration Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 17 (*Notices*), as soon as practicable after it has been made.

14. AGENTS

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Transaction Bank, the Computation Agent and the Paying Agent shall act as agents (*mandatari*) solely of the Issuer and (to the extent provided therein) the Representative of the Noteholders and shall not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Issuer reserves the right (with the prior written consent of the Representative of the Noteholders and the prior notice to the Rating Agencies) at any time to vary or terminate the appointment of the Transaction Bank, the Computation Agent and the Paying Agent and to appoint a relevant successor or an additional agent at any time, in accordance with the terms of the Agency and Accounts Agreement and these Conditions.

15. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof.

16. LIMITED RECOURSE AND NON-PETITION

16.1 Limited Recourse

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 or Other Issuer Creditor 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 or proceedings against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(ii) until the date falling on the later of (a) 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 (b) 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 or the Previous Securitisation 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 Issuer Acceleration Notice has been served or an Insolvency Event 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.

16.2 **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:

(i) 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;

(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 17 (*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 provisions of this paragraph (c) are subject to none of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objecting to such determination of the Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objects such determination within such term, the Representative of the Noteholders may request an independent third party expert to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio which would be available to pay any amount outstanding under the Notes.

Such determination shall be definitive and binding for all the Noteholders.

17. NOTICES

17.1 *Notice*

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli and, as long as the Senior Notes are admitted to trading on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT", if given in accordance with the rules of such multilateral trading facility. In addition, any notice to the Noteholders given by or on behalf of the Issuer shall also be published on the website: https://www.securitisation-services.com/en/.
Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required above.

17.2 *Other method of giving notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and, with respect to the Senior Notes, to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the relevant Noteholders in such manner as the Representative of the Noteholders shall require and, with respect to the Senior Notes, in accordance with the rules of the stock exchange.

18. GOVERNING LAW AND JURISDICTION

18.1 *Governing law*

The Notes, these Conditions, the Rules of the Organization of the Noteholders and the Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

18.2 *Jurisdiction*

Any dispute which may arise in relation to the Notes, these Conditions, the Rules of the Organization of the Noteholders and the Transaction Documents, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

SCHEDULE
RULES OF THE ORGANISATION OF NOTEHOLDERS

TITLE I - GENERAL PROVISIONS
Article 1

General

The Organisation of Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of all Notes.

The contents of these rules are deemed to form part of each Note issued by the Issuer.

Article 2

Definitions

In these rules, the following terms shall have the following meanings:

"**24 Hours**" means a period of 24 hours, including all or part of a day upon which banks are open for business in the place where the Meeting of the holders of the Relevant Class(es) of Notes is to be held and in the place where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 Hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid;

"**48 Hours**" means two consecutive periods of 24 Hours;

"**Basic Terms Modification**" means:

(a) a modification of the date of maturity of one or more Relevant Classes of Notes;

(b) a modification which would have the effect of cancelling or postponing any date for payment of interest in respect of one or more Relevant Classes of Notes;

(c) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable in respect of one or more Relevant Classes of Notes;

(d) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of one or more Relevant Classes of Notes or the rate of interest applicable in respect of one or more relevant Classes of Notes;

(e) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;

(f) a modification which would have the effect of altering the currency of payment of one or more Relevant Classes of Notes or any alteration of the date or priority of payment or redemption of one or more Relevant Classes of Notes;

(g) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as pledges, to applications of funds as provided or in the Transaction Documents;

(h) the appointment and removal of the Representative of the Noteholders; and an amendment to this definition;

provided that an amendment of the fees, costs and expenses of the Paying Agent, the Computation Agent, the Servicer, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank in accordance with the terms of the relevant Transaction Documents will not constitute a Basic Terms Modification;

"**Block Voting Instruction**" means, in relation to any Meeting, a document issued by the Paying Agent:

(a) certifying that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the conclusion of the Meeting;

(b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Paying Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the 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 the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) appointing one or more Proxies to vote in respect of the Blocked Notes in accordance with such instructions;

"**Blocked Notes**" means the Notes which have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian for the purposes of obtaining a Voting Certificate or a Block Voting Instruction and will not be released until the conclusion of the Meeting;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (*Chairman of the Meeting*);

"**Extraordinary Resolution**" means a resolution of a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with the provisions contained in these rules on any of the subjects covered by Article 21 (*Powers exercisable byExtraordinary Resolution*) by a majority of at least three-quarters of votes cast;

"**Meeting**" means a meeting of the holders of the Relevant Class(es) of Notes (whether originally convened or resumed following an adjournment);

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Voting Certificate or Block Voting Instruction;

"**Relevant Class of Notes**" means:

(a) the Class A Notes; or

(b) the Junior Notes, as the context requires;

"**Relevant Fraction**" means:

(a) for all business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

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

(i) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms

Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes represented or held by the Voters actually present at the Meeting (in the case of a joint Meeting of a combination of Classes of Notes); and

for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the Notes of the relevant Class represented or held by the Voters actually present at the Meeting;

"**Voter**" means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

"**Voting Certificate**" means, in relation to any Meeting, a certificate requested by the interested Noteholder and issued by the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and dated, stating:

(a) that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of (i) the conclusion of the Meeting and (ii) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or the relevant custodian who issued the same;

(b) details of the Meeting concerned and the number of the Blocked Notes; and

(c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all 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.

Capitalised terms not defined herein shall have the meaning attributed to them in the terms and conditions of the Notes (the "**Conditions**").

Article 3

Organisation purpose

Each holder of the Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these rules, any reference to Noteholders shall be considered as a reference to the Senior Noteholders and/or the Junior Noteholders, as the case may be.

TITLE II
THE MEETING OF NOTEHOLDERS

Article 4

General

Any resolution passed at a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with these rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

Subject to the provision of Article 21 (Powers exercisable by Extraordinary Resolution) any resolution passed at a Meeting of the Senior Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Junior Noteholders.

And, in each case, all the Noteholders of the Relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, *provided,* however that, to the extent that any Senior Notes is then outstanding, no 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 or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Senior Noteholders.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer in accordance with Condition 17 (*Notices*) 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 the Meeting but failure to do so shall not invalidate the resolution.

Subject to the provisions of these rules and the Conditions, joint Meetings of the Class A Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply while Notes of two or more Relevant Classes of Notes are outstanding:

(a) business which involves the passing of an Extraordinary Resolution involving a Basic Terms Modification shall be transacted at a separate Meeting of the Noteholders of all Relevant Classes of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects only one Relevant Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Relevant Class of Notes;

(c) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted either at separate Meetings of the holders of each such Relevant Class of Notes or at a single Meeting of the holders of each of such Relevant Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion;

(d) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted at separate Meetings of the holders of each Relevant Class of Notes; and

in the case of separate Meetings of the holders of each Relevant Class of Notes, these rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the Relevant Class of Notes and to the holders of such Notes and, in the case of joint Meetings, as if references to the Notes and the Noteholders were to the Notes of each of the Relevant Classes of Notes and to the respective holders of the Notes.

In this paragraph "business" includes (without limitation) the passing or rejection of any resolution.

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or any other rights of the Senior Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of any other Relevant Class of Notes.

Article 5

Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, or require the Paying Agent to obtain a Block Voting Instruction by arranging for their Notes to be blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, providing to the Paying Agent, where appropriate, evidence that the Notes are so blocked. The Noteholders may obtain such evidence by, *inter alia*, requesting the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (i) the practices and procedures of the relevant clearing system; or (ii) articles 21 and 22 of the Joint Regulation. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Representative of the Noteholders, or at some other place approved by the Representative of the Noteholders, at least 24 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, and, if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the Representative of the Noteholders shall be obliged to do so upon the request in writing by, and at the costs of, the Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the Relevant Class of Notes.

Whenever any one of the Issuer or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice in writing to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) of the date thereof and of the nature of the business to be transacted thereat.

Every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in a EU Member State.

Unless the Representative of the Noteholders decides otherwise pursuant to Article 4 (*General*), each Meeting shall be attended by Noteholders of the Relevant Class of Notes.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, provided that:
(a) the Chairman can 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;

(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;
(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real time;
(d) 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 videoconference equipment; and
(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (provided that such place shall be in an EU Member State).

Article 8

Notice

At least 21 days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day (falling not later than 30 days after the date of delivery of such notice), time and place of the Meeting which will be held in any case in a EU Member State (as well as, if necessary, venues connected by audio or video conferencing that may be used by those involved), must be given by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders in accordance with Condition 17 (Notices), with copy to the Issuer and the Representative of the Noteholders.

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 (i) Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Joint Regulation, (ii) the procedure to deliver a Voting Instruction and to appoint a Proxy and (iii) that Notes may or may not at the Issuer's discretion be blocked in an account with a clearing system starting from the delivery of the relevant Voting Instruction or request of the relevant Voting Certificate, as the case may be.

A Meeting is validly held, notwithstanding the formalities required by this Article 8 are not complied with, if the entire Principal Amount Outstanding of the relevant Class or Classes is represented thereat and the Issuer and the Representative of the Noteholders are present

Article 9

Chairman of the Meeting

The Meeting is chaired by an individual (who may, but need not to be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed 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 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.

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.

Article 10

Quorum

The quorum at any Meeting shall be one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes.

No business (except choosing a Chairman, if requested) shall be transacted at a Meeting unless a quorum is present at the commencement of business.

Article 11

Adjournment for want of quorum

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

(b) otherwise, the Meeting shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the original date of such Meeting, and to such place (which in any case shall be in a EU Member State) as the Chairman determines provided that no meeting may be adjourned more than once for want of quorum.

Article 12

Adjourned Meeting

Except as provided in Article 11, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another place (which in any case shall be in a EU Member State) and to a new date no earlier than 14 days and no later 42 days after the original date of such Meeting. 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.

Article 13

Notice following adjournment

If a Meeting is adjourned to another time and place (which in any case shall be in a EU Member State) in accordance with the provisions of Article 11 above, Articles 7 and 8 above shall apply to the resumed meeting except:

(a) 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

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes. It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 11.

Article 14

Participation

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent;

(c) the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders, and the Paying Agent; and

(f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

Article 15

Passing of resolution

A resolution is validly passed when (i) in respect of an Extraordinary Resolution only, three- quarters of votes cast by the Voters attending the relevant Meeting have been cast in favour of it or (ii) in respect of any resolution other than an Extraordinary Resolution, the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

Article 16

Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result of the show of hands is declared, the Chairman's declaration that, on a show of hands, a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority, shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 17

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 holding or representing at least 2% of (i) the Principal Amount Outstanding of that Relevant Class of Notes (in the case of a meeting of a particular Relevant Class of Notes), or (ii) the Principal Amount Outstanding of the Relevant Classes of Notes (in the case of a joint Meeting). The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business.

Article 18

Votes

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the votes (if any) to which he may be entitled as a Voter.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 19

Vote by Proxies

Any vote cast by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it was given has been amended or revoked, provided that the Representative of the Noteholders or the Issuer has not been notified by the Paying Agent in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment.

Article 20

Exclusive powers of the Meeting

The Meeting shall have exclusive powers on the following matters:

(a) to approve any Basic Terms Modification;

(b) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of

the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to direct the Representative of the Noteholders to serve an Issuer Acceleration Notice under Condition 10(b) (*Service of an Issuer Acceleration Notice*);

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default;

(f) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(g) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents; and

(h) to appoint and remove the Representative of the Noteholders.

Article 21

Powers exercisable by Extraordinary Resolution

Without limitation to the exclusive powers of the Meeting listed in Article 20 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these rules, the Notes, the Conditions, or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) to appoint and remove the Representative of the Noteholders;

(e) approval of the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(f) without prejudice to the Conditions, approval of any alteration of the provisions contained in these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(g) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these rules, the Notes, the Conditions or any other Transaction Document;

(h) giving any direction or granting any authority or sanction which under the provisions of these rules, the

Conditions or the Notes is required to be given or granted by Extraordinary Resolution;

(i) authorisation and sanctioning of actions of the Representative of the Noteholders under these rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and

(j) authorising and directing the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution,

provided, however, that:

(a) no Extraordinary Resolution involving a Basic Terms Modification passed by the holders of the Relevant Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes (to the extent that Notes of each such Relevant Classes of Notes are then outstanding);

(b) 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 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 (to the extent that there are Senior Notes then outstanding).

Article 22

Challenge of resolution

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these rules.

Article 23

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

Article 24

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 25

Individual actions and remedies

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the Relevant Class(es) of Notes in accordance with these rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy,

the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 25.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, removal and remuneration

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Relevant Class of Notes in accordance with the provisions of this Article 26, save in respect of the appointment of the first Representative of the Noteholders, which will be Banca Finint S.p.A..

Save for Banca Finint S.p.A. as first Representative of the Noteholders, the Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(b) a financial institution registered under article 106 of the Consolidated Banking Act; or

(c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian civil code cannot be appointed as the Representative of the Noteholders.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Relevant Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) above, and, provided that a Meeting of the holders of each Relevant Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such remuneration shall accrue from day to day and shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

Article 27

Duties and powers

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders, subject to and in accordance with the Conditions, these rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders as a class of Notes *vis-à-vis* the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient (in its absolute discretion), whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub- delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of such delegate's misconduct or default, unless the Representative of the Noteholders has been negligent in the selection of the delegate or sub-delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including proceedings involving the Issuer in creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

The Representative of the Noteholders shall have regard to the interests of all the Issuer Secured Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these rules, the Intercreditor Agreement or under the Mandate Agreement (except where expressly provided otherwise), but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only: (i) of the Most Senior Class of Notes outstanding, and (ii) subject to item (i), of whichever Other Issuer Creditor ranks higher in the Priority of Payments hereof for the payment of the amounts therein specified if, in its opinion, there is or may be a conflict between all or any of the interests of the holders of one or more Relevant Class of Notes or between the holders of one or more Relevant Class of Notes and any further Other Issuer Creditors. The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments.

Each Noteholder by acquiring title to a Note is deemed to agree and acknowledge that:

(a) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the holders of each Relevant Class of Notes, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Note Security or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the holders of each Relevant Class of Notes with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;

(b) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under these Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Consolidated Banking Act or otherwise, unless (in each case under paragraphs (b), (c) and (d) above) an Issuer Acceleration Notice shall have been served or an Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency

proceedings by a third party;

(c) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian civil code; and

the provisions of this Article 27 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time, upon giving not less than three calendar months' notice in writing to the Issuer, without assigning any reason therefor and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Relevant Class of Notes has appointed a new Representative of the Noteholders, provided that, if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders. The appointment of the new Representative of the Noteholders under this Article 28 shall become effective as soon as such new Representative of the Noteholders enters into or accedes to the Intercreditor Agreement and the other Transaction Documents to which the resigned Representative of the Noteholders was a party.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume, and shall not be responsible for, any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) shall not be under any obligation to take any steps to ascertain whether an Event of Default 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 or any Noteholder hereunder or under any of the other Transaction Documents, has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Event of Default or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) shall not be under any obligation to give notice to any person of the execution of these rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(d) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these rules, the Notes, the Conditions, any Transaction Document or 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: (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to the Transaction Documents; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained, or required to be delivered or obtained, at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; or (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying

Agent or any other person in respect of the Receivables;

(e) 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;

(f) shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit or rating agency or any other person;

(g) shall not be responsible for, or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders, contained herein or in any Transaction Document;

(h) shall not be bound or concerned to examine, or enquire into, or be liable for, any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) 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, the Notes or any Transaction Document;

(j) shall not be under any obligation to insure the Receivables or any part thereof;

(k) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priority of Payments;

(l) shall not have regard to the consequences of any modification or waiver of these rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer 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; and

(n) 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.

The Representative of the Noteholders, notwithstanding anything to the contrary contained in these rules:

(a) may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these rules, the Conditions (other than a Basic Terms Modification) or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature to correct a manifest error or an error which is, in the opinion of the Representative of the Noteholders, proven or is necessary or desirable for the purposes of clarification or is made to comply with a mandatory provision of law. Any such amendment or modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such amendment or modification to be notified to the Noteholders as soon as practicable thereafter;

(b) may, without the consent of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class;

(c) may, without the consent of the Noteholders or any Other Issuer Creditor, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver; provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution, or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to

authorise or waive any proposed breach or breach relating to a Basic Terms Modification;

(d) may act on the advice, certificate, opinion (whether or not such opinion is addressed to the Representative of the Noteholders and whether or not such opinion contains a monetary or other limit on the liability of the provider of such opinion) or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert of international repute, 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. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;

(e) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate;

(f) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these rules, the Notes, any Transaction Document or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise, or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (colpa grave) or wilful misconduct (dolo);

(g) shall be at liberty to leave in custody these rules, the Transaction Documents and any other documents relating thereto or to the Notes in any part of the world with any bank, financial institution or company of international repute whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers of international repute, and the Representative of the Noteholders shall not be responsible for, or required to insure against, any loss incurred in connection with any such custody, and may pay all sums required to be paid on account of, or in respect of, any such custody;

(h) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, is entitled to convene a Meeting of the Noteholders ofany or all Relevant Classes of Notes in order to obtain instructions as to how the Representativeof the Noteholders should exercise such discretion, provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action;

(i) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Relevant Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders;

(j) may call for, and shall be at liberty to accept and place full reliance on as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository, to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular principal amount of Notes;

(k) may certify whether or not an Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class of Notes and any such certificate shall be conclusive and binding upon the Issuer, the Other Issuer Creditors and any other relevant person;

(l) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of remedy, such

certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any relevant person;

(m) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit, of the Issuer;

(n) shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement, any Other Issuer Creditor or any of the Rating Agencies in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Senior Notes and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so; and

(o) may, in determining whether the exercise of any power, authority, duty or discretion under or in relation hereto or to the Notes, the Conditions or any Transaction Document, is materially prejudicial to the interests of the Noteholders, contact the Rating Agencies so to assess whether the then current ratings of the Senior Notes would not be downgraded, withdrawn or qualified by such exercise and have regard to any other confirmation which it considers, in its sole and absolute discretion, as necessary and/or appropriate.

Any consent or approval given by the Representative of the Noteholders under these rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified or pre-funded against any loss or liability which it may incur as a result of such action.

Article 30

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any of the Other Issuer Creditors (provided that the Representative of the Noteholders shall not be regarded as having been reimbursed, paid or discharged if it has received monies on the account of, or has been pre-funded by, any of the Other Issuer Creditors), all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or by any person appointed by it to whom the Representative of the Noteholders, or by any persons appointed by it to whom any power, authority or discretion may be delegated by it (provided, in each case, that supporting documents are delivered where available) in relation to the preparation and execution of, the exercise or the purported exercise of its powers, authority and discretion and performance of its duties under, and in any other manner in relation to, these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, including, but not limited to, legal and travelling expenses (properly incurred and duly documented) and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders or such appointed person in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders or such appointed person pursuant to these rules, the Notes, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these rules, the Notes, the Conditions, the Intercreditor Agreement or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders or the above-mentioned appointed person.

Article 31

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 gross negligence (*colpa grave*) or willful default (*dolo*) of the Representative of the Noteholders.

TITLE IV
THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF AN ISSUER ACCELERATION NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of an Issuer Acceleration Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Receivables. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, also 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, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents.

In particular and without limiting the generality of the foregoing, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(a) to request the Interim Account Bank to transfer all monies standing to the credit of the Interim Account to the Collection Account;

(b) to request the Transaction Bank holding the Collection Account to transfer all monies standing to the credit of the Collection Account and the Expenses Account to, respectively, a replacement Collection Account and a replacement Expenses Account open for such purpose by the Representative of the Noteholders with a replacement Transaction Bank which is an Eligible Institution for the purposes of the Collection Account;

(c) to request the Cash Account Bank holding the Cash Reserve Account to transfer all monies standing to the credit the Cash Reserve Account to a replacement Cash Reserve Account open for such purpose by the Representative of the Noteholders with the a replacement Cash Account Bank which is an Eligible Institution for the purposes of the Cash Reserve Account;

(d) to request the Paying Agent to transfer all monies standing to the credit of the Payments Account to a replacement Payments Account open for such purpose by the Representative of the Noteholders with a replacement Paying Agent which is an Eligible Institution;

(e) to require performance by any Other Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Other Issuer Creditor in case of failure to perform and generally to take 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 Other Issuer Creditors in respect of the Receivables and the Issuer's Rights;

(f) to instruct the Servicer in respect of the recovery of the Issuer's Rights;

(g) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted hereunder in respect of the relevant Accounts) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; and

(h) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be open by the Representative of the Noteholders pursuant to paragraphs (a) and (b) above to the Noteholders in accordance with the applicable Priority of Payments.

TITLE V
GOVERNING LAW AND JURISDICTION

Article 33

Governing law and jurisdiction

These 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 Italy.

All disputes arising out of or in connection with these rules and any non-contractual obligations arising out of, or in connection with, them, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

USE OF PROCEEDS

Monies available to the Issuer on the Issue Date consisting of (i) the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) and (ii) the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement, in an aggregate amount equal to Cash Reserve Initial Amount will be applied by the Issuer on the Issue Date to create the Cash Reserve on the Cash Reserve Account.

Monies standing to the credit of the Collection Account on the Issue Date consisting of the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) will be applied by the Issuer on the Issue Date to fund the Retention Amount into the Expenses Account.

The amount payable by the Underwriter to the Issuer on the Issue Date as consideration for the subscription of the Notes under the Subscription Agreement, being Euro 2,456,397,000, will be applied by the Issuer to pay Euro 2,456,397,257 to the Originator as Purchase Price for the Portfolio (subject to set-off with the subscription monies due by the Underwriter to the Issuer).

THE ISSUER

Introduction

BPL Mortgages S.r.l. is a limited liability company with sole quotaholder (*società a responsabilità limitata con socio unico*) incorporated in the Republic of Italy under article 3 of the Securitisation Law on 30 June 2006 with the name of "Giano Finance S.r.l.". By way of an extraordinary quotaholder's resolution held on 11 May 2007, the corporate name of the Issuer was changed from "Giano Finance S.r.l." into "BPL Mortgages S.r.l.".

"BPL Mortgages S.r.l." is currently the Issuer's legal name and the Issuer has no commercial name. In accordance with the Issuer's by-laws (*statuto*) as amended by way of an extraordinary shareholder's resolution held on 12 December 2008, the corporate duration of the Issuer is limited to 31 December 2060 and may be extended by shareholders' resolution. The Issuer is registered with the companies' register of Treviso-Belluno under number 04078130269 and in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 33259.3 and its tax identification number (*codice fiscale*) and VAT number is 04078130269. The registered office of the Issuer is at via V. Alfieri, 1, 31015 Conegliano (Treviso), Italy. The telephone number of the registered office is +39 0438 360 459. The Issuer has no employees.

Previous securitisation

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged few securitisation transactions carried out in accordance with the Securitisation Law, of which only the Previous Securitisation is still outstanding. The Issuer has not been engaged in other securitisation transactions which were closed as at the date of this Information Memorandum.

Pursuant to the Securitisation Law the assets relating to each securitisation transaction will constitute assets segregated for all purposes from assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

Shareholding

The authorised equity capital of the Issuer is Euro 12,000. The issued and paid-up equity capital of the Issuer is Euro 12,000 entirely held by SVM Securitisation Vehicles Management S.r.l. No other amount of equity capital has been agreed to be issued.

Pursuant to the Quotaholder's Agreement, SVM Securitisation Vehicles Management S.r.l. has agreed certain provisions in relation to the management of the Issuer. The Quotaholder's Agreement also provides that SVM Securitisation Vehicles Management S.r.l., in its capacity as sole shareholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full. The Quotaholder's Agreement is governed by Italian law.

Italian company law combined with the holding structure of the Issuer, the covenants made by the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Quotaholder's Agreement and the role of the Representative of the Noteholders are together intended to prevent any abuse of control

of the Issuer. The Issuer is not aware of direct or indirect ownership or control apart from SVM Securitisation Vehicles Management S.r.l.

Special purpose vehicle

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out Further Securitisations in addition to the one contemplated in this Information Memorandum, subject to the Conditions.

Accounting treatment of the Portfolio

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

Accounts of the Issuer

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 exception of the first fiscal year which started on 30 June 2006 and ended on 31 December 2006. Consequently, the first financial statements of the Issuer of the Issuer are those relating to the fiscal year ended in December 2006 and approved on 14 March 2007.

Principal activities

The principal corporate objectives of the Issuer, as set out in article 3 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities.

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents, incur any other indebtedness for borrowed monies, engage in any activities except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person, convey or transfer its property or assets to any person, or increase its equity capital.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in Condition 5 (*Covenants*).

Sole director of the Issuer

The sole director of the Issuer is Pamela Stival, having her address for the purposes of her title at via V. Alfieri, 1, 31015 Conegliano (TV).

The sole director of the Issuer has the requisite experience and expertise for the management of its business.

Capitalisation and indebtedness statement

The capitalisation and indebtedness of the Issuer as at the date of this Information Memorandum,

adjusted for the issue of the Notes on the Subsequent Issue Date, are as follows:

	Euro
Issued equity capital	
€12,000 fully paid up	Euro 12,000
	Euro 12,000

Borrowings

€ 1,800,000,000 Class A Asset Backed Floating Rate Notes due 25 October 2064
€ 656,397,000 Class J Asset Backed Notes due 25 October 2064
€ 67,000,000.00 subordinated loan

€ 995,100,000.00 Class A2 - 2016 Mortgage-Backed Floating Rate Notes due 2058

€ 1,504,300,000.00 Class A - 2019 Mortgage-Backed Floating Rate Notes due 2058
€ 69,670,000.00 Class B - 2019 Mortgage-Backed Notes due 2058;

€ 2,585,300,000 Class A – 2012 Mortgage-Backed Floating Rate Notes due 2058
€ 1,216,618,000 Class B – 2012 Mortgage-Backed Notes due 2058
€ 60,000,000 subordinated loan

Euro 8,954,385,000

Save for the foregoing, at the Issue Date the Issuer will not have borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees, or other contingent liabilities.

Financial Statements

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

The financial statements of the Issuer as at December 31, 2021, December 31, 2020 and December 31, 2019 have been duly audited by PriceWatehouseCoopers S.p.A., with registered office in Piazza Tre Torri, 2 20145 Milan, Italy. Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation may be inspected and obtained free of charge during usual business hours at the specified office of the Representative of the Noteholders. So long as any of the Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the annual financial statements of the Issuer will be audited by an auditing company appointed by the Issuer and copies thereof shall be made available, upon publication, at the registered offices of the Issuer and on the following website https://www.securitisation-services.com/en/.

THE PAYING AGENT

The information contained in this section of this Information Memorandum relates to and has been obtained from the Paying Agent. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of the Paying Agent 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 Bank of New York Mellon SA/NV is a Belgian limited liability company established 30 September 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking licence by the former CBFA on 10 March 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Brussels. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the European Central Bank and the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of conduct of business. The Bank of New York Mellon SA/NV engages in servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, The Netherlands, Germany, the United Kingdom, Luxembourg, Italy, France and Ireland.

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

The information contained in this section of this Information Memorandum relates to and has been obtained from the Back-up Servicer Facilitator, the Computation, the Corporate Servicer and the Representative of the Noteholders. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of the Back-up Servicer Facilitator, the Computation Agent, the Corporate Servicer and the Representative of the Noteholders 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.

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 with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with 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*".

In the context of the Securitisation, Banca Finint will act as Back-up Servicer Facilitator, Computation Agent, Corporate Servicer and Representative of the Noteholders.

SELECTED ASPECTS OF ITALIAN LAW

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 the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with Article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

As at the date of this Information Memorandum, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for:

(a) regulations issued by the Bank of Italy concerning, inter alia, the accounting treatment of securitisation transactions for special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of companies which carry out collection and recovery activities in the context of a securitisation transaction;

(b) the Circular No. 8/E issued by Agenzia delle Entrate on 6 February 2003 on the tax treatment of the issuers (see paragraph "*Tax Treatment of the Issuer*" in the section headed "*Risk Factors*");

(c) the Decree of the Italian Ministry of Treasury dated 14 December 2006 No. 310 on the covered bonds, as provided by Article 7-bis of the Securitisation Law;

(d) the Decree of the Italian Ministry of Economy and Finance No. 29 of 17 February 2009 on the terms for the registration of the financial intermediaries in the registers held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act and the Legislative Decree 13 August 2010 No. 141 which has, inter alia, entirely replaced, as from 19 September 2010, Title V of the Consolidated Banking Act, even though the implementing regulations with respect to the amended provisions on the registration of financial intermediaries have not yet been issued by the Bank of Italy;

(e) the Law Decree No. 145 of 23 December 2013 converted into law by Law No. 9 of 21 February 2014 (the "**Decree No. 145**") (for key feature of Decree No. 145, please see the next paragraph "*The Law Decree No. 145 of 23 December 2013*");

(f) the Law Decree No. 91 of 24 June 2014 (the "**Decree No. 91**") (for key feature of Decree No. 91, please see the next paragraph "*The Law Decree No. 91 of 24 June 2014*"), which amended the Securitisation Law;

(g) Law No. 96 of 21 June 2017 (*Decreto Crescita*); and

(h) Law No. 145 of 30 December 2018 (*Legge Finanziaria 2019*), which further amended the Securitisation Law.

Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Information Memorandum.

The Law Decree No. 145 of 23 December 2013

General

The following paragraphs set out an overview of the key features of the amendments to the Securitisation Law introduced by Decree No. 145 which are relevant to securitisations transactions.

Transaction accounts

Decree No. 145 has provided for the main key features to open in the context of each securitisation transaction bank accounts: (a) in the name of the SPV to be held with the account bank or the servicer (the "**SPV Accounts**"), for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents). (b) in the name of the servicer (or any sub-servicer) (the "**Servicer Accounts**") to be held with any bank, for the deposit of the collections of the securitised receivables. Such provisions have been amended and supplemented by Decree No. 91, as described in paragraphs below "SPV Accounts" and "Servicer Accounts".

*Assignment pursuant to Law 52/1991 (the "**Factoring Law**")*

Decree No. 145 has simplified the assignments under the Securitisation Law of receivables falling within the scope of the Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, it has been provided that the transfer of above-mentioned type of receivables, which do not need to be identifiable as a pool (in blocco), can be perfected also applying certain provisions of the Factoring Law.

In addition, Decree No. 145 has established that if the transaction parties choose not to use the Factoring Law as described above, then the relevant notice of assignment to be published in the Italian Official Gazette will need to set out only the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment.

Limitation to the set-off rights of the assigned debtors

Decree No. 145 has provided that, with effect from the date of the publication of the notice of assignment on the Official Gazette of the Republic of Italy (the "**Publication**") and the registration of the assignment on the competent companies' register (the "**Registration**") (or of the purchase price payment, as the case may be, as described in the preceding paragraph entitled "*Assignment pursuant to Law 52/1991 (the "Factoring Law")*"), in derogation of any other provision of law, the assigned debtors of the relevant securitised receivables are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date of the Publication and Registration (or of the payment of the purchase price payment, as the case may be).

Exemption of claw-back of prepayments

The Securitisation Law stated that payments made by the assigned debtors benefit from an exemption from the claw-back provided for by Article 67 of the Bankruptcy Law. However, nothing was said under the Securitisation Law in relation to the claw-back action pursuant to Article 65 of the Bankruptcy Law, being the claw-back in respect of any prepayments. Decree No. 145 has established an express exemption also in respect of such claw-back action under Article 65 of the Bankruptcy Law.

Simplified procedures for assignment of receivables owed by public entities

Decree No. 145 has simplified the procedure for the assignments of receivables owed by public entities in the context of securitisations governed by the Securitisation Law.

In fact, the assignments of receivables owed by public entities are subject to certain special perfection formalities which, prior to Decree No. 145, applied also to securitisations governed by the Securitisation Law. Such formalities include the need to execute the relevant receivables' transfer agreement in notarised form and to have the assignment notified to the relevant public entity through a court bailiff (and, in some cases, be formally accepted by such public entity).

The assignments of receivables owed by public entities made under the Securitisation Law securitisations will now be subject only to the formalities contemplated by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be) and no other formalities, including those described above, shall apply.

It has also been established that if the SPV appoints as servicer of the receivables an entity other the seller, then the relevant assigned public debtors shall be notified of such appointment through a notice on the Italian Official Gazette and a registered letter with return receipt.

Securitisation of bonds

Decree No. 145 has clarified that, in addition to monetary receivables, also bonds, similar securities and financial drafts (*cambiali finanziarie*) are capable of being securitised under the Securitisation Law (with the exception of bonds representing company equity, exchangeable, hybrids and convertible bonds). Decree No. 145 has also established that the above-mentioned securities may be, not only purchased, but also directly subscribed, by the relevant SPV.

Sole investor

Decree No. 145 has clarified that where the notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor.

Assignment of receivables arising from overdraft facilities

Decree No. 145 has expressly regulated the assignability of receivables arising from overdraft facilities under securitisation transactions. In particular, according to Decree No. 145, the assignment of all the receivables arising from the agreements relating to such overdraft facilities, including all the relevant future receivables, may now be made enforceable simply through the formalities provided for by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price

payment, as the case may be).

Asset management companies (SGR) allowed to act as servicers

Decree No. 145 has clarified that in case of securitisations contemplating the assignment of receivables to investment funds in accordance with Article 7, paragraph 2-bis, of the Securitisation Law, the relevant asset management companies will be entitled to act as servicer of the transaction.

The Law Decree No. 91 of 24 June 2014

General

The following paragraphs set out an overview of the key features of the amendments to the Securitisation Law introduced by Decree No. 91 which are relevant to securitisations transactions.

Financings granted by SPVs

Decree No. 91 has allowed SPVs to grant financings to entities different form individuals and microenterprises (as defined by Article 2, paragraph 1, of the Annex to the European Commission recommendation of 6 May 2003) in the context of securitisation transactions, provided that the following conditions are met:

(i) the borrower is identified by a bank or financial intermediary registered in the general register held by the Bank of Italy pursuant to Articles 106 of the Consolidated Banking Act;

(ii) the notes issued under the securitisation transaction are to be subscribed for by qualified investors pursuant to Article 100 of the Consolidated Financial Act; and

(iii) the above bank/financial intermediary retains a significant economic interest in the transaction, in accordance with the rules laid down in the implementation provisions of the Bank of Italy.

Morevoer, Decree No. 91 has established that from the date (to be certain at law) in which the loan is drawn (in whole or in part), no action is permitted on the receivables and on any sums paid by the assigned debtors other than in satisfaction of the rights of the noteholders and to cover the other costs of the securitisation.

In the context of such securitisation transactions of receivables arising out of financings granted by SPVs, the servicer of the securitisation is to be responsible to verify the correctness of the transaction and the relevant compliance with the applicable legislation.

Extension of segregation effects

Decree No. 91 has also extended the segregation effects provided for under Article 3, paragraph 2, of the Securitisation Law.

In particular, it has been specified that the receivables relating to each transaction (meaning both (i) the receivables towards the assigned debtors and (ii) any other claims owed to the SPVs in the context of the transaction), as well as (iii) any relevant collections and (iv) financial assets purchased through the proceeds of the receivables form separate assets from the assets of the SPV and those relating to

other transactions.

On each such assets no actions are permitted by creditors other than the holders of the notes issued to finance the purchase of the same receivables.

SPV Accounts

Decree No. 91 has amended the provisions in relation to the SPV Accounts, for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents).

In particular, the sums standing to the credit of the SPV Accounts (i) are capable of being seized and attached only by the relevant noteholders; and (ii) can be used exclusively to satisfying the claims of such noteholders, 180 hedging counterparty and to pay the relevant transaction's costs.

Moreover, in the event that the bank holding the SPV Account becomes subject to any proceedings under Title IV of the Consolidated Banking Act or any insolvency proceedings, the sums deposited on such accounts also pending such proceedings (i) are not subject to suspension of payments and (ii) will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant proceeding and outside any distribution plan.

Servicer Accounts

Decree No. 91 has also amended the provisions in relation to the Servicer Accounts, for the deposit of the collections of the securitised receivables.

The sums standing to the credit of the Servicer Accounts are capable of being seized and attached by the creditors of the relevant servicer (or sub-servicer, as the case may be) only within the limits of the amounts exceeding the sums collected and due to the SPV.

In the event that the relevant servicer (or sub-servicer, as the case may be) become subject to any insolvency proceedings, the sums deposited on such accounts also pending the insolvency proceedings, for an amount equal to the amounts pertaining to the SPV, will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

ABS Notes as eligible assets to cover technical provisions of insurance companies

Decree No. 91 has also broadened the scope of Article 5, paragraph 2-bis, of the Securitisation Law, providing that the notes issued in the context of securitisation transactions, and not only those issued in the context of securitisations carried out by way of subscription or purchase of bonds and similar securities (so-called "mini bonds") or commercial papers by the SPVs, even if not intended to be traded on a regulated market or through multilateral trading facilities and even with no credit rating by third parties, may be accepted as cover for technical provisions of insurance companies under Article 38, Legislative Decree no. 209 of 7 September 2005, as subsequently amended.

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 any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation 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.

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 under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. 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 assignor, the debtors in respect of the receivables and third party creditors by way of the Publication and the Registration, so avoiding the need for notification to be served on each debtor. On the date of the Publication and of the Registration, the assignment becomes enforceable against:

(i) the debtors in respect of the receivables and any creditors of the assignor who have not commenced enforcement proceedings in respect of the relevant receivables prior to the date of publication of the notice and registration in the Companies Register, provided that following the registration of the assignment in the Companies Register and the publication of the notice in the Official Gazette, the claw-back provisions set forth in Article 67 of the Bankruptcy Law will not apply to payments made by any debtor to the purchasing company in respect of the portfolio to which the registration of the assignment and the publication of the notice thereof relate;

(ii) the liquidator or other bankruptcy official of the debtors in respect of the receivables (so that any payments made by such a debtor to the purchasing company may not be subject to any claw-back action pursuant to Article 65 and Article 67 of the Bankruptcy Law); and

(iii) other permitted assignees of the assignor who have not perfected their assignment prior to the date of publication in the Official Gazette and of registration in the Companies Register.

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

With effect from the date of the Publication and of the Registration, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

For further details refer to section entitled "*The Porfolio*".

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under Article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of Article 67 applies, within six months of the securitisation transaction. It is uncertain whether such limitation on claw-back would be applicable if the relevant insolvency procedure or claw-back action were not governed by the law of the Republic of Italy.

The Issuer

Under the regime normally prescribed for Italian companies under the Italian Civil Code, it is unlawful for any company (other than banks) to issue securities for an amount exceeding two times the company's share capital. Under the provisions of the Securitisation Law, the standard provisions described above are inapplicable to the Issuer.

Foreclosure proceedings

Mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziali*), where registered in the appropriate land registry (*Agenzia del Territorio – Servizio di Pubblicità Immobiliare*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

A mortgage lender (whose debt is secured by a mortgage, whether "voluntary" or "judicial") may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of a titolo esecutivo from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An atto di precetto is notified to the debtor together with either the titolo esecutivo or the loan agreement, as the case may be.

Not earlier than 10 days and no later than 90 days from the date on which notice of the atto di precetto is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry. The court will, upon request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interests of the mortgage lender. If the mortgage lender does not make such request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than 10 days and no later than 90 days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as recently amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction. The court determines on the basis of the expert's appraisal the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offers are made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings and any expenses for the cancellation of the mortgages, will be applied towards satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the foreclosure proceedings).

Pursuant to Article 2855 of the Italian Civil Code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the foreclosure proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate (currently 1.25 per cent.) until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the foreclosure proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of foreclosure proceedings, 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. Law No. 302 of 3 August 1998 (as amended by Law No. 80 of 14 May 2005 and by Law No. 263 of 28 December 2005) has been issued for the purpose of shortening the duration of the foreclosure proceedings by allowing the mortgage lender to substitute the cadastral certificates referred to above with certificates obtained from public notaries and by allowing public notaries and certain lawyers and accountants to conduct various activities

which were before exclusively within the powers of the courts.

Mutui fondiari foreclosure proceedings

The Portfolio includes Receivables arising out Mortgage Loans qualifying as *Mutui Fondiari*. Foreclosure proceedings in respect of *Mutui Fondiari* commenced after 1 January 1994 are currently regulated by Article 38 (and following) of the Consolidated Banking Act in which several exceptions to the rules applying to foreclosure proceedings in general are provided for.

In particular, mortgages securing the loans are not capable of being challenged under actions for revocation pursuant to Article 67 of the Bankruptcy Law if they were registered at least 10 days prior to the publication of the decision declaring the bankruptcy of the debtor, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue foreclosure proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

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

Pursuant to Article 58 of the Consolidated Banking Act, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of *Mutui Fondiari*.

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 a borrower's movable property which is located on a third party's premises.

Prepayment fees and subrogation under Decree No. 7 (i.e. Decreto Bersani) and the Consolidated Banking Act

General

Italian Law Decree No. 7 of 31 January 2007 ("**Decree No. 7**"), converted into law No. 40 of 2 April 2007, has introduced certain provisions aimed at, inter alia, protecting consumers and promoting competitiveness in the banking sector. Decree No. 7 sets out also provisions affecting mortgage loans granted to individuals for the purpose of purchasing or restructuring real estate assets for residential use (*uso abitativo*) or carrying out its own business or professional activity (*attività economica o professionale*), as it is the case for certain securitised Loans. Such provisions deal also with (i) prepayment fees due by borrowers upon early repayment of the loan, (ii) prepayment of the loan by way of voluntary subrogation of the debtor (*surrogazione per volontà del debitore*) and (iii) simplification of the cancellation process of mortgages.

Pursuant to Italian Legislative Decree No. 141 of 13 August 2010 and Italian Legislative Decree No. 218 of 14 December 2010, the provisions of Decree No. 7 concerning prepayment of the loans and voluntary subrogation of the debtor have been repealed and are now regulated by Articles 120-ter and

120-quater of the Consolidated Banking Act.

The key features of the above mentioned provisions are set out in the following paragraphs.

Prepayment fee

In relation to the prepayment fees due by the borrowers upon the early or partial repayment of the mortgage loan, Articles 120-ter and 161 of the Consolidated Banking Act provide a different regime for (i) mortgage loan agreements entered into after 2 February 2007 (i.e. the date on which Decree No. 7 entered into force) and (ii) mortgage loan agreements entered into before such date. The Portfolio comprises Loan Agreements entered into both prior to and after 2 February 2007.

With reference to mortgage loan agreements entered into after 2 February 2007, Articles 120-ter and 161 of the Consolidated Banking Act provide the nullity of any arrangements (even if subsequent to the execution of the relevant agreement) requiring the payment of any prepayment fee by the relevant borrower upon the early or partial repayment of the loan.

With reference to mortgage loan agreements entered into before 2 February 2007, Articles 120-ter and 161 of the Consolidated Banking Act provide that the maximum amount of the prepayment fee payable upon early or partial repayment of the loan is the amount defined under the agreement entered into pursuant to Article 7 of Decree No. 7 between the Italian Banking Association and the national Consumers' Associations (such associations as determined pursuant to Article 137 of Legislative Decree No. 206, 6 September 2005 (i.e. the Italian consumer code)) on 2 May 2007 setting out general rules for rendering the terms and conditions of such mortgage loan agreements fair (*riconduzione ad equità*). In particular, according to such agreement, the maximum amount of the prepayment fee payable upon early or partial repayment of the above mentioned loans shall be as follows:

(a) for mortgage loan agreements providing a floating rate of interest:

(i) 0.50 point per cent.;

(ii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan;

(iii) nil if the prepayment is made during the last two years before the maturity of the mortgage loan;

(b) for mortgage loan agreements providing a fixed rate of interest executed before 1 January 2001:

(i) 0.50 point per cent.;

(ii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan; and

(iii) nil if the prepayment is made during the last two years before the maturity of the mortgage loan; and

(c) for mortgage loan agreements providing a fixed rate of interest executed after 31 December

2000:

(i) 1.90 points per cent. if the prepayment is made during the first half of the tenor of the mortgage loan;

(ii) 1.50 points per cent. if the prepayment is made during the second half of the tenor of the mortgage;

(iii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan; and

(iv) nil if the prepayment is made during the last two amortisation years before the maturity of the mortgage loan; and

(d) for mortgage loans providing a mixed rate interest (i.e. a rate of interest which may change from fixed to floating and vice versa) one of the maximum amounts described under paragraphs (a), (b) and (c) above depending on, inter alia, the date of granting of the relevant mortgage loan, the remaining term of, and type of interest rate applied to, the relevant mortgage loan as at the date when the prepayment is made.

The agreement between the Italian Banking Association and the national Consumers' Associations contemplates also some protection provisions (clausola di salvaguardia) for mortgage loans providing a prepayment fee equal to or lower than those established by the above agreement. The Italian Banking Association and the national Consumers' Associations undertook to set up a committee which shall meet every three months with the purposes of verifying the enforcement of the agreement achieved pursuant to Decree No. 7.

Pursuant to the above mentioned provisions, lenders, such as Banco BPM (and, thus, also the relevant assignees, including the Issuer) cannot refuse the renegotiation of a mortgage loan agreement executed prior to 2 February 2007 if the relevant borrower proposes that the amount of the prepayment fee be reduced within the limits established by the Italian Banking Association and the national Consumers' Associations.

Prepayment of loans by voluntary subrogation of the debtor (surrogazione per volontà del debitore)

Pursuant to Article 120-quater of the Consolidated Banking Act a borrower under a loan granted by a banking or financial intermediary is entitled to fund the repayment of such loan by obtaining a new loan from a third party without any charges, notwithstanding any provision to the contrary set out in the relevant loan agreement. In such case the lender of the new loan would be subrogated (surrogazione per volontà del debitore) in the rights relating to any guarantees securing the relevant subrogated claim (such as the Mortgages), without prejudice to any applicable tax benefits. Under Article 120-quater of the Consolidated Banking Act, the annotation of the subrogation can be requested to the relevant land registry through simplified formalities. Pursuant to Article 120-quater of the Consolidated Banking Act, any arrangements preventing a debtor from the exercise of the above right of subrogation or providing that it may be exercised only subject to certain charges shall be deemed null. In the event that the provisions of such Article 120- quater are not observed, the monetary penalties provided by Article 144, paragraph 3-bis, of the Consolidated Banking Act will be applied.

Moreover, paragraph 7 of Article 120-quater of the Consolidated Banking Act provides that, in case the subrogation proceeding is not perfected within 30 days from the date on which cooperation between the original lender and the new lender has commenced, the original lender is obliged to indemnify the relevant borrower for an amount equal to 1% of the value of the loan, in respect of each month of delay or part of it. The original lender will have recourse to the new lender in case the latter is responsible for such delay.

Cancellation of mortgages

Article 40-bis of the Consolidated Banking Act provides for a simplified procedure for the cancellation of mortgages securing mutui fondiari, under which such mortgages are automatically discharged on the same date on which the relevant secured obligation has been discharged. Pursuant to Article 40-bis, paragraph 2, of the Consolidated Banking Act, within 30 days from the date of discharge of the secured obligation the relevant creditor shall be under the duty to (i) give the quittance to the relevant debtor evidencing the above date of discharge and (ii) communicate such discharge to the relevant land registry.

Pursuant to Article 40- bis, paragraph 3, of the Consolidated Banking Act, the discharge of the mortgage does not take place in case, on the basis of grounded reasons, the relevant creditor communicates to the Agenzia del Territorio that the mortgage must be maintained. Pursuant to Article 40-bis, paragraph 4, of the Consolidated Banking Act, in the absence of the above creditor's communication requesting the maintenance of the mortgage, upon expiration of 30 days from the date of discharge of the secured obligation, within the following day, the land registry shall cancel the relevant mortgage and make available to third parties the communication of discharge of the secured obligation provided by the relevant creditor.

Insolvency proceedings

Under Article 1 of the Bankruptcy Law commercial entrepreneurs (companies or individuals) (*imprenditori che esercitano un'attività commerciale*) may be subject to the insolvency proceedings (*procedure concorsuali*) provided for by the Bankruptcy Law being, inter alia, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*).

Commercial entrepreneurs are not subject to the insolvency proceeding pursuant to the Bankruptcy Law if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three years are not higher than Euro 300,000;

(b) its annual gross revenue over the last three years is not higher than Euro 200,000; and/or

(c) its indebtedness – whether due or not – is in aggregate not higher than Euro 500,000.

Bankruptcy procedure applies to commercial entrepreneurs which are in state of insolvency. A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon request of one or more of its creditors or of the public prosecutor) if it is not able to timely and duly fulfill its obligations.

Pursuant to Article 15 of the Bankruptcy Law, declaration of bankruptcy is not stated by the court if the amount of all debts due and not paid does not exceed Euro 30,000. The order issued by the bankruptcy court will provide for, inter alia:

- the appointment of a deputy judge (*giudice delegato*) that will supervise the proceeding;

- the appointment of a receiver (*curatore fallimentare*) that will deal with the distribution of the debtor's assets;

- the filing of all the debtor's accounting records and ledgers with the court;

- the establishment of the terms upon which creditors must file their claims.

The court order deprives the debtor of the right to manage its business which is taken over by the court appointed receiver and, as a result, the debtor is no longer able to dispose of all its assets. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. In addition, any legal action taken and proceedings already initiated by creditors against the debtor are automatically suspended.

The proceeding is closed by an order of the bankruptcy court. Once the receiver has disposed of all the debtor's assets, but prior to allocating the proceeds, it must submit a final report to the deputy judge on his administration. Finally (after creditors' motions against such final report have been decided) the deputy judge orders the allocation of the net proceeds. Thereafter, creditors may sue the debtor to obtain payment of any unrecovered portion of their claims and of interest thereon. A bankruptcy proceeding may also end with a settlement accepted by the creditors (*concordato fallimentare*).

Pre-bankruptcy agreement (Concordato preventivo)

The debtor in "state of financial distress" (i.e. financial crisis which may not constitute insolvency yet) may propose to its creditors a pre-bankruptcy agreement (concordato preventivo) on the basis of a recovery plan which may provide for:

(a) the restructuring of debts and the satisfaction of creditors in any manner, even through transfer of debtor's assets, novations (*accollo*) or other extraordinary transactions, including the assignment to the creditors of shares, quotas, bonds (also convertible into shares) or other financial instruments and debt securities;

(b) the assignment of the debtor’s assets in favour of an assignee (assuntore), that can be appointed even among the creditors;

(c) the division of creditors into classes; and

(d) different treatments for creditors belonging to different classes.

It is possible that, according to the proposed plan, creditors with liens or security interests (*pegno* and *ipoteca*) can be partially satisfied provided that their claims would not be satisfied in a higher measure through the sale of their secured assets.

Once the court declares the procedure admissible, from the date of the filing of the debtor's petition and until the order of the court becomes definitive, creditors whose claims have arisen prior to the date of the judicial approval (*decreto di omologazione*) cannot commence or proceed with foreclosure

proceedings (*azioni esecutive*) on debtor's assets and cannot acquire pre-emption rights (*diritti di prelazione*).

The pre-bankruptcy agreement is approved by creditors representing the majority of the claims admitted to vote. In the event that the proposal provides for the creation of classes of creditors, the pre-bankruptcy agreement is approved when in the majority of classes a favourable vote is obtained from the majority of the claims admitted to vote in each class. Should a creditor belonging to a dissenting class disagree with the proposed agreement, the court may also approve the pre-bankruptcy agreement if it deems that such a creditor would be satisfied in a measure not lower than compared with other practicable solutions.

If the required majorities are not reached, the court declares the proposed pre-bankruptcy agreement inadmissible. In such a case, the court declares the bankruptcy of the debtor only if there is a petition of a creditor or a request of the public prosecutor.

In case of judicial approval, the pre-bankruptcy agreement becomes obligatory for all of the debtor's creditors in existence prior to the admission to the pre-bankruptcy agreement procedure.

It must be noted that the relevant provisions of the Bankruptcy Law regulating pre-bankruptcy agreements have been amended by Article 33 of Law Decree 22 June 2012, No. 83 (converted into law by the conversion law 7 August 2012, No. 134). In particular, it is provided, inter alia, as follows:

(a) the possibility of the debtor to file only a petition in the first instance and to subsequently submit the relevant documents listed in Article 161 of the Bankruptcy Law within a term assigned by the judge; additionally, the debtor may file within such term (as an alternative to the pre-bankruptcy agreement proceedings) a demand of approval of a debt restructuring agreement (accordo di ristrutturazione dei debiti) pursuant to Article 182-bis of the Bankruptcy Law and in such a case, the protective measures set out by Article 168 of the Bankruptcy Law will continue to be effective;

(b) the creditors' impossibility (in addition to the impossibility to commence or proceed with foreclosure proceedings on debtor's assets and to acquire pre-emption rights) to commence or proceed with precautionary actions (*azioni cautelari*) from the date of publication of the petition of pre-bankruptcy agreement with the companies register; additionally, judicial mortgages (ipoteche giudiziali) created in the 90-days period preceding such date are ruled out as ineffective;

(c) the possibility of the debtor to carry out, after the date of filing of the petition of pre-bankruptcy agreement and until the date of approval: (i) urgent extraordinary activities (*atti di straordinaria amministrazione*) with the prior authorisation of the court; and (ii) ordinary activities (*atti di ordinaria amministrazione*); claims of third parties arising out of such activities will be discharged in priority (*crediti prededucibili*) in the context of potential bankruptcy proceedings of the debtor pursuant to Article 111 of the Bankruptcy Law;

(d) the power of the court to authorise, upon demand of the debtor, termination or suspension of the agreements in force as of the date of filing of the petition, provided that the other parties to such agreements are indemnified by the debtor;

(e) the power of the court to authorise the debtor to enter into loan agreements (and to create the relevant in rem securities), the claims arising out of which will be discharged in priority in the context of potential bankruptcy proceedings of the debtor pursuant to Article 111 of the Bankruptcy Law,

subject to a certification by an expert that such loans are functional to the best satisfaction of the creditors' rights; and

(f) specific rules in relation to business continuity pre-bankruptcy agreements (*concordati con continuità aziendale*).

Debt restructuring agreements under Bankruptcy Law (Accordi di ristrutturazione dei debiti)

Pursuant to Article 182-bis of the Bankruptcy Law, an entrepreneur in state of distress can enter into a debt restructuring agreement with its creditors (*accordo di ristrutturazione dei debiti*).

In order to obtain the court approval (*omologazione*), the entrepreneur must file with the competent court an agreement for the restructuring of debts entered into by creditors representing at least 60 per cent. of the debtor's debts, together with an assessment made by an expert on the feasibility of the agreement, particularly with respect to the regular payments in favour of creditors who have not entered into such debt restructuring agreement.

From the day the agreement is published in the companies register:

(a) the agreement is effective;

(b) creditors whose claims have arisen prior to such date cannot commence or continue precautionary actions (*azioni cautelari*) or foreclosure proceedings (*azioni esecutive*) on the assets of the debtor for 60 days; and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval to the debt restructuring agreement once it has decided on any opposition.

According to the Article 182-bis, paragraph 6 of the Bankruptcy Law, introduced by Law Decree of 31 May 2010 No. 78, upon request of the entrepreneur, the preventive effects mentioned under paragraph (b) above may also be produced before the entering into of the debt restructuring agreement, provided that the entrepreneur gives evidence of the feasibility of the debt restructuring plan under discussion by filing certain 188 documents with the court.

In particular, the entrepreneur shall:

(i) certify that negotiations are pending with creditors representing at least 60 per cent. of the debtor's debts;

(ii) provide an assessment by an expert confirming that the debt restructuring agreement being negotiated by the debtor allows regular payment of the creditors not entering into such agreement.

It must be noted that the relevant provisions of the Bankruptcy Law regulating debt restructuring agreements have been amended by Article 33 of Law Decree 22 June 2012, No. 83 (converted into law by the conversion law 7 August 2012, No. 134).

In particular, it is provided, inter alia, as follows:

(a) the payment "in full" (and not "regular") of the creditors not entering into the debt restructuring agreement, within specific terms set out therein;

(b) the creditors' impossibility to acquire pre-emption rights (diritti di prelazione) (in addition to the impossibility to commence or proceed with precautionary actions or foreclosure proceedings on the debtor's assets) from the date of publication of the debt restructuring agreement with the companies register;

(c) the possibility of the debtor to submit – after having filed with the court a proposal of debt restructuring agreement pursuant to Article 182-bis, sixth paragraph, of the Bankruptcy Law and within the term subsequently assigned by the court to file the debt restructuring agreement – a petition of pre bankruptcy agreement (*concordato preventivo*) and in such a case the protective measures set out by Article 182-bis, sixth and seventh paragraphs, of the Bankruptcy Law will continue to be effective; and

(d) the power of the court to authorise the debtor to enter into loan agreements (and to create the relevant in rem securities), the claims arising out of which will be discharged in priority (*crediti prededucibili*) in the context of potential bankruptcy proceedings of the debtor pursuant to Article 111 of the Bankruptcy Law, subject to a certification by an expert that such loans are functional to the best satisfaction of the creditors' rights.

Recent main changes in Italian bankruptcy, tax and civil procedure law

The Italian Parliament has recently adopted the Law Decree No. 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Law No. 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy, tax and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

(a) the rules governing the deductibility for tax purposes by banks and financial intermediaries of losses and write-off relating to receivables have been amended. Under the new rules both losses deriving from assignment of receivables and losses and write-off of receivables vis-à-vis customers (crediti verso la clientela) are entirely deductible in the fiscal year in which they are registered in the financial statements of the aforesaid companies. This provision has shortened the timeframe previously provided for deducting losses and write-off of receivables, which was equal to five fiscal years;

(b) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;

(c) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;

(d) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;

(e) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least 40% of non-preferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;

(f) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract (please see the paragraph "Italian Law on Leasing" below for more details on this provision); and

(g) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to creditors.

These provisions of Decree No. 83 have not been tested in any case law nor specified in any further regulation.

Law Decree No 59/2016

The Italian Parliament has recently adopted the Law Decree No. 59 of 3 May 2016 (*Disposizioni urgenti in materia di procedure esecutive e concorsuali, nonchè a favore degli investitori in banche in liquidazione*) converted into law by Law No. 119 of 30 June 2016 (the "**Decree No. 59**"), providing for urgent measures on guarantees, foreclosure and insolvency proceedings and aiming at restoring damages suffered by investors of banks under liquidation.

The main features of the reform implemented by Decree No. 59 are summarised herein below:

(a) a new security interest over movable assets ("*pegno mobiliare non possessorio*") has been introduced in order to improve the businesses' access to financing;

(b) it is now possible for banks and other financial intermediaries authorised to carry out lending activities pursuant to Article 106 of the Consolidated Banking Act to agree in the financing arrangements with businesses to obtain, in case of default, title to a designated real estate asset(s) (such measure expressly provides for an exception to the general Italian rule pursuant to which a secured creditor is not allowed to repossess a pledged or mortgaged asset upon the borrower's default);

(c) certain provisions have been introduced in order to further accelerating (following the recent amendments in enforcement proceedings) credit recovery through more efficient enforcement proceedings. In particular: (i) no oppositions to enforcement procedures are allowed (with limited exceptions) if the sale process for the asset has already been launched; (ii) courts must (with no discretion) order provisional execution of an injunction order for the portion of the claim which has not been challenged by the debtor; (iii) a bidder in an auction may identify a third party assignee to become the owner of the asset;

(d) changes have been introduced to Bankruptcy Law to facilitate certain procedural aspects by strengthening the use of online technologies to enhance interactivity within the context of hearings

and creditors' meetings;

(e) a digital registry shall be set up and held by the Ministry of Justice, which includes data relating to all the compulsory expropriation, insolvency proceedings and alternative debt restructuring resolution schemes.

These provisions of Decree No. 59 have not been tested in any case law nor specified in any further regulation.

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

Articles from 6 to 19 of Law No. 3 of 27 January 2012, as amended by Law Decree No. 179 of 18 October 2012 converted into Law No. 221 of 17 December 2012 (the "**Law No. 3/2012**"), have introduced a special settlement procedure for the situations of crisis due to over-indebtedness (*procedimento per la composizione delle crisi da sovraindebitamento*) (the "**Settlement Procedure**").

The Settlement Procedure applies to debtors who/which (i) are in a situation of persisting financial stress between their assets and liabilities which can be promptly liquidated and are seriously not capable of fulfilling their obligations or definitively not capable of fulfilling on a regular basis their obligations, (ii) may not be subject to any other insolvency proceedings, and (iii) have not entered into the Settlement Procedure for the last 5 (five) years. Law No. 3/2012 applies both to small enterprises which are not subject to any other insolvency proceedings and to consumers.

The Settlement Procedure consists of a restructuring agreement between the debtor and its creditors (the "**Settlement Agreement**"). The Settlement Agreement is proposed by the debtor on the basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the "**Plan**").

The Plan shall contain, inter alia: (i) the terms of the debt restructuring, including the re-scheduled payment dates and the modalities of payments, (ii) the modalities of liquidation (if any) of the assets; (iii) the security interests (if any) created in favour of the creditors. In addition, the Plan may provide for a payment standstill (*moratoria*) in respect of amounts due to the creditors who/which do not adhere to the Plan for a period not exceeding 1 (one) year, subject to the conditions that (a) the Plan is capable of ensuring the payment of such amounts at the expiry of the standstill period, (b) the Plan is executed by an administrative receiver (*liquidatore*) appointed by the court upon proposal of the Crisis Composition Body (as defined below), and (c) the standstill (*moratoria*) does not apply to claims which may not be subject to attachment or seizure (*crediti impignorabili*).

The Settlement Agreement shall be approved by such creditors representing at least 60 (sixty) per cent. of the indebtedness of the debtor. If the approval is achieved, the Settlement Agreement shall be validated by the court, upon verification that all the requirements provided for by Law No. 3/2012 are satisfied. The court may order that until the Settlement Agreement is approved (*omologazione*), any individual action is forbidden or suspended (if already pending). Law No. 3/2012 provides for the establishment of composition bodies (*organismi di conciliazione*) (the "**Crisis Composition Bodies**"). The Crisis Composition Bodies should cooperate with the debtor and its creditors in any activity relating to the Settlement Procedure in order to achieve a successful composition. It is only in December 2013 that the first Settlement Agreement obtained the approval of the court (reference is made to court order (*decreto di omologa*) issued by Court of Pistoia on 27 December 2013) and, as at the date of this Information Memorandum, the number of Settlement Agreements being

reviewed by courts is still limited.

The Settlement Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 (ninety) days from the relevant due date or if the relevant debtor attempts to fraud its creditors. The Settlement Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

Prospective Noteholders should note that the Portfolio comprise Receivables only deriving from Loans classified as performing (*crediti in bonis*) by the Originator, in accordance with the Bank of Italy's guidelines as at the Valuation Date, as at the Transfer Date and the Issue Date. Without prejudice to the fact that all the Receivables are not Defaulted Claims as at the Valuation Date, however it cannot be excluded that any Debtor may become subject to a Settlement Agreement after the Issue Date.

THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreement. Prospective Noteholders may inspect a copy of the Transfer Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent.

1. Transfer of the Receivables

Pursuant to the terms of the Transfer Agreement, the Issuer acquired on the Transfer Date from Banco BPM without recourse (*pro soluto*) the Portfolio and any other connected rights arising out of the Loans.

2. Purchase price

The Purchase Price payable by the Issuer for the Portfolio, amounts to the aggregate of the relevant Individual Purchase Prices (rounded down to the amount equal to the minimum denomination of the Notes).

The Purchase Price is required to be paid in full to the Originator on the Issue Date or, if subsequent, on the later of (i) the date of publication in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) of the notice of assignment as described in the Transfer Agreement and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment as described in the Transfer Agreement.

The payment of the Purchase Price has been and will be financed by, and will be limited recourse to, the net proceeds of the issue of the Notes.

3. Legal and Economic effects

Under the Transfer Agreement, Banco BPM assigned the Receivables to the Issuer with legal effects on the Transfer Date. However, Banco BPM and the Issuer have agreed that the economic effects of the Transfer Agreement will take effect as of (but including) the Valuation Date.

Accordingly, Banco BPM will pay to the Issuer within the third day preceding the Issue Date, any amount received by the Originator in respect of the Receivables (i) before (and including) the Valuation Date, if such amount was not correctly deducted when the Outstanding Principal of the Receivables was calculated as at the Valuation Date, plus an amount equal to any interest accrued on such amount at a rate equal to Euribor (where such amount shall not be lower than zero) shall from (and including) the Valuation Date to the date on which such amount will be effectively paid to the Issuer and (ii) from (and including) the Valuation Date (but excluding) to the Transfer Date plus an amount equal to any interest accrued on such amount at a rate equal to Euribor (where such amount shall not be lower than zero) from (and including) the receipt date to the date on which such amount will be effectively paid to the Issuer into the Interim Account, to the extent not already transferred under the Servicing Agreement.

4. Purchase Price adjustment

The Transfer Agreement provides that if, at any time after the Transfer Date, it transpires

that any Loan from which a Receivable arises does not meet the Criteria and was therefore erroneously transferred to the Issuer, then the relevant Receivable relating to such Loan (the "**Excluded Claim**") will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement, and the Originator will pay to the Issuer an amount equal to the sum of:

(i) the Individual Purchase Price of the relevant Receivable relating to such Loan (as specified in schedule 1 of the Transfer Agreement); *plus*

(ii) the interest accrued on such Individual Purchase Price from the Valuation Date to the Interest Payment Date on which principal on the Notes may be paid immediately succeeding the day on which the parties agree on the existence of such Excluded Claim at a rate equal to interest rate applicable to such Excluded Claim; minus

(iii) an amount equal to the aggregate of all the Collections recovered or collected by the Issuer (also through the Originator) after the Valuation Date in relation to such Excluded Claims; minus

(iv) an amount equal to the interests accrued on the amount set out in (iii) above from the relevant collection date to the date on which those amounts related to the relevant Excluded Claim are paid to the Issuer at a rate equal to the rate of interest from time to time applicable to the Interim Account, net of any withholding provided by any applicable law.

The Transfer Agreement further provides that if, at any time after the Transfer Date, it transpires that a Loan which met the Criteria was not included in the portfolio of the Receivables then the claims under such Loan (the "**Additional Claim**") shall be deemed to have been assigned and transferred to the Issuer by the Originator on the Transfer Date. In respect of such Additional Claims, the Issuer shall pay to the Originator, in accordance with the Priority of Payments, an amount equal to:

(i) the purchase price of the Additional Claim, calculated adopting the same method used to calculate the Individual Purchase Price of the Receivables with reference to the Valuation Date; *minus*

(ii) any principal amount collected from the Valuation Date onwards by the Originator under the relevant Additional Claim; minus

(iii) interest accrued on the amount under (ii) above, at a rate equal to the rate of interest paid Interim Account on the date of collection on the Loan from which the relevant Additional Claim derives, from the date of collection of any such amount to the date of the collection of the amount under (i) above,

(each such amount, at any time due to the Originator, the "**Additional Claims Purchase Price**").

5. Rateo Amounts

Moreover, the Issuer will pay to Banco BPM a sum equal to the Rateo Amounts.

The Rateo Amounts shall be payable to Banco BPM in accordance with the applicable

Priority of Payments commencing from the First Interest Payment Date.

6. Settlement expenses

The Transfer Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the Originator concerning the qualification of certain claims as Excluded Claims or as Additional Claims. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to the Transfer Agreement, shall be borne by the Originator even if the Issuer is the succumbent. Should the Issuer succumb, the Originator shall advance to the latter the fees and costs of the deciding panel (the "**Settlement Expenses Amount**"). The Issuer shall then reimburse the Settlement Expenses Amount on the next subsequent Interest Payment Date, in accordance with the Priority of Payments.

7. Additional provisions

The Transfer Agreement contains certain representations and warranties made by the Originator, in respect of the Receivables and the Loans. The principal representations and warranties given by Banco BPM to the Issuer in connection with the transfer of the Receivables are contained in the Warranty and Indemnity Agreement (see "*The Warranty and Indemnity Agreement*").

The Transfer Agreement also contains a number of undertakings by Banco BPM in respect of the activities relating to the Receivaables. Banco BPM has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any of such Receivables or the relevant related security and not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between the Transfer Date and the later of (i) the date of publication of the notice of the transfer in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment.

8. Insurance Policies

In connection with the Insurance Policies, Banco BPM has, *inter alia*, undertaken to ensure, with reference to the Insurance Policies executed by the Debtors and in respect of which the Debtors have undertaken to pay to the relevant Insurance Company the relevant premia, that the real estate assets will continue to have the benefit of the insurance coverage until the related Loan is fully repaid. Thus, should a Debtor fail to pay the insurance premia as they fall due, the Originator will (upon becoming aware of the Debtor's failure) make the relevant payment (the "**Insurance Premia**") to the relevant insurance company in lieu of the relevant Debtor.

Banco BPM will be entitled to a reimbursement from the Issuer of the Insurance Premia thus paid by it in accordance with the applicable Priority of Payments.

9. Repurchase of the Receivables

Pursuant to the Transfer Agreement, Banco BPM, has been given the right to purchase *pro soluto* from the Issuer on or about each Interest Payment Date following the First Interest Payment Date the Receivables outstanding as at such date. The purchase price payable by

Banco BPM to the Issuer for the repurchase of the Receivables (the "**Repurchase Price**") may not exceed (A) the outstanding principal amount of the Receivables to be repurchased, provided that none of such Receivables qualify as Defaulted Claims, or (B) the aggregate of: (I) the market value of the Receivables which are classified as Defaulted Claims (if any), as determined by one or more third-party experts independent from Banco BPM and the Banco BPM Group and any party of the Securitisation selected by the Issuer, the Servicer and the Representative of the Noteholders (acting upon instructions of the Noteholders) which shalll not be higher than their current value as at the date of exercise of the option right; and (II) the outstanding principal of the Receivables (increased of the interest accrued but still due) which are classified neither as Defaulted Claims.

The Repurchase Price shall be equal to a minimun amount, calculated toghether with the other Issuer's reserves, which will allow the Issuer to redeem any principal amount on the Notes (or on the Senior Notes only if the Junior Noteholders give their consent) as at the relevant Interest Payment Date (plus any accrued interest) and any cost expenses in priority or pari passu to the payment on the Notes in accordance with the Priority of Payments and the Conditions.

10. Payments by the Issuer

Any amount owed to Banco BPM from time to time by the Issuer pursuant to the terms of the Transfer Agreement, with the exception of the Purchase Price, will be treated as "*Originator's Claims*" and will be paid by the Issuer to the Originator under the applicable Priority of Payments and subject to the Intercreditor Agreement commencing from the First Interest Payment Date.

11. Governing law and jurisdiction

The Transfer Agreement and any non –contractual obligations deriving therefrom are governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Transfer Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement . Prospective Noteholders may inspect a copy of the Servicing Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent.

1. Appointment of the Servicer

On the Transfer Date, the Issuer appointed Banco BPM as servicer of the Portfolio pursuant to the terms of the Servicing Agreement.

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service respectively the Portfolio on behalf of the Issuer and, in particular, to:

(a) collect amounts due in respect thereof;

(b) administer relationships with any person who is a Debtor under a Loan; and

(c) commence and pursue any Proceedings (as defined below) in respect of any Debtors who may default.

2. Duties of the Servicer

The Servicer is responsible for the receipt of cash collections in respect of the Loans and the Receivables and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-*bis* of the Securitisation Law, the Servicer is responsible for verifying that the transactions to be carried out in connection with the Securitisation comply with applicable laws and are consistent with the contents of this Information Memorandum.

The Servicer has undertaken in relation to the Loans and the Receivables, *inter alia*:

(a) to collect the Collections and to credit them into the Interim Account by no later than the Business Day on which have been received, for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Debtor to the Collection Account; and (ii) by, respectively, cash, inter- banking direct debit of the Debtors' bank account open with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the Interim Account, through an automatic process. In case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the Interim Account, by the Businees Day on which the operational delay in the transfer has been resolved. The Servicing Agreement provides that if monies already transferred to the Interim Account are identified as having not been paid, in whole or in part, by the relevant Debtor, following the verification activity carried out by the Servicer, the latter may deduct those unpaid amounts from

the relevant Collections not yet transferred to the Issuer within the same Collection Period;

(b) to strictly comply with the Servicing Agreement and the Collection Policies as being described in the section "*The Collection Policies*" of this Information Memorandum above;

(c) to carry out the administration and management of such Receivables and to manage any possible legal proceedings (*procedura giudiziale*) against the relative Debtor or related guarantor in respect thereof, if any (the "**Judicial Proceedings**"), and any possible bankruptcy or insolvency proceedings against any Debtor ("**Debtor Insolvency Proceedings**", and, together with Judicial Proceedings, the "**Proceedings**");

(d) to initiate any Proceedings in respect of such Receivables, if necessary;

(e) to comply with any requirements of laws and regulations applicable in the Republic of Italy in carrying out activities under the Servicing Agreement;

(f) to maintain effective accounting and auditing procedures so as to ensure compliance with the provisions of the Servicing Agreement;

(g) save where otherwise provided for in the relevant Collection Policies or other than in certain limited circumstances specified in the Servicing Agreement, not to consent to any waiver or cancellation of or other change prejudicial to the Issuer's interests in or to such Receivables, the mortgage and any other real or personal security or remedy under or with respect to such Loan unless it is ordered to do so by an order of a competent judicial or other authority or authorised to do so by the Issuer and the Representative of the Noteholders;

(h) on behalf of the Issuer, operate an adequate supervision and information disclosure system with respect to the Receivables and an adequate database maintenance system as provided for under any laws relating to money laundering, by keeping and maintaining any books, records, documents, magnetic media and IT systems as may be useful for, or relevant to, the implementation of a data disclosure system to permit the Issuer to operate in full compliance with all applicable laws and regulations in matters of supervision, reporting procedures or money laundering;

(i) interpret, consider and manage autonomously any issue arising out of the application of the Usury Law from time to time. The Servicer has undertaken, in carrying out such tasks and its functions pursuant to the Servicing Agreement, and in particular in the collection of the Receivables, not to breach the Usury Law; and

(j) maintain and implement administrative and operating procedures (including, without limitation, copying recordings in case of destruction thereof), keep and maintain all books, records and all the necessary or advisable documents (i) in order to collect all the Receivables and all the other amounts which are to be paid for any reason whatsoever in connection with the Receivables (including,

without limitation, records which make it possible to identify the nature of any payment and the precise allocation of payment and collected amounts to capital and interest), and (ii) in order to check the amount of all the Collections received.

The Issuer and the Representative of the Noteholders have the right to inspect and copy the documentation and records relating to the Receivables in order to verify the activities undertaken by the Servicer, pursuant to the Servicing Agreement, provided that the Servicer, has been informed at least two Business Days in advance of any such inspection.

Pursuant to the terms of the Servicing Agreement, the Servicer will indemnify the Issuer from and against any and all damages and losses incurred or suffered by the Issuer as a consequence of a default by the Servicer of any obligation of the Servicer under the Servicing Agreement. The Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement, it will not have any recourse against the Issuer for any damages, claims, liabilities or costs incurred by it as a result of the performance of its activities under the Servicing Agreement except as may result from the Issuer's wilful default (*dolo*) or gross negligence (*colpa grave*).

3. Delegation of activities

The Servicer is entitled to delegate, under its exspenses, to one or more companies fulfilling the prerequisites set forth in the Servicing Agreement, certain activities entrusted to it as Servicer pursuant to the Servicing Agreement (including the service and recovery of Defaulted Claims). The Servicer will remain directly responsible for the performance of all duties and obligations delegated to any such company and will be liable for the conduct of all of them.

4. Reporting requirements

The Servicer has undertaken to prepare and submit, inter alia, the following reports.

The Servicer shall prepare and deliver to the Computation Agent, the Rating Agencies, the Representative of the Noteholders, the Underwriter, the Reporting Entity, the Back-Up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer and the Issuer by no later than each Reporting Date the Servicer Report in the form set out in the Servicing Agreement and containing information as to the Receivables, the amounts of the Renegotiations (as defined below), the amendments to the amortisation plan of the Loans (as permitted under the Servicing Agreement) and any Collections in respect of the preceding Collection Period together with any further information which may be included in accordance with the provisions of the Servicing Agreement.

The Servicer shall prepare deliver to the Reporting Entity by the end of the month immediately following each Interest Payment Date a database on the Receivables with the information on the Loans (as updated as at the the last day of the immediately preceeding Collection Period) required under the ECB's applicable regulation for the eligibility of the Senior Notes.

The Servicer shall prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the immediately preceding Collection Period (including, inter alia, the information related to the environmental performance of the assets financed by the relevant

Loan, if available), in compliance with point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes within the month immediately following each Reporting Date.

The Servicer shall prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, within the month immediately following each Report Date (simultaneously with the Loan by Loan Report and the SR Investors Report).

Moreover, the Servicer has undertaken to furnish (by supplementing the relevant Servicer Report, the Loan by Loan Report and the Inside Information and Significant Event Report) to the Issuer, the Rating Agencies, the Representative of the Noteholders, the Back-Up Servicer Facilitator, the Reporting Entity, the Administrative Servicer, the Corporate Servicer and the Computation Agent such further information as the Issuer and/or the Computation Agent and/or the Rating Agencies and/or the Administrative Servicer and/or the Corporate Servicer and/or the Representative of the Noteholders and/or the Back-Up Servicer Facilitator and/or the Reporting Entity, may reasonably request with respect to the Receivables and/or the related Proceedings together with any further information which may be required from time to time pursuant to the monetary policies of the ECB, the Securitisation Regulation, subject to the applicable confidentiality obligations and any law or regulation generally appliable.

5. Settlement agreements and renegotiations

Transactions, deferral and moratoria on Defaulted Claims

Under the Servicing Agreement, with reference to situations of delay in performance that, in the Servicer's prudent opinion, are indicative of serious difficulties on the part of a Debtor to meet its obligations and if necessary for a more rapid management of the credit recovery procedure (where there are no alternative solutions to recover Collections from such Debtor), the Servicer may:

(i) limited to the Defaulted Claims, proceed with arrangements with the Debtors and to the total or partial release of the same, provided that any such arrangements shall not produce recoveries lower than 70% of the entire debt (which includes outstanding principal, interest, reimbursement of legal costs, expenses, indemnities or penalities); or

(ii) limited to the Defaulted Claims, agree with the Debtors on deferrals or moratoria of payments, provided that any such deferrals or moratoria (a) shall not exceed 48 months

from the original maturity of the Loans, (b) the new maturity date of the Loan shall not be later than the tenth year after the maturity of the Notes and (c) the aggregate of the above transactions does not involve Loan Agreements in respect of which the relevant Receivables have an outstanding principal amount (as at the date of the trasaction) higher than 20% of the Outstanding Principal of all the Receivables as at the Valuation Date;

in accordance with the Collection Policies and subject to the other limits and the conditions set under the Servicing Agreement.

Renegotiations on Receivables which are not Defaulted Claims

In relation to Receivables which are not Defaulted Claims, the Issuer has expressly authorized the Servicer to enter into the following renegotiation:

(i) amendments to the scheduled repayment plan of the Loan Agreements (not including suspension and/or delay of the payment of the instalment for the sole principal component and/or the principal compenent and the interest component), provided that:

(a) with respect to any Loans whose Receivables have a cumulative outstanding principal amount (calculated as of the date of the relevant amendment) not exceeding 10% (ten per cent) of the Outstanding Principal as at the Valuation Date of all the Receivables, the maturity date of the Loan subject to amendment is not more than thirty years from the originally agreed maturity date and provided that in any event, following such amendment, the payment of one or more instalments of the Loans subject to such renegotiation does not fall later than the statutory maturity date of the Senior Notes; and

(b) with respect to the remaining Loans, the maturity date of the amended Loan does not exceed ten years from the originally agreed maturity date, provided that in any event, following such amendment, the payment of one or more instalments of the Loans subject to such renegotiation shall not fall later than the statutory maturity date of the Senior Notes;

(ii) granting moratoria or deferrals of the instalments' payments under the Loan Agreements (further to the suspension and/or delsy of the relevant payment dates, in respect of the sole principal component and/or the principal component and the interest component), provided that the the suspension of the payment shall not be longer than 18 months for each Debtor;

(iii) the renegotiation of interest rates applicable to Loans having a fixed interest rate, by way of amending (a) the rate of interest or (b) the indexation of the Loan Agreement changing from fixed rate to floating rate;

(iv) the renegotiation of the spread applicable to Loans having a floating interest rate, by way of (a) reducing the spread, in any case with the floor at zero and (b) amending the indexation of the Loan Agreement changing from floating rate to a positive fixed rate;

(the "**Renegotiations**"), **provided that**:

A. the aggregate of the Renegotiations referred to in paragraphs (iii) and (iv) above, may not altogether relate to any Loan Agreements whose Receivables have an outstanding principal amount (calculated as of the date of the relevant Renegotiation) in excess of 5% (five percent) of the Outstanding Principal as at the Valuation Date of all Receivables;

B. the aggregate of the Renegotiations referred to in paragraph (i)(b) above, may not relate to any Loan Agreements whose Receivables have an outstanding principal amount (calculated as of the date of the relevant Renegotiation) during each Collection Period in excess of 5% (five percent) of the Outstanding Principal as at the Valuation Date of all Receivables;

C. without prejudice to the limits set forth in paragraphs (A) and (B) above, the total of the Renegotiations referred to in paragraphs (ii), (iii) and (iv) above shall not altogether relate to any Loan Agreements whose Receivables have an outstanding principal amount (calculated as at the date of the relevant Renegotiation) in excess of 20% (twenty per cent) of the Outstanding Principal as at the Valuation Date of all Receivables.

In any case, any suspension granted further to (i) the Decree Law No. 18 of 17 March 2020 (*Decreto Cura Italia*) which set out measures to support businesses and families during the COVID-19 crisis, (ii) any other mandatory provisions of law amending and extending the provisions under (i) above or of any other law or regulation which shall be mandatory applied by the Servicer or (iii) adopted on a voluntary basis following the Servicer's adhesion to agreements concluded with trade associations (including moratorium agreements with ABI (*Associazione Bancaria Italiana*)), shall be excluded from limits and conditions set out above for the Renegotiations and so always permitted without any Issuer's consent and further formalities.

Repurchase of individual Receivables

In addition, under the Servicing Agreement the relevant parties have agreed that in order to maintain good relationships with its customers and to avoid possible discrimination between the Debtors and its other customers, the Servicer may, as an alternative to the transactions and the Renegotiations mentioned above or in the event of sale of Defaulted Claims, make an offer to the Issuer for the purchase of the Receivables (the "**Purchase Offer**") by way of registered letter with acknowledgment of receipt or PEC, **provided that** the aggregate outstanding principal amount of the Purchase Offer, calculated as of the immediately preceding Reporting Date, added to the amount of the Receivables subject to other purchase offers of the Originator already accepted by the SPV, does not exceed, after the Valuation Date:

(i) 15% (fifteen percent) of the Outstanding Principal as at the Valuation Date of the Receivables assigned in the aggregate by the Originator to the SPV as set forth in schedule 1 of the Transfer Agreement; and

(ii) 15%(fifteen percent) of the outstanding principal amount of the Receivables assigned in the aggregate by the Originator and outstanding as of the Valuation Date on which the relevant Collection Period commences, provided that the limit

set forth in this paragraph (ii) shall not apply if (a) the repurchase is related to the need of the Originator to avoid discrimination between the Debtors and other customers of the Originator, following the entry into force of new legislation requiring the Originator to avoid such discrimination and (b) the prior consent of the Representative of the Noteholders has been obtained,

and **provided that** the consideration for the sale shall be equal to the sum of the outstanding principal amount of such Receivables (including the principal amount of past due and unpaid instalments) as of the economic effectiveness date of the repurchase plus accrued and unpaid interest (including past due and unpaid interest) on such Receivables to the Interest Payment Date immediately following the repurchase.

The Purchase Offer shall be completed of the solvency certificate and good stadning certificate in respect of the Originator and shall be accepted by the Issuer in accordance with the procedure set out under the Servicing Agreement.

Sale of Defaulted Claims

To the extent advantageous to the Noteholders in accordance with the provisions of article 2 paragraph 3 letter d) of the Securitisation Law, the Servicer may, in the name and on behalf of the SPV, sell one or more Defaulted Claims to third parties provided that the relevant purchase price of the Defaulted Claims is equal to the fair value having been determined by one or more third party expert independent from the Banco BPM Group and any other other party involved in the Securitisation appointed by the Servicer and the Representative of the Noteholders (acting upon instructions of the Noteholders) and the conditions the Servicing Agreement are met.

6. Remuneration of the Servicer

In return for the services provided by the Servicer in relation to the ongoing management of the Receivables on each Interest Payment Date and in accordance with the Priority of Payments, the Issuer will pay to the Servicer the following amounts:

(a) in connection with the collection of the Receivables (other than the Defaulted Claims), an amount equal to 0.50 per cent. (on a yearly basis calculated according to the Act/360 method) of the Collections in respect of the Receivables (other than the Defaulted Claims) in the immediately preceding Collection Period (excluding VAT where applicable) as better specified in the Servicing Agreement;

(b) in connection with the management of the Receivables (other than the Defaulted Claims), an annual fee of € 10,000.00 (including VAT where applicable) payable by the Issuer on each Interest Payment Date;

(c) in connection with the recovery of the Defaulted Claims, an amount equal to 0.25 per cent. of the recoveries in respect of the Defaulted Claims collected in the immediately preceding Collection Period, (excluding VAT where applicable); and

(d) in connection with certain compliance and consultancy services provided by the Servicer, pursuant to the Servicing Agreement, an annual fee of € 7,500 (including VAT where applicable) payable by the Issuer on each Interest Payment Date.

In addition to the above, the Issuer will pay to the Servicer, in accordance with the applicable Priority of Payments and provided that supporting documents are provided, the expenses and fees of external counsels and the judicial expenses and taxes reasonably incurred during each Collection Period by the Servicer in connection with its servicing activities concerning the Receivables classified as Defaulted Claims (VAT excluded where applicable).

7. Subordination and limited recourse

The Servicer has agreed that the obligations of the Issuer under the Servicing Agreement are subordinated and limited recourse obligations and will be payable only in accordance with the applicable Priority of Payments.

8. Termination and resignation of the Servicer and withdrawal of the Issuer

The Issuer may terminate the appointment of the Servicer (*revocare il mandato*), pursuant to article 1725 of the Italian civil code, or withdraw from the Servicing Agreement (*recesso unilaterale*), pursuant to article 1373 of the Italian civil code, upon the occurrence of one of any of the following events:

(a) the Bank of Italy has proposed to the Minister of Finance to admit the Servicer to any insolvency proceeding or a request for the judicial assessment of the insolvency has been filed with the competent office or the Servicer has been admitted to the procedures set out under article 74 of the Consolidated Banking Act or a resolution is passed by the Servicer in order either to obtain such measures or to apply for such proceedings to be initiated or to dispose the voluntary liquidation of the Servicer itself;

(b) failure on the part of the Servicer to deliver and pay any amount due under the Servicing Agreement within 5 Business Days from the date of receipt of a notice claiming that such amount became due and payable and has not been duly paid;

(c) failure on the part of the entity, once a 5 Business Days notice period has elapsed, to observe or perform in any respect any of its obligations under the Servicing Agreement, the Warranty and Indemnity Agreement, the Transfer Agreement or any of the Transaction Documents to which it is a party which could affect the fiduciary relationship between the Servicer and the Issuer;

(d) a representation given by the Servicer, pursuant to the terms of the Servicing Agreement is verified to be false or misleading and this could have a material negative effect on the Issuer and/or the Securitisation;

(e) the Servicer changes significantly the departments and/or the resources in charge of the management of the Receivables and the relevant Proceedings and such change reasonably renders more burdensome to the Servicer, the fulfilment of its obligations under the Servicing Agreement; or

(f) the Servicer does not meet the requirements provided by law or by the Bank of Italy for the entities appointed as servicer in a securitisation transaction or the Servicer, does not meet any further requirement which may be requested in the future by either the Bank of Italy or any other competent authority.

The Issuer is obliged to notify the Servicer of its intention to terminate the Servicing Agreement with prior written notice to the Representative of the Noteholders, to the Rating Agencies and the Underwriter.

The termination of the Servicer, shall become effective after fifteen Business Days have elapsed from the date specified in the notice of the termination or of the resignation, or from the date, if successive, of the appointment of the Successor Servicer .

The Issuer may appoint with the cooperation of the Back-up Servicer Facilitator a Successor Servicer, only (i) with the prior written approval of the Representative of the Noteholders and (ii) with prior written notice to the Rating Agencies. The Successor Servicer shall be:

(a) a bank operating for at least three years and having one or more branches in the territory of the Republic of Italy having specific expertise in the management of claims similar to the Receivables; or

(b) an entity having the requirements required under the applicable laws and regulations (or any other rules issued by Bank of Italy or other public authorities) to act as Servicer, with a software that is compatible with the management of the Loans and adequate assets and policies to ensure that its activities are carried out effectively and on a constant basis also for the purpose to comply with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Upon termination of the Servicer's appointment, the Servicer (failing which the Successor Servicer) shall notify to the Debtors the appointment of the Successor Servicer, provided that:

(i) in case that the Successor Servicer's long-term, unsecured and unsubordinated debt obligations are at least "B1" from Moody's and "B(high)" from DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, has a rating equal to "B+" by Fitch and "B+" by S&P, the Servicer (failing which the Successor Servicer) will instruct the Debtors to make the payments directly to the Successor Servicer;

(ii) further to the notice under (i) above, in case that the Successor Servicer's long-term, unsecured and unsubordinated debt obligations are <u>not</u> at least "B1" from Moody's and "B(high)" from DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, has a rating equal to "B+" by Fitch and "B+" by S&P, the Successor Servicer shall notify the Debtors to make any future payment on the Receivables to the Collection Account.

The Issuer has undertaken to appoint, with the cooperation of the Back-up Servicer Facilitator, a back-up servicer, within 45 calendar days of the date on which the Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated at least (A) "B3" by Moody's or (B) (I) "B(low)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or (II) the rating equivalent to "B(low)" by DBRS assigned by at least other two rating agencies if the Servicer does not have any rating by DBRS (the "**Minimum Rating**"), an entity having the characteristics listed under (a) or (b) above to replace the Servicer should the Servicing Agreement be terminated for any reason (the "**Back-up Servicer**"). The Back-up Servicer shall, *inter alia*, undertake to enter

into a servicing agreement substantially in the form of the Servicing Agreement and assume all duties and obligations applicable to it as set forth in the Transaction Documents. The Issuer shall notify the Representative of the Noteholders and the Rating Agencies of such appointment. In the event that the Back-up Servicer does not have the Minimum Rating, the Servicer (failing which the Back Up Servicer) shall notify its appointment to the Debtors and shall give relevant instructions to the Debtors to make future payments directly into the Collection Account. The Servicer shall promptly notify (and in any case no later than 10 calendar days) in writing the Issuer, the Back-Up Servicer Facilitator and the Representative of the Noteholders the loss of the Minimum Rating and the need to appoint a Back Up Servicer in the terms set out above.

The Servicing Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the Servicer concerning the termination of the appointment of the Servicer. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to the Servicing Agreement, shall be borne by the succumbent. Should the Issuer succumb, the Servicer shall advance to the latter the fees and costs of the deciding arbitrator (the "**Servicing Settlement Expenses Amount**"). The Issuer shall reimburse the Servicing Settlement Expenses Amount on the next subsequent Interest Payment Date in accordance with the Priority of Payments.

The substitute servicer must execute a servicing agreement with the Issuer substantially in the form of the Servicing Agreement originally executed by the Servicer and must accept all the provisions and obligations set out in the Intercreditor Agreement.

9. Governing law and jurisdiction

The Servicing Agreement and any non –contractual obligations deriving therefrom are governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Servicing Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement . Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent.

1. Representations and Warranties

On the Transfer Date the Issuer and Banco BPM entered into the Warranty and Indemnity Agreement pursuant to which Banco BPM has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables and the Loans.

The Warranty and Indemnity Agreement contains representations and warranties in respect of, *inter alia*, the following categories:

1. the relevant Loans, the Receivables and any collateral security related thereto;
2. the Real Estate Assets which have been mortgaged to secure the Receivables;
3. the disclosure of information;
4. the Debtors;
5. the Securitisation Law, the Applicable Privacy Law, the Securitisation Regulation and STS compliance and article 58 of the Consolidated Banking Act.

2. Representations and Warranties on the Receivables, Debtors and the Loans

In particular, the representations and warranties contained in the Warranty and Indemnity Agreement in respect to the Receivables and Loans are, amongst others:

(i) all the Loans were disbursed to small and medium enterprises in line with the guidelines issued by the European Central Bank (ECB) on December 2014 (*Implementation of the Eurosystem monetary policy framework*) and on November 2014 (*Additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9*), as subsequently amended and supplemented;

(ii) the Receivables and the Loans are existing and denominated in Euro (or granted in a different currency and subsequently redenominated in Euro);

(iii) the Loans, the Receivables and collateral security interests related thereto are governed by Italian law;

(iv) in relation to each Receivable and each collateral security related thereto have been assigned to the Issuer pursuant to the Transfer Agreement;

(v) none of the Debtors or the grantors of a collateral security related to the Receivables is a public entities, a public administration or an ecclesiastical entity;

(vi) all the Debtors are (i) individuals (*persone fisiche*) resident in Italy, or (ii) legal entities incorporated under Italian law and having their registered office in Italy;

(vii) all the grantor of a collateral security related to the Receivables are (i) individuals (*persone fisiche*) resident in the EEA or (ii) legal entities incorporated under the law of a EEA country and having their registered office in a EEA country;

(viii) to the best knowledge of the Originator none of the Receivables has been classified as "*in sofferenza*" or "*incaglio*" by the Originator pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*);

(ix) as at the Valuation Date each Receivable has been classified as *in bonis* pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*) and the relevant Loan does not include as at the Transfer Date non performing loans pursuant to the guidelines issued by the European Central Bank (ECB) on December 2014 (*Implementation of the Eurosystem monetary policy framework*) and on November 2014 (*Additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9*), as subsequently amended and supplemented;

(x) no Loan Agreement could be classified as a leasing agreement;

no Loan Agreement could be qualified as structured loan, syndicated loan or leveraged loan pursuant to the guidelines issued by the European Central Bank (ECB) on December 2014 (*Implementation of the Eurosystem monetary policy framework*) and on November 2014 (*Additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9*), as subsequently amended and supplemented; and each Real Estate Asset securing the Loans is located in Italy.

3. Representations and Warranties on the STS compliance and the Securitisation Regulation

The Originator is a bank enrolled with the register of the banks pursuant to article 13 of the Consolidated Banking Act and its "centre of main interests" (as such term is defined in article 3(1) of the EU Insolvency Regulation) is located within the territory of the Republic of Italy, pursuant to articles 20(2) and 20(3) of the Securitisation Regulation;

as at the Valuation Date, the Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the Receivables to the Issuer pursuant to article 20(6) of the Securitisation Regulation;

(i) as at the Valuation Date, the Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Debtors and guarantors, pursuant to article 20(8), first paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ii) as at theValuation Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20(8), first paragraph, of the Securitisation Regulation and the applicable Regulatory Technical Standards, given that: (a) all Receivables are originated by the

Originator based on similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (b) all Receivables are serviced by the Originator according to similar servicing procedures; (c) the Receivables fall within the same asset category named "*credit facilities, including loans and leases, provided to any type of enterprise or corporation*" provided under article 1(a)(iv) of the Commission Delegated Regulation (EU) 2019/1851 (the "**Commission Delegated Regulation on Homogeneity**") and meet the homogeneity factors set out under article 2(3)(a)(i) and 2(3)(b)(ii) of the Commission Delegated Regulation on Homogeneity (i.e. obligors are micro-, small- and medium-sized enterprises and the obligors are resident in the same jurisdiction); and (d) although no specific homogeneity factor is required to be met, as at the Valuation Date, the Debtors are resident in the Republic of Italy;

(iii) the Receivables do not include any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20(8), last paragraph, of the Securitisation Regulation;

(iv) the Receivables do not include any securitisation position pursuant to article 20(9) of the Securitisation Regulation;

(v) the Loans from which the Receivables arise have been disbursed in the Originator's ordinary course of business. The Receivables have been originated by the Originator in accordance with credit policies which are no less stringent than those that the Originator applied at the time of origination to similar exposures that have not been assigned in the context of the Securitisation, pursuant to article 20(10), first paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(vi) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of the Directive 2008/48/EC, pursuant to article 20(10), third paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(vii) the Originator has been carrying out lending activity for more than 5 (five) years, pursuant to article 20(10), last paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(viii) as at the Valuation Date, the Receivables are not qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired Debtor, who, to the best of the Originator's knowledge: (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the Transfer Date; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation, in each case pursuant to article 20(11) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ix) there are no Receivables that depend on the sale of assets to repay their Outstanding Principal at contract maturity pursuant to article 20(13) of the Securitisation Regulation and the EBA Guidelines on STS Criteria since the Loans are not secured over any specified asset;

(x) the Outstanding Debt of the Receivables owed by the same Debtor does not exceed 2 per cent. of the aggregate Outstanding Debt of all Receivables, for the purposes of article 243(2)(a) of the CRR;

(xi) the Receivables do not include any derivative pursuant to article 21(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

4. Repetition

All representations and warranties set forth in the Warranty and Indemnity Agreement shall be deemed to be given or repeated:

(i) on the Transfer Date;

(ii) on the Issue Date,

with reference to the facts and circumstances then existing, as if made at each such time; provided, however, that the representations and warranties referring to a Transaction Document executed after the date hereof shall be deemed to be made or repeated at the time of the execution of such Transaction Document and on the Issue Date, as the case may be, in each case with reference to the facts and circumstances then existing as if made at each such time.

The statutory limitations provided for by articles 1495 and 1497 of the Italian civil code shall not apply to the representations and warranties given by the Originator under the Warranty and Indemnity Agreement and, a result, any breach thereof may be claimed by the Issuer until the redemption in full and/or cancellation of the Notes.

5. Indeminification and repurchase right

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all duly documented damages, losses, claims, liabilities, costs and expenses (including, without limitation, fees and legal expenses as well as any VAT if applicable) awarded against or incurred by the Issuer or any of the other foregoing persons arising from, inter alia, any default by the Originator, in the performance of any of its obligations under the Warranty and Indemnity Agreement or any of the other Transaction Documents or any representations and/or warranties made by the Originator thereunder or being false, incomplete or incorrect.

The Originator has also agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against or incurred by it arising out of, *inter alia*, the application of the Usury Law to any interest accrued on any Loans.

Moreover, the Warranty and Indemnity Agreement provides that, in the event of a misrepresentation or a breach of any of the representations and warranties made by the Originator under the Warranty and Indemnity Agreement, which materially and adversely affects the value of one or more Receivables or the interest of the Issuer in such Receivables, and such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Originator, within a period of 30 (thirty) days from receipt of a written notice from the Issuer to that effect (the "**Cure Period**"), the Issuer has the option, pursuant to article 1331 of the Italian civil code, to assign and transfer to the Originator all of the Receivables affected by any such misrepresentation or breach (the "**Affected Claims**"). The Issuer will be entitled to exercise the put option by giving to the Originator at any time during the period commencing on the Business Day immediately following the last day of the Cure Period and ending on the day which is 180 days after such Business Day, written notice to that effect (the "**Put Option Notice**").

The Originator will be required to pay to the Issuer, within 10 (ten) Business Days from the date of receipt by the Originator of the Put Option Notice, an amount to be calculated *mutatis mutandis* as the purchase price of the Excluded Claims pursuant to the Transfer Agreement.

The Warranty and Indemnity Agreement provides that, notwithstanding any other provision of such agreement, the obligations of the Issuer to make any payment thereunder shall be equal to the lesser of the nominal amount of such payment and the amount which may be applied by the Issuer in making such payment in accordance with the Priority of Payments. The Originator has acknowledged that the obligations of the Issuer contained in the Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

6. Govening law and jurisdiction

The Warranty and Indemnity Agreement and any non –contractual obligations deriving therefrom are governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Warranty and Indemnity Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE AGENCY AND ACCOUNTS AGREEMENT

The description of the Agency and Accounts Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Agency and Accounts Agreement. Prospective Noteholders may inspect a copy of the Agency and Accounts Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent.

1. Appointment of Agents

Pursuant to the Agency and Accounts Agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Computation Agent, the Paying Agent, the Transaction Bank, the Interim Account Bank and the Representative of the Noteholders, the Issuer has appointed:

(a) BNY Mellon Milan Branch, as the Paying Agent, (a) for the purpose of, *inter alia*, making payment of interest and the repayment of principal in respect of the Notes and of establishing and maintaining the Payments Account; (b) for the purpose of, *inter alia*, determining the rate of interest payable in respect of the Notes.

(b) Banca Finint, as the Computation Agent, for the purpose of, *inter alia*, determining certain of the Issuer's liabilities and the funds available to pay the same (subject to the receipt of certain information and in reliance thereon as set forth herein) and managing certain payment services in relation to the Accounts.

(c) Banco BPM as the Interim Account Bank for the purposes of, *inter alia*, establishing and maintaining the Interim Account and as the Transaction Bank, for the purposes of, *inter alia*, establishing and maintaining the Collection Account, the Expenses Account and the Cash Reserve Account.

2. Duties of the Interim Account Bank

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Interim Account Bank the Interim Account.

The Interim Account Bank will operate the Interim Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Interim Account and the cash flows through the Interim Account, see the section "*The Issuer's Accounts*".

3. Duties of the Transaction Bank

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Transaction Bank the Collection Account, the Expenses Account and the Cash Reserve Account. The Transaction Bank shall be at all times an Eligible Institution.

The Transaction Bank will operate the Collection Account, the Expenses Account and the Cash Reserve Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Collection Account, the Expenses Account and the

Cash Reserve Account and the cash flows through such Accounts, see the section "*The Issuer's Accounts*".

4. Duties of the Paying Agent

Opening and maintenance of the Payment Accounts

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Paying Agent the Payments Account. The Paying Agent shall be at all times an Eligible Institution.

The Paying Agent will operate the Payments Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Payments Account and the cash flows through the Payments Account, see the sectiond "*The Issuer's Accounts*".

Interest determination

On each Interest Determination Date, the Paying Agent will, in accordance with Condition 7 (*Interest*), determine EURIBOR and the Rate of Interest applicable to the Senior Notes during the following Interest Period, as well as the Interest Amount and the Interest Payment Date in respect of such following Interest Period, all subject to and in accordance with the Conditions, and will notify such amounts to, *inter alios*, the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Paying Agent, the Underwriter, the Computation Agent, the Servicer and, with exclusive regard to the Senior Notes, Borsa Italiana.

5. Duties of the Computation Agent

The duties of the Computation Agent include the making of certain calculations in respect of the Securitisation as set forth in Condition 8.7 (*Calculation of Issuer Available Funds, Principal Payments, interest payments and Principal Amount Outstanding*). The Computation Agent will make such calculations based on, *inter alia*:

(a) the statement of the Accounts prepared, respectively, by the Interim Account Bank and the Transaction Bank on the Reporting Dates;

(b) the statement of the Payments Account prepared by the Paying Agent on the Reporting Dates;

(c) the Servicer Reports prepared by the Servicer, by the Reporting Dates, or, if a Servicer Report Delivery Failure Event occurs, any other information made available to the Computation Agent by the Servicer in connection with the immediately preceding Collection Period;

(d) the determinations received from the Paying Agent concerning the Rate of Interest, the Interest Amount and the Interest Payment Date; and

(e) the instructions and determinations of the Issuer, Monte Titoli and the Corporate Servicer,

and the Computation Agent will not be liable for any omission or error in so doing, save as to the extent caused by its own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

On each Calculation Date, the Computation Agent will calculate the amounts to be disbursed on the following Interest Payment Date pursuant to the priority of payments as set forth in Condition 6.2 (*Pre-Enforcement Priority of Payments*) and will prepare the Payments Report.

Upon occurrence of Servicer Report Delivery Failure Event, based on the information available as of such date, the Computation Agent will calculate:

(a) the interest payable in respect of each of the Senior Notes on the immediately following Interest Payment Date;

(b) the fees payable to the Servicer on the immediately following Interest Payment Date pursuant to item (iv) of the Pre-Enforcement Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicer Report; and

(c) without duplication of (b) above, the payments (if any) to be made on the immediately following Interest Payment Date pursuant to items from (i) to (vi) of the Pre-Enforcement Priority of Payments,

and, based on the information listed above, will compile a provisional payments report.

Following the delivery of an Issuer Acceleration Notice and upon request by the Representative of the Noteholders, the Computation Agent will calculate the amounts to be disbursed pursuant to the priority of payments as set forth in Condition 6.2 (*Post-Enforcement Priority of Payments*) and will compile the relevant Payments Report.

In addition, the Computation Agent shall prepare the SR Investor Report setting out certain information with respect to the Receivables and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1) of the Securitisation Regulation).

The Computation Agent shall deliver the SR Investor Report to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Designated Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date.

The Computation Agent will also prepare and deliver on each Investors Report Date to the Issuer, the Servicer, the Underwriter, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Administrative Servicer, the Representative of the Noteholders and Borsa Italiana, the Servicer Report containing details of, *inter alia*, the Receivables, amounts received by the Issuer from any source during the preceding Collection Period and amounts paid by the Issuer during such Collection Period as well as on the immediately preceding Interest Payment Date.

6. Additional Duties of the Paying Agent

The Paying Agent will, on each Interest Payment Date, receive from the Transaction Bank, acting in the name and on behalf of the Issuer, the monies necessary to make the payments due on the Notes on the same Interest Payment Date and will apply such funds in or towards such payments as specified in the Payments Report. The Paying Agent will provide the Issuer and the Corporate Servicer with the data necessary to maintain and update the Noteholders' register (*registro degli obbligazionisti*) in accordance with Italian law and any other applicable law.

The Paying Agent will act as intermediary between the Noteholders and the Issuer for certain purposes and make available for inspection during normal business hours at its registered office such documents as may from time to time be required by the listing rules of Borsa Italiana and, upon reasonable request, will allow copies of such documents to be taken.

The Paying Agent will keep a record of all Notes and of their redemption, purchase, cancellation and repayment and will make such records available for inspection, and copies thereof obtainable, during normal business hours by the Issuer, the Representative of the Noteholders and the Computation Agent.

In performing their obligations, the Paying Agent may rely on the instructions and determinations of the Issuer, Monte Titoli and the Computation Agent, and will not be liable for any omission or error in so doing, except in case of their own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

7. General provisions

Each of the Agents will act as agents solely of the Issuer and will not assume any obligation towards, or relationship of agency or trust for or with, any of the Noteholders. Each of the Issuer and the Representative of the Noteholders has agreed that it will not consent to any amendment to the Conditions that materially affects the obligations of any of the Agents without such Agent's prior written consent (such consent not to be unreasonably withheld).

The Issuer has undertaken to indemnify each of the Agents and its respective directors, officers, employees and controlling persons against all losses, liabilities, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties by any Agent, except as may result from its gross negligence (*colpa grave*) or wilful misconduct (*dolo*), or that of its directors, officers, employees or controlling persons or any of them, or breach by it of the terms of the Agency and Accounts Agreement.

In return for the services so provided, the Agents will receive commissions in respect of the services of such Agents agreed on or about the relevant Issue Date between the Issuer and the Agents, payable by the Issuer in accordance with the Priority of Payments, except that certain fees may be paid up-front on or around the relevant Issue Date.

The appointment of any Agent may be terminated by the Issuer (with the prior written approval of the Representative of the Noteholders) upon 30 calendar days' written notice or upon the occurrence of certain events of default or insolvency or of similar events occurring in relation to such Agent.

If any of the Agents resigns, the Issuer will promptly and in any event within 30 calendar

days appoint a successor approved by the Representative of the Noteholders. If the Issuer fails to appoint a successor within such period, the resigning Agent may select a leading bank approved by the Representative of the Noteholders to act as the relevant Agent and the Issuer will appoint that bank as the successor Agent.

8. Loss of status of Eligible Institution

If the Transaction Bank ceases to be an Eligible Institution,

(a) the Transaction Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, its best effort to select a leading bank:

(i) approved by the Representative of the Noteholders and by the Issuer; and

(ii) which is an Eligible Institution, willing to act as successor Transaction Bank thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,

(i) appoint that bank specified above as successor Transaction Bank (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof) which, on or before the replacement of the Transaction Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement, any other agreement providing for, *mutatis mutandis*, the same obligations contained in the Agency and Accounts Agreement for the Transaction Bank and any other relevant Transaction Documents the outgoing Transaction Bank was party to;

(i) open a replacement Collection Account with the successor Transaction Bank specified in (a) above;

(ii) transfer the balance standing to the credit of the Collection Account, to the credit the replacement account set out above;

(iii) close the Collection Account, once the steps under (i), (ii), (iii) and (iv) are completed; and

(iv) terminate the appointment of the Transaction Bank (and will notify the Representative of the Noteholders and the Rating Agencies thereof) once the steps under (i), (ii), (iii) (iv) and (v) are completed,

provided that:

(A) the administrative costs incurred with respect to the selection of a successor Transaction Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Transaction Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank; and

(B) in case the successor Transaction Bank is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Transaction Bank being an Eligible Institution.

If the Paying Agent ceases to be an Eligible Institution,

(a) the Paying Agent will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the

date on which the relevant downgrading occurs, its best efforts to select a leading bank:

(i) approved by the Representative of the Noteholders and by the Issuer; and

(ii) which is an Eligible Institution, willing to act as successor Paying Agent thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,

(i) appoint that bank specified above as successor Paying Agent (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof) which, on or before the replacement of the Paying Agent, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Paying Agent and any other relevant Transaction Documents the outgoing Paying Agent was party to;

(ii) open a replacement Payments Account with the successor Paying Agent specified in (a) above;

(iii) transfer the balance standing to the credit of the Payments Account, to the credit of the replacement account set out above;

(iv) close the Payments Account, once the steps under (i),(ii) and (iii) are completed; and

(v) terminate the appointment of the Paying Agent (and will notify the Representative of the Noteholders and the Rating Agencies thereof) once the steps under (i),(ii),(iii) and (iv) are completed,

provided that:

(A) the administrative costs (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Paying Agent) incurred with respect to the selection of a successor Paying Agent under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Paying Agent; and

(B) in case the successor Paying Agent is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Paying Agent being an Eligible Institution.

9. Govening law and Jurisdiction

The Agency and Accounts Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Agency and Accounts Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE INTERCREDITOR AGREEMENT

1. General

Pursuant to the Intercreditor Agreement executed on or about the Issue Date between the Issuer and the Other Issuer Creditors, provision has been made as to the application of the proceeds of Collections and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Receivables. The Intercreditor Agreement also sets out the order of priority for payments to be made by the Issuer in connection with the Securitisation.

Pursuant to the Intercreditor Agreement, the Other Issuer Creditors have agreed that, until two year plus one day has elapsed since the day on which any note issued (including the Notes and the Previous Notes) or to be issued by the Issuer has been paid in full, no Other Issuer Creditor shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings.

Pursuant to the Intercreditor Agreement, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled (as an agent of the Issuer and to the extent permitted by applicable laws), until the Notes have been repaid in full or cancelled in accordance with the Conditions, to take possession of all Collections and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post- Enforcement Priority of Payments.

2. Securitisation Regulation

Under the Intercreditor Agreement, in order to satisfy the requirements provided for by Articles 20(1), 20(10) and 21(8) of the Securitisation Regulation, Banco BPM, in its capacity as Originator and Servicer, has confirmed that:

(a) it is a credit institution (as defined in Article 4, paragraph 1, point (1) of the CRR) with its "home Member State" (as that term is defined in Article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to Article 4, paragraph 1, point (43) of the CRR) in the Republic of Italy;

(b) at least two of the members of its management body have relevant professional experience in the origination and the servicing of exposures similar to the Receivables, at a personal level, of at least five years;

(c) the senior staff of the Originator, other than members of the management body, who are responsible for managing the Originator's originating of exposures similar to the Receivables, have relevant professional experience in the origination of exposures of a similar nature to the Receivables, at a personal level, of at least five years;

(d) the senior staff of the Servicer, other than members of the management body, who are responsible for managing the Servicer's servicing of exposures similar to the Receivables, have relevant professional experience in the servicing of exposures of a similar nature to the Receivables, at a personal level, of at least five years.

3. Risk Retention

Under the Intercreditor Agreement, Banco BPM, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, from the Issue Date, 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, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes;

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

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

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

provided that the Originator will be required to do so only to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

In addition, the Originator has warranted and undertaken that:

(a) the material net economic interest held by it will not be split amongst different types of retainers and will not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; and

(b) it has not selected the Receivables with the aim of rendering losses on the Receivables transferred to the Issuer higher than the losses on comparable receivables held on the balance sheet of the Originator, pursuant to article 6(2) of the Securitisation Regulation.

4. Transparency requirements

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation.

Each of the Issuer and the Originator has agreed that the Originator is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and article 22 of the Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that European DataWarehouse is registered in accordance with article 10 of the Securitisation Regulation and meets the requirements set out in the fourth sub-paragraph of article 7(2) of the Securitisation Regulation.

In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the Securitisation Regulation.

As to pre-pricing information, the Originator has confirmed that, before pricing, it has been, as initial holder of the Notes, in possession of, and in case of subsequent sale of the Notes it will make available to potential investors:

(a) through the Designated Repository, the information under point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Loan, to the extent available) and, in draft form, the information and documentation under points (b) and (d) of the first sub-paragraph of article 7(1) of the Securitisation Regulation;

(b) through the Designated Repository, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised covering a period of at least 5 (five) years, and the sources of those data and the basis for claiming similarity, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(c) through the website of Bloomberg (being, as at the date of this Information Memorandum, www.bloomberg.com), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the Servicer, the Computation Agent and the Issuer have agreed and undertaken as follows:

(a) the Servicer shall:

(i) prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Reporting Date (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Loan, to the extent available), in compliance with point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date;

(ii) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation

Regulation (including, inter alia, any material change of the Priority of Payments and of the Collection Policies relating to the Receivables and the occurrence of any Event of Default), and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, on each Reporting Date (simultaneously with the Loan by Loan Report and the SR Investors Report);

(b) the Computation Agent shall, subject to receipt of any relevant information from the Servicer, prepare the SR Investors Report in accordance with the provisions of the Agency and Accounts Agreement and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date; and

(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Information Memorandum, the other final Transaction Documents, the final STS Notification and any other final document or information required under article 22(5) of the Securitisation Regulation, in a timely manner in order for the Reporting Entity to make available, through the Designated Repository, such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes and the competent authorities referred to in article 29 of the Securitisation Regulation pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),

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

In addition, pursuant to the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of Bloomberg (being, as at the date of this Information Memorandum, www.bloomberg.com), a liability cash flow model (as updated from time to time) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Each of the parties to the Intercreditor Agreement has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the specific framework for STS-securitisations and the EU Securitisation Rules. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may

reasonably deemed necessary and/or expedient for such purposes.

5. Appointment of the Back-up Servicer Facilitator

Under the Intercreditor Agreement, the Issuer has appointed Banca Finint as Back-up Servicer Facilitator.

The Back-up Servicer Facilitator has undertaken to (i) do its best effort in order to identify an entity to be appointed by the Issuer as Back-up Servicer or Successor Servicer, as the case may be, in accordance with the Servicing Agreement; and (ii) cooperate with the Issuer in the performance of all activities to be carried out in connection with the appointment of the Back-up Servicer or the Successor Servicer, as the case may be, and the replacement of the Servicer with the same.

As consideration for the obligations undertaken by the Back-up Servicer Facilitator pursuant to the Intercreditor Agreement, the Back-up Servicer Facilitator shall be entitled to receive from the Issuer, on each Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

If any of the following events occurs in respect of the Back-up Servicer Facilitator (each a **Back-up Servicer Facilitator Termination Event**):

(a) the Back-up Servicer Facilitator defaults in the performance or observance of any of its obligations under the Intercreditor Agreement, provided that such default (i) is materially prejudicial to the interests of the Noteholders, and (ii) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Back-up Servicer Facilitator, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(b) the Back-up Servicer Facilitator becomes subject to any insolvency proceeding or any other similar proceeding applicable in any jurisdiction or the whole or any substantial part of the assets of the Back-up Servicer Facilitator are subject to seizure (*pignoramento*) or any other proceeding having a similar effect; or

(c) the Back-up Servicer Facilitator takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations,

then the Issuer shall (i) terminate the appointment of the Back-up Servicer Facilitator, by giving a written notice to the Back-up Servicer Facilitator, with copy to the Representative of the Noteholders and the Rating Agencies, and (ii) within 30 (thirty) days following the occurrence of any of the Back-up Servicer Facilitator Termination Events, appoint a substitute back-up servicer facilitator which is willing to assume the obligations of the Back-up Servicer Facilitator substantially on the same terms as those of the Intercreditor Agreement.

6. Disposal of the Portfolio following the delivery of an Issuer Acceleration Notice

Following the delivery of an Issuer Acceleration Notice, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Portfolio, provided that:

(a) a sufficient amount would be realised from such disposal to allow discharge in full of at least all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith in accordance with the Post-Enforcement Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations;

(c) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

(i) a solvency certificate signed by an authorised representative of the purchaser and dated no earlier than the date on which the Portfolio will be sold; and

(ii) a good standing certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days before the date on which the Portfolio will be sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated; and

(d) the Rating Agencies have been notified in advance of such disposal.

In case of disposal of the Portfolio, the Issuer has granted to the Originator a pre-emption right whereby the Originator will be entitled to purchase the Portfolio for a consideration equal to the sale price determined as specified below and to be preferred to any third party potential purchaser, provided that the conditions set out in paragraphs from (a) to (d) (inclusive) above are met. Subject to the foregoing, the Originator shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio and the relevant sale price.

The sale price of the Portfolio shall be equal to: (i) with reference to the Receivables other than the Defaulted Claims, the aggregate Outstanding Principal of such Receivables as at the relevant economic effective date (as specified in the sale and purchase agreement) plus an amount equal to the interest accrued and not paid in relation to such Receivables as at such economic effective date; or (ii) with reference to the Defaulted Claims, the fair value having been determined by one or more third party expert independent from the Banco BPM Group or any other other party involved in the Securitisation appointed by the Servicer and the Representative of the Noteholders (acting upon instructions of the Noteholders).

7. Govening law and Jurisdiction

The Intercreditor Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Intercreditor

Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents. Prospective Noteholders may inspect a copy of such Transaction Documents upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent.

THE CORPORATE SERVICES AGREEMENT

1. General

Under the Corporate Services Agreement executed on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer. The services will include the safekeeping of the documents pertaining to the meetings of the Issuer's quotaholders, directors and auditors and of the Noteholders, maintaining the quotaholders' register and liaising with the Representative of the Noteholders.

Under the terms of the Corporate Services Agreement in the event of a termination of the appointment of the Corporate Servicer for any reason whatsoever, the Issuer shall appoint a substitute Corporate Servicer.

In the context of the Previous Securitisation, the Issuer, has already appointed the Corporate Servicer (formerly, Securitisation Services S.p.A.) to provide, *inter alia*, certain corporate administration and secretarial services to the Issuer pursuant to a corporate services agreement entered executed under the Previous Securitisation.

As consideration for the services rendered pursuant to the Corproate Services Agreement, the Corporate Servicer shall be entitled to receive from the Issuer, on each Interest Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

2. Govening law and jurisdiction

The Corporate Services Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Corporate Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE ADMINISTRATIVE SERVICES AGREEMENT

1. General

Under Administrative Services Agreement executed on or about the Issue Date between the Issuer, the Administrative Servicer and the Representative of the Noteholders, the Administrative Servicer has agreed to provide certain accounting services to the Issuer. The services will include, amongst others, preparing tax and accounting records and preparing the Issuer's annual financial statements.

Under the terms of the Administrative Services Agreement in the event of a termination of the appointment of the Administrative Servicer for any reason whatsoever, the Issuer shall appoint a substitute Administrative Servicer.

In the context of the Previous Securitisation, the Issuer has already appointed Banco BPM (formerly Banco Popolare Società Cooperativa) as Administrative Servicer to provide, *inter alia*, certain corporate administration and secretarial services to the Issuer pursuant to an administrative services agreement executed under the Previous Securitisation.

As consideration for the services rendered pursuant to the Administrative Services Agreement, the Administrative Servicer shall be entitled to receive from the Issuer, on each Interest Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

2. Govening law and Jurisdiction

The Administrative Services Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Administrative Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE MANDATE AGREEMENT

1. General

Pursuant to the terms of the Mandate Agreement executed on or about the Issue Date between the Issuer and the Representative of the Noteholders, the Representative of the Noteholders is empowered to take such action in the name of the Issuer, *inter alia*, following the service of an Issuer Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Creditors.

2. Govening law and Jurisdiction

The Mandate Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Mandate Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE QUOTAHOLDER'S AGREEMENT

1. General

The Quotaholder's Agreement executed on or about the Issue Date between the Issuer, the Representative of the Noteholders and SVM Securitisation Vehicles Management S.r.l. contains, *inter alia*, provisions in relation to the management of the Issuer.

The Quotaholder's Agreement also provides that SVM Securitisation Vehicles Management

S.r.l. in its capacity as quotaholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full.

In the context of the Previous Securitisation, pursuant to a quotaholder's agreement enetered in respect thereof, the Quotaholder of the Issuer has agreed certain obligations concerning the management of the Issuer.

2. Govening law and Jurisdiction

The Quotaholder's Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Quotaholder's Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE LETTER OF UNDERTAKING

1. General

Pursuant to the Letter of Undertaking executed the Issue Date between the Issuer, the Representative of the Noteholders and Banco BPM, Banco BPM has undertaken to provide the Issuer with all necessary monies (in any form of financing deemed appropriate by the Representative of the Noteholders, such funds to be provided to the Issuer by way of a subordinated loan, the repayment of which is effected in compliance with item (x)(C) of the Pre-Enforcement Priority of Payments or, as the case may be, item (vii)(C) of the Post-Enforcement Priority of Payments) in order for the Issuer to pay any losses, costs, expenses or liabilities in respect of certain exceptional liabilities set out in the Letter of Undertaking.

Prospective Noteholders' attention is drawn to the fact that the Letter of Undertaking does not and will not constitute a guarantee by Banco BPM or any of the quotaholders of the Issuer of any obligation of a Debtor or the Issuer.

2. Govening law and Jurisdiction

The Letter of Undertaking and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Letter of Undertaking, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE SUBORDINATED LOAN AGREEMENT

1. General

Pursuant to the Limited Recourse Loan agreement entered into on or about the Issue Date between BPM, the Issuer and the Representative of the Noteholders, Banco BPM has granted to the Issuer the Subordinated Loan in the aggregate amount equal to Cash Reserve Initial Amount. The Subordinated Loan will be drawn down by the Issuer on or about the Issue Date in order to create

the Cash Reserve.

2. Govening law and Jurisdiction

The Subordinated Loan Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Subordinated Loan Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES AND ASSUMPTIONS

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in reduction of principal of such security (assuming no losses). The weighted average life of the Senior Notes will be influenced by, among other things, the actual rate of redemption of the Loans which may be in the form of scheduled amortisation, prepayments, or enforcement proceeds. The weighted average life of the Senior 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 of possible average life of the Senior Notes can be made under certain assumptions. The table below sets out the expected weighted average life of the Senior Notes has been calculated based on the characteristics of the Loans as of the Valuation Date and on the assumptions that:

(a) no Event of Default occurs in respect to the Notes;

(b) the Loans are subject to a constant prepayment rate of 4 per cent.;

(c) the fees referred to in the relevant Transaction Documents are not increased;

(d) no default by the parties to the Transaction Documents occur;

(e) the Issuer will not exercise the option to redeem the Notes pursuant to Conditions 8.5 (*Optional redemption*) or 8.6 (*Optional Redemption for taxation reasons*);

(f) no defaults and no delinquencies in payments in relation to the Loans occur.

Assumption (b) above is stated as an average annualised prepayment rate since the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rate assumed is purely illustrative.

The weighted average lives of the Senior Notes are subject to factors outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates set forth above will be realised.

Notes	**Expected weighted average life (years)**
Senior Notes	1,49

The actual characteristics and performances of the Loans may differ from the assumptions used in constructing the table set forth above, which are hypothetical in nature.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Information Memorandum and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This overview will not be updated by the Issuer after the date of this Information Memorandum to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this overview could become invalid.

Republic of Italy

Tax treatment of Notes issued by the Issuer

Decree No. 239 sets out the applicable tax treatment of interest, premium and other income from certain securities (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) and similar securities issued, inter alia, by Italian limited liability companies incorporated under article 3 of Law No 130 of 30 April 1999.

1.1. Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a tax, referred to as "*imposta sostitutiva*", levied at the rate of 26% (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted 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 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**"), as amended and supplemented from time to time, and in Article 13-bis of Law Decree no. 124 of 26 October 2019 (the "**Law No. 124**"), as amended and supplemented from time to time.

Pursuant to Article 1, paragraphs 219-225*bis* of Law no. 178 of 30 December 2020 (the "**Law No. 178**"), as amended and supplemented from time to time, it is further provided that Italian resident individuals investing in long-term individual savings accounts compliant with Article 13-*bis*, paragraph 2-*bis* of Law No. 124 may benefit from a tax credit corresponding to capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met.

If the Notes are held by an investor engaged in a business activity, including permanent establishment in Italy of a foreign company, and are effectively connected with the same business activity, and the

Notes are deposited with an authorised intermediary, the Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to the Decree no. 239, the *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIMs**"), *società di gestione del risparmio* ("**SGRs**"), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance (the "**Intermediaries**").

An Intermediary must satisfy the following conditions:

(i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance having appointed an Italian representative for the purposes of Decree no. 239; and

(ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorized intermediary pursuant to the so-called discretionary investment portfolio regime ("*Risparmio Gestito*" regime as described under paragraph 2, "Capital Gains", below). In such a case, Interest is not subject to the *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an *ad-hoc* substitutive tax of 26%.

The *imposta sostitutiva* also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

(i) *Corporate investors* - Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), applying at the rate of 24%; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9%. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(ii) *Investment funds* – Interest paid to an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy, (collectively, the "**Funds**") are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Funds. They must, however, be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. may apply to income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares. ;

(iii) *Pension funds* - Pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") are subject to a 20% substitutive tax on their annual net accrued result (such rate has been increased starting from tax year 2015, the previous applicable rate being 11%). Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended and supplemented from time to time, and in Article 13-bis of Law No. 124, as amended and supplemented from time to time.; and

(iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the "**Real Estate Investment Funds**"), as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 and to Italian resident "*società di investimento a capital fisso*" ("**SICAFs**") to which the provision of article 9 of Legislative Decree No. 44 of 4 March 2014 apply, are generally subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. The income of the real estate fund or Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units..

1.2. Non-Italian resident Noteholders

An exemption from the *imposta sostitutiva* is provided with respect to certain beneficial owners of the Notes resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree no. 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy (as currently listed by Ministerial Decree dated 4 September 1996 as amended from time to time in accordance with Article 11, paragraph 4, of Decree no. 239, a "**White List Country**"); or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a "**Qualified Noteholder**").

The exemption procedure for Noteholders who are non-resident in Italy and are resident in White List Country identifies two categories of intermediaries:

(i) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and

(ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Italian tax authorities (the "**Second Level Bank**"). Organisations and companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or

permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree no. 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for Noteholders who are non-resident in Italy is conditional upon:

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

(b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from the *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December, 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorized to manage the official reserves of a State.

Failure by a Non-Italian resident Noteholder to timely comply with the procedures set forth in Decree no. 239 and in the relevant implementation rules will result in the application of the Decree no. 239 withholding on Interest payments to a Non-Italian resident Noteholder. The 26% Decree no. 239 withholding may be reduced (generally to 10%) under certain applicable double tax treaties entered into by Italy, if more favourable, provided that certain documentation formalities are complied with. The reduced rate is applied under the responsibility of the withholding agent who is not obliged to apply the reduced rate.

2. Capital Gains

2.1. Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November, 1997, as amended, a 26% capital gains tax (the ‘‘**CGT**’’) is applicable to capital gains realized on any sale or transfer of the Notes for consideration or on redemption thereof by (i) Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), (ii) Italian resident non-commercial partnerships, (iii) Italian resident non-commercial private or public institutions, regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

Taxpayers can opt for one of the three following regimes:

(a) Tax return regime (“**Regime della Dichiarazione**”) - The Noteholder must assess the overall capital gains realized in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for any of the two other regimes;

(b) Non-discretionary investment portfolio regime ("***Risparmio Amministrato***") - The Noteholder may elect to pay the CGT separately on capital gains realized on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorized intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realized on each sale or transfer of the Notes, as well as in respect of capital gains realized at the revocation of its mandate. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realized on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and

(c) Discretionary investment portfolio regime ("***Risparmio Gestito***") - If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realized, is subject to an ad-hoc 26% substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended and supplemented from time to time, and in Article 13-bis of Law Decree no. Law No. 124, as amended and supplemented from time to time. Pursuant to Article 1, paragraphs 219-225*bis* of Law no. 178, as amended and supplemented from time to time, it is further provided that Italian resident individuals investing in long-term individual savings accounts compliant with Article 13-*bis*, paragraph 2-*bis* of Law No. 124 may benefit from a tax credit corresponding to capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met.

The aforementioned regime does not apply to the following subjects:

(A) Corporate investors - Capital gains realized on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes.

(B) Investment Funds - Capital gains realized by the Investment Funds on the Notes are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Funds (see under paragraph 1.1 "Italian Resident Noteholders", above).

(C) Pension Funds - Capital gains realized by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 20% substitutive tax (see under paragraph 1.1., "Italian Resident Noteholders", above).

(D) Real Estate Investment Funds - Capital gains realized by Real Estate Investment Funds and by SICAFs to which the provisions of article 9 of the Legislative Decree No. 44 of 4 March 2014 apply on the Notes are not taxable at the level of same Real Estate Investment Funds (see under paragraph 1.1., "Italian Resident Noteholders", above).

2.2. Non Italian resident Noteholders

Capital gains realized by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal or redemption of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are traded in a regulated market in Italy or abroad. The exemption applies provided that the non-Italian resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in Italy for tax purposes.

Should the Notes not be traded in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Legislative Decree No. 461 of 21 November, 1997, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders.

In particular, if the Notes are not listed on a regulated market:

(i) capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the CGT in the Republic of Italy if they are resident, for tax purposes, in a White List Country. Under this circumstance, if the non-Italian resident beneficial owners without a permanent establishment in Italy to which the Notes are effectively connected fall under the "*risparmio amministrato*" regime or the "*risparmio gestito*" regime, the exemption from the Capital Gain Tax applies on the condition that they file in time appropriate documentation with the authorised financial intermediary stating that they are resident in a White List Country.

Exemption from CGT on capital gains realised upon disposal of Notes not listed on a regulated market also applies to non-Italian residents who are **(a)** international bodies and organizations established in accordance with international agreements ratified in Italy; **(b)** certain foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy included among the White List Countries and **(c)** Central Banks or other entities, managing also official State reserves.

In such cases, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and elect for the "*risparmio amministrato*" regime or are subject to the "*risparmio gestito*" regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders that are institutional investors which are not subject to regulatory supervision in the country where they are established but are in possession of specific knowledge of, and experience in, transactions concerning financial instruments; and

(ii) in any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the 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 securities are to be taxed only in the country of tax residence of the seller, is not subject to the CGT in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes. In such a case, if the non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected fall under the "*risparmio amministrato*" regime or the "*risparmio gestito*" regime, the exemption from CGT applies on the condition that they file the appropriate documents within the relevant time limit with the authorised financial intermediary which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

3. Inheritance and gift taxes

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the 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 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 Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the 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 (i), (ii), (iii) and (iv) on the value exceeding, for each beneficiary, €1,500,000.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

4. Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, Italian resident individuals, non-profit entities and certain partnerships (*società semplici* or similar partnership in accordance with Article 5 of Presidential Decree no. 917 of 22 December 1986*)* who, during the fiscal year, hold investments abroad or have financial activities abroad are required to report them in their yearly 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.

5. Stamp Duty

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 amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013 introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clients as of 1 January 2012 ("**Statement Duty**"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent. (but in any case not exceeding € 14,000.00. This cap is not applied to individuals). According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as "financial instruments". 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.

6. Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration or in case of so-called "caso d'uso" or "enunciazione".

7. Wealth Tax on securities deposited abroad

According to Article 19 of Decree No. 201/2011, as amended by Article 1 par. 582 of Law No. 147 of 27 December 2013, Italian resident individuals, non-profit entities and certain partnerships (*società semplici*) or siminal partnerships holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. In this case the above mentioned stamp duty provided for by Article 13 of the tariff Part I attached to Decree 642 does not apply.

This tax applies on the market value of the financial assets at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value, or in the event that the face or redemption values cannot be determined, on the purchase price of such financial assets held outside of the Italian territory.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

SUBSCRIPTION

The Subscription Agreement

The Underwriter has, pursuant to the Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Underwriter, agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent of their principal amount and to appoint Banca FININT S.p.A. to act as the representative of the Noteholders, subject to the conditions set out therein.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Underwriter in certain circumstances prior to payment for the Notes to the Issuer.

The Conditions

Under the Conditions the obligations of the Issuer to make payments in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

Each of the Issuer and the Originator, in its capacity as Underwriter, represents that it has complied with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distribute the Information Memorandum or any related offering material, in all cases at its own expense.
Each of the Issuer and the Originator, in its capacity as Underwriter, represents and warrants 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 Notes save as contained in the Information Memorandum or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

General

The Issuer and the Noteholders (including the Underwriter) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, information memorandum (including the Information Memorandum), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise provided herein, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.
Persons into whose hands the Information Memorandum comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish the Information Memorandum or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), the Underwriter represents, warrants and undertakes to the Issuer that it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation (as defined below), except that it may make an offer of the Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(c) at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "*Prospectus Regulation*" means Regulation 2017/1129 dated 14 June 2017 of the European Parliament and of the Council 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 States of America

1. **No registration under Securities Act**

Each of the Issuer and the Underwriter has understood and agreed that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person even though Regulation S under the Securities Act would permit such offers or sales pursuant to an available exemption from the registration requirements of the Securities Act. The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and the regulations thereunder.

2. **Compliance by the Issuer with United States securities laws**

The Issuer represents, warrants and undertakes to the Underwriter that neither it nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, to any person any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or the qualification of any document related to the Notes as an indenture under the United States Trust Indenture Act of 1939 and, in particular, that:

(a) *No directed selling efforts*: neither it nor any its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes;

(b) *Offering restrictions*: it and its affiliates have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

3. **Underwriter's compliance with United States securities laws**

The Underwriter represents and agrees that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. None of the Issuer and the Underwriter, nor their respective Affiliates nor any persons acting on the Issuer and the Underwriter, or its respective Affiliates', behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect. The Notes covered hereby have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Notes Subscriber, except in either case in accordance with Regulation S under the Securities Act. In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

4. **Underwriter's compliance with United States Treasury regulations**

The Underwriter represents, warrants and undertakes to the Issuer:

(i) *Restrictions on offers, etc.*: except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"):
(a) No offers, etc. to United States or United States persons: it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and
(b) *No delivery of definitive Notes in United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;

(ii) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly *engaged* in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6), and, with respect to each affiliate of the Underwriter that acquires Notes from the Underwriter for the purpose of offering or selling such Notes during the restricted period, the Underwriter undertakes to the Issuer that it will

obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in paragraphs (i), (ii) and (iii) above.

5. **Interpretation**

Terms used in Paragraph 2. and 3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in Paragraph 4 above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

United Kingdom

The Underwriter represents, warrants and undertakes to the Issuer that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Market Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold, or delivered, nor may copies of the Information Memorandum or any other document relating to the Notes be distributed in the Republic of Italy, except in circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"), and any applicable Italian law and regulation.

In particular, the Underwriter represents, warrants and undertakes to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of the Information Memorandum, and/or any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as defined in Article 2, letter e) of the Prospectus Regulation and in accordance with any applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of any document relating to the Notes in the Republic of Italy 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, the CONSOB Regulation No. 20307 of 15 February 2018, and the Consolidated Banking Act, each as amended from time to time;

(ii) in compliance with Article 129 of the Consolidated Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time,

pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in compliance with any other applicable law, regulation, and/or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority.

The Underwriter also acknowledges that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of the Consolidated Financial Act may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "*qualified investors"* and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of the Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless such subsequent distribution is exempted from the rules on public offerings and disclosure requirements set forth in the Prospectus Regulation and the Consolidated Financial Act.

France

Each of the Issuer and the Underwriter, represents and agrees that the 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 the Information Memorandum nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed 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 and the Underwriter also represents and agrees in connection with the initial distribution of the Notes by it that:

(a) there has not been and there will be no offer or sale, directly or indirectly, of the 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 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 Notes in the Republic of France will be made by it on the condition that:
   (i) the Information Memorandum shall not be circulated or reproduced (in whole or in part) by the Investors; and
   (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*).

Prohibition of Sales to EEA Retail Investors

The Underwriter represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "*retail investor*" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
(ii) a customer within the meaning of Directive 2016/97/EC (as amended, 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 the Prospectus Regulation; and

(b) the expression "*offer*" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

GENERAL INFORMATION

Admission to trading

Application has been made for the Class A Notes to be admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana. No application has been made to list or admit to trading the Class J Notes on any stock exchange.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes has been authorised by the resolution of the Quotaholder's meetings dated 25 March 2022.

Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN Code	Common Code
Class A Notes	IT0005493447	N/A
Class J Notes	IT0005493421	N/A

Post-issuance transaction information

On or prior to each Investors Report Date, in accordance with the Agency and Accounts Agreement, the Computation Agent shall prepare and deliver, by e-mail, to the Computation Agent shall prepare and deliver to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Representative of the Noteholders and the Rating Agencies the Investors Report. The Computation Agent will be authorised to make the electronic version of the Investors Report available on the website: www.securitisation-services.com.

In addition, the Computation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investors Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date.

In addition, under the Intercreditor Agreement and the Transfer Agreement, each of the Issuer and the Originator has agreed that the Originator is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation and, in such capacity as Reporting Entity, it shall fulfil after the Issue Date the information requirements pursuant to article 7(1) of the Securitisation Regulation and article 22 of the Securitisation Regulation. For further details, see the section headed "*Risk Retention and Transparency Requirements*".

No material litigation

Since the date of incorporation of the Issuer there have been no pending or threatened governmental, legal or arbitration proceedings which may have or which have had material effects on the Issuer's financial position or profitability. No material adverse change Since the date of incorporation of the Issuer, there has been no material adverse change, or any development reasonably likely to involve a material adverse change, in the financial position or prospects of the Issuer.

Documents available for inspection

As long as any of the Notes is outstanding, copies of the following documents may be inspected on the Designated Repository and/or at the registered offices of the Issuer, of the Paying Agent and of the Representative of the Noteholders:

(a) the articles of association (*atto costitutivo*) and by-laws (*statuto*) of the Issuer;

(b) the Issuer's financial statements and the relevant auditors' reports;

(c) the Transfer Agreement;

(d) the Warranty and Indemnity Agreement;

(e) the Servicing Agreement;

(f) the Corporate Services Agreement;

(g) the Administrative Services Agreement;

(h) the Intercreditor Agreement;

(i) the Agency and Accounts Agreement;

(j) the Quotaholder's Agreement;

(k) this Information Memorandum;

(l) the Letter of undertaking;

(m) any other Transaction Document that may be entered into from time to time by the Issuer after the Issue Date; and

(n) any other information made available or to be made available on the Designated Repository pursuant to the section headed "*Risk Retention and Transparency Requirements*".

The documents listed above will be made available also on the Designated Repository. Provided that after 12 months from the Issue Date such documents can be made available only on the Designated Repository.

In addition, the Paying Agent shall provide by e-mail, such documents as may from time to time be required by the Representative of the Noteholders and/or Borsa Italiana S.p.A. or any Noteholder, in accordance with the Conditions.

The documents listed under paragraphs (c) to (l) (included) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the Securitisation Regulation.

Financial statements of the Issuer

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

Since the date of its incorporation, the Issuer has not commenced operations (other than the activities related to the Previous Securitisation and the purchasing of the 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.

In addition, this Information Memorandum and the Investor Reports (starting with the first Investor Report which will be issued on the first Investors Report Date) will be also made available in electronic form via the Banco BPM's internet website currently located at https://eurodw.eu/ (for the avoidance of doubt, such website does not constitute part of this Information Memorandum).

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 100,000.00 (excluding servicing fees and any VAT, if applicable).

The total expenses payable in connection with the admission of the Senior Notes to trading on the ExtraMOT PRO of the ExtraMOT Market, amount approximately to Euro 2,500 (plus VAT, if applicable).

Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) code is 815600851E9427206817.

ISSUER

BPL Mortgages S.r.l.
Via V. Alfieri 1, 31015
Conegliano (TV)
Italy

ORIGINATOR, REPORTING ENTITY, SERVICER, TRANSACTION BANK, ADMINISTRATIVE SERVICER, UNDERWRITER AND INTERIM ACCOUNT BANK

Banco BPM S.p.A.
Piazza F. Meda, 4
20121 Milan
Italy

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

Banca FININT S.p.A.
Via V. Alfieri 1, 31015
Conegliano (TV)
Italy

PAYING AGENT

The Bank of New York Mellon, SA/NV Milan branch
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20124 Milan
Italy

LEGAL AND TAX ADVISERS
to the Underwriter as to Italian law

Studio Professionale Associato a Baker & McKenzie
Piazza Filippo Meda, 3
20121 Milan
Italy