GIADA SEC. S.R.L.

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

Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052

Issue Price: 100 per cent

Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052

Issue Price: 100 per cent

This Prospectus contains information relating to the issue by Giada Sec. S.r.l., a *società a responsabilità limitata* organised under the laws of the Republic of Italy with quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 13134880155, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 32432.7 (the "**Issuer**") of the Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052 (the "**Class A Notes**" or the "**Senior Notes**"). In connection with the issue of the Senior Notes, the Issuer will also issue the Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052 (the "**Class B 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 Italian law number 130 of 30 April 1999, as amended from time to time (the "**Securitisation Law**"). This Prospectus constitutes also the admission document of the Senior Notes for the admission to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT" operated by Borsa Italiana S.p.A. The Junior Notes are not being offered pursuant to this Prospectus and no application has been made to list the Junior Notes on any stock exchange. The Notes will be issued on 21 December 2020 (the "**Issue Date**").

The net proceeds of the offering of the Notes will be applied by the Issuer on the Issue Date to fund the purchase of a portfolio of monetary claims and connected rights arising under loans granted to small and medium-sized enterprises (respectively, the "**Initial Portfolio**" and the "**Receivables**") pursuant to loan agreements entered into between Intesa Sanpaolo S.p.A. ("**ISP**", "**Intesa Sanpaolo**" or the "**Originator**") and the relevant Debtors, purchased by the Issuer under the terms of a master receivables purchase agreement entered into between the Issuer and the Originator pursuant to the Securitisation Law on 12 November 2020 (the "**Master Receivables Purchase Agreement**").

Pursuant to the terms and subject to the conditions of the Master Receivables Purchase Agreement and the relevant purchase notice, the Originator may, during the Revolving Period, sell to the Issuer additional portfolios (each a "**Subsequent Portfolio**" and considered together with the Initial Portfolio, the "**Portfolios**") of Receivables between ISP and the relevant Debtors.

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

Repayment of principal in respect of the Notes will be made to the holders of the Senior Notes (the "**Class A Noteholders**" or the "**Senior Noteholders**") and the holders of the Junior Notes (the "**Class B Noteholders**" or the "**Junior Noteholders**", and together with the Senior Noteholders, the "**Noteholders**") starting from the Payment Date immediately following the Revolving Period End Date (as defined in the Conditions).

By operation of Italian Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolios and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the securitisation of the Portfolios (the "**Securitisation**"). Amounts derived from the Portfolios will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

Interest on the Notes will accrue on a daily basis and will be payable on 4 June 2021 (the "**First Payment Date**") and thereafter quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 4th calendar day of March, June, September and December (or, if such day is not a Business Day, the immediately succeeding Business Day) (each such dates, a "**Payment Date**"). The Senior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an "**Interest Period**") (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 1.00% *per annum* (the "**Margin**"), provided that the Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1.70% *per annum* and shall not be negative.

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate of 0.50% *per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**"). An Additional Return may or may not be payable on the Junior Notes on each Payment Date in accordance with the Conditions.

The Senior Notes are expected, on issue, to be rated "A (sf)" by DBRS Ratings GmbH ("**DBRS**") and "A1 (sf)" by Moody's Investors Service España S.A. ("**Moody's**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation. As of the date hereof, each of DBRS and Moody's is established in the European Union and is registered under Regulation (EC) number 1060/2009, as amended by Regulation (EC) number 513/2011 and Regulation (EC) number 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (for the avoidance of doubt, such website does not form part of this Prospectus).

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

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

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

Before the Payment Date falling in December 2052 (the "**Final Maturity Date**"), the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, purchase and cancellation*)). Save for the fact that in any event full redemption will have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the first Payment Date falling after the Revolving Period End Date, subject to there being sufficient Issuer Available Funds and in accordance with the applicable Priority of Payments.

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

The Issuer will be relying on an exclusion or exemption from the definition of "*investment company*" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this Prospectus). No assurance can be given as to the availability of the exclusion or exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Notes.

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

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

PROHIBITION OF SALES TO EEA AND 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 European Economic Area (the "**EEA**") or the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended or superseded, (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the 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 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPS Regulation.

BENCHMARK REGULATION - Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("**EMMI**"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

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

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

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

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

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

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

Dated 21 December 2020

Arranger

INTESA SANPAOLO S.P.A.

Underwriter

INTESA SANPAOLO S.P.A.

RESPONSIBILITY FOR INFORMATION

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

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

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

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

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

*The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolios and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash-flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, the Paying Agent, the Account Bank, the Subordinated Loan Provider or the Underwriter (the "***Other Issuer Creditors***") and to any third party creditor of the Issuer in respect of any cost, fee or expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolios and the other Segregated Assets will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "***Priority of Payments***").*

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

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "***Securities Act***"), or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For further details see the section headed "*Subscription, Sale and Selling Restrictions*" below.*

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

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("***EEA***") or 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 (11) of article 4(1) of Directive 2014/65/EU ("***MiFID II***"); or (ii) a customer within the meaning 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. Consequently no key information document required by Regulation (EU) number 1286/2014 (the "***PRIIPs Regulation***") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.*

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

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. IN PARTICULAR, NOTHING IN THIS PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS PROSPECTUS MAY NOT BE FORWARDED, DISTRIBUTED, PUBLISHED OR DISCLOSED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR

REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

*Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("***EMMI***"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("***ESMA***") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "***Benchmark Regulation***"). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.*

Neither this document nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, 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.

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

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

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

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

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

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RISK FACTORS

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

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

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

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

RISK FACTORS IN RELATION TO THE ISSUER

Issuer's ability to meet its obligations under the Notes

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Calculation Agent, the Representative of the Noteholders, the Account Bank, the Subordinated Loan Provider, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Quotaholders, the Arranger or the Underwriter. None of any such persons, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Initial Portfolio, the Cash Reserve, the Additional Cash Reserve (if any) and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest or Additional Return on the Notes or to repay the Notes in full.

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

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

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the scheduled instalment dates and the actual receipt of payments from the Debtors. This risk is mitigated in respect of the Senior Notes through the support provided to the Issuer in respect of interest payments on the Senior Notes by the Cash Reserve.

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

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

Credit risk on Intesa Sanpaolo S.p.A. and the other parties to the Transaction Documents

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

If an event of default occurs in relation to the Servicer pursuant to the terms of the Servicing Agreement, then the Issuer may terminate the appointment of the Servicer. It is not certain that a suitable alternative servicer could be found to service the Portfolios if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer were to be found it is not certain whether it would service the Portfolios on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolios or any part thereof, and/or the ability of the Issuer to make payments related to the Notes.

The ability of an alternative servicer to fully perform its duties would depend on the information and records made available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the Servicer.

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

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into accounts of the Issuer by no later than the second Business Day following the relevant collection.

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

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolios 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 (to the extent such amounts have not been and are not commingled with other sums) will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolios incurred by the Issuer. Amounts deriving from the Portfolios 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 Portfolios would have the right to claim in respect of the Portfolios and the other Segregated Assets, even in a bankruptcy of the Issuer.

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors with the amounts standing to the credit of the Expenses Account and the Corporate Account or 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 Portfolios, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

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

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

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

Further securitisations

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged a securitisation transaction carried out in accordance with the Securitisation Law which has been completed on 4 August 2000 and involving the issue of asset-backed notes in an aggregate amount of Euro 513,234,000 (the "**Previous Securitisation**" and the "**Previous Securitisation Notes**"). As at the date of this Prospectus, the Previous Securitisation Notes have been reimbursed in full by the Issuer and the Previous Securitisation has been unwound. Therefore, the Issuer has not any outstanding liabilities in respect to the Previous Securitisation.

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

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

RISK FACTORS IN RELATION TO THE NOTES

Suitability

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

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

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

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Notes. It must be further noted that the Conditions provide that the interest payable on the Senior Notes may never accrue at a rate in excess of 1.70% per annum or lower than 0% per annum.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection and renegotiation of, and other recoveries on, the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Portfolios and the weighted average life of the Senior Notes. The weighted average life of the Senior Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes.

The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

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

Subordination

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

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

Limited rights

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

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

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

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

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of benchmarks of unauthorised administrators.

In addition, on 13 February 2019, the Italian Government approved the Legislative Decree No. 19 dated 13 February 2019 with the aim of harmonizing the Italian legislation to the Benchmark Regulation. According to a press release issued on 25 February 2019, the EU institutions agreed to grant providers of "critical benchmark" – interest rates such as Euribor or EONIA – an extension until 31 December 2021 to comply with the new Benchmarks Regulation.

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

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

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

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

Resolutions of the Noteholders

Certain resolutions, to the extent properly adopted in accordance with the Rules, are binding on all Noteholders, and, therefore, certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution. In particular, pursuant to the Rules: (a) any resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting; and (c) any resolution is passed to the extent that the relevant quorum is reached.

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

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

Market for the Senior Notes

Although an application has been made to ExtraMOT PRO for the Senior Notes to be listed on the official list of ExtraMOT PRO and to be admitted to trading on professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT operated by Borsa Italiana S.p.A., there is currently no active and liquid secondary market for the Senior Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for the 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 the liquidity of investments or that any such liquidity will continue for the life of such Senior Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

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

Eurosystem eligibility criteria

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (as amended from time to time) and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, the Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time.

Neither the Issuer, the Arranger, the Underwriter, the Originator nor any other party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

Limited nature of credit ratings assigned to the Senior Notes

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

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

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

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

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

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

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

RISK FACTORS IN RELATION TO THE PORTFOLIOS

No independent investigation in relation to the Receivables

None of the Issuer, the Arranger or the Underwriter nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements nor has any of them undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

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

Claw back of the sales of the Receivables

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

On 11 October 2017, 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. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017 has been published on the Official Gazette of the Republic of Italy. Except for certain amendments related, among others, to corporate governance and directors' liability which entered into force on 16 March 2019, Legislative Decree No. 14 of 12 January 2019 should originally have entered into force as of 15 August 2020. However, due to a pandemic emergency caused by a new form of coronavirus, the reform, which should have entered into force during such epidemiological emergency, has been delayed to 1 September 2021 by Law Decree No. 20/2020.

Prospective Noteholders should be aware that, as at the date of this Prospectus, 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 Prospectus.

Recoveries under the Loans

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

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

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

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

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

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

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

Loans' performance

The Portfolios are exclusively comprised of loans which were performing as at the Cut-Off Date (see the section headed "*The Portfolios*"). There can be no guarantee that the Debtors will not default under the relevant Loan and that they will therefore continue to perform their obligations thereunder. Debtors may default on their obligations due under the Loans for a variety of reasons. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors (including general economic conditions and other similar factors) may lead to an increase in default by and bankruptcies of the Debtors and could ultimately have an adverse impact on their ability to repay the Loans. Overall economic recession and a further decline in the national and international economic outlook, or a general deterioration of economic conditions in any industry in which the Debtors operate may negatively impact the solvency of the borrowers and therefore the recovery of loans.

The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Loans and mortgages (if any) may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of 6 (six) to 8 (eight) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any real estate asset.

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

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

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

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

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

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

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

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

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

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

Changes in the Portfolios composition

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

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

(ii) *Repurchase rights* – the Originator has been granted (i) an option right to repurchase the Portfolios, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolios, affecting their capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Master Receivables Purchase Agreement provides that the Originator may exercise the repurchase option of individual Receivables only if the aggregate of the repurchased Receivables does not exceed: (a) in respect of Receivables other than Defaulted Receivables, 15% of the aggregate of the Outstanding Principal of the Portfolios as at the relevant Effective Date; and (b) in respect of the Defaulted Receivables, 10% of the aggregate of the Outstanding Principal of the Initial Portfolio as at the relevant Effective Date.

Compounding of interest (*anatocismo*)

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

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

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

Italian Usury Law

Italian Law number 108 of 7 March 1996 (as amended and supplemented, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree having been issued on 24 September 2019 and being applicable for the quarterly period from 1 October 2019 to 31 December 2019). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*") , related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, the *Sezioni Unite* of the Italian Supreme Court, with the decision number 16303 of the 20 June 2018, have clarified the necessity to make the comparison between homogeneous elements taking into account for the *commissione di massimo scoperto* the portion of Usury Rate corresponding to the *commissione di massimo scoperto.* With reference to the loan agreements, the Italian Supreme Court ("*Corte di Cassazione*"), with the decision number 350 of 9 January 2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

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

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

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

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

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

Article 120-quater of the Consolidated Banking Act

Article 120-*quater* of the Consolidated Banking Act provides that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the right of prepayment of the loan and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

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

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

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

In a macroeconomic context where the economic condition of the Italian small and medium enterprises' sector was affected by the financial crisis and experienced increasing levels of loan defaults starting from the end of 2008, in order to introduce measures aimed at supporting companies struck by the financial crisis, on the 3rd ofAugust 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies struck by the financial crisis (the "**PMI Convention**").

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

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

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

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

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

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

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

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

On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the July 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention provides for three different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long term loans which are outstanding as at 31 March 2015 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that the instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24 months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 31 March 2015) for a period equal to 100% of the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above was to be submitted by 31 December 2017.

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

On 15 November 2018, ABI and the associations of the representative of the companies signed a new further convention (the "**2019 PMI Convention**"). The 2019 PMI Convention provides for two different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long term loans which are outstanding as at 15 November 2018 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that the 93 instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24 months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 15 November 2018) for a period equal to 100% of the residual duration of the relevant loans. Any requests under item (i) and (ii) above to be submitted by 31 December 2020.

On 6 March 2020, through an addendum to the 2019 credit agreement between ABI and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

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

Prospective investors should consider that the epidemiological emergency "COVID-19" is still in course and therefore other initiatives relating to SME companies may be carried out.

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

RISKS RELATING TO THE SECURITISATION REGULATION

General uncertainty in relation to the Securitisation 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) underwriting criteria for loans to be comprised in securitisation pools. These requirements apply in respect of the Notes.

There is at present some uncertainty in relation to some of these requirements, including with regards to the risk retention requirements under article 6 (*Risk Retention*) of the Securitisation Regulation. The Regulatory Technical Standards relating to the risk retention requirements are not yet in final form. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

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 Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger, 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.

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:

(1) 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

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

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

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

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

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

Default Risk in relation to the Securitisation Regulation

In the event that the Originator breaches its undertaking to retain on an ongoing basis a material net economic interest in the Securitisation of not less than 5% in accordance with the requirements of the Securitisation Regulation the Securitisation would cease to be compliant with the Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes. In this regard, potential Noteholders should note that it is expected that the Originator will use the Notes retained by it as collateral for secured funding purposes in a manner permitted under the Securitisation Regulation. It is possible that the Securitisation may cease to satisfy the requirements of article 6 of the Securitisation Regulation should the enforcement of that security or any consequences arising from those dealings result in the Originator ceasing to retain the requisite level of material net economic interest in the Securitisation.

Disclosure requirements under the Securitisation Regulation are uncertain in some respects

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. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "*Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates*". As at the date of this Prospectus, such disclosure technical standards have been published in the Official Gazette of the European Union and have entered into force as from 23 September 2020, but it remains a certain degree of uncertainty as to the interpretation thereof. In addition, as at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy.

RISKS RELATING TO TAX CONSIDERATIONS

Substitute tax under the Notes

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

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

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

Tax treatment of the Issuer

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

It is, however, possible that the Ministry of the Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to Securitisation Law which might alter or affect the tax position of the Issuer as described above.

Registration tax on transfer of receivables

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

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

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

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Senior Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Senior Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

RISKS RELATING TO OTHER LEGAL AND REGULATORY CONCERNS

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, only limited interpretation of the application of the Securitisation Law as subsequently amended from time to time, has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents as at the date of this Prospectus. In addition to that, in the last years certain amendments have been introduced to the Securitisation Law. For details with respect to such amendments, please see section headed "*Selected aspects of Italian Law – The Securitisation Law*".

"Brexit" risk

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

Prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the "**Withdrawal Agreement**"). On 31 January 2020, the UK withdrew from the European Union. According to Articles 126 and 127 of the Article 50 Withdrawal Agreement (approved by the European Parliament on 29 January 2020), the UK entered an implementation period during which it will negotiate its future relationship with the European Union. During such implementation period – which is due to operate until 31 December 2020 – the Union law shall continue to apply in the United Kingdom.

Regardless those facts, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union.

The possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities with possible negative consequences on the asset prices, operating results and capital and/or financial position of the Issuer.

Risks related to the economic/financial crisis and the impact of current uncertainties of the macroeconomic context

The macro-economic framework is currently characterised by significant profiles of uncertainty, in relation to: (a) the real economy trends, with respect to the likelihood of recession both at the domestic and global level and with respect to an escalation of the US tariff war; (b) the future developments of ECB monetary policies in the Euro area and of the FED in the dollar area; (c) the tensions observed, on a more or less recurrent basis, on the financial markets; (d) the trust instability among Italian public debt holders, due to the uncertainty of budgetary policies; (e) the exit of the United Kingdom from the European Union, the terms and conditions of which remain uncertain; and (f) the recent outbreak of COVID-19, the full effects of which on the global economy are not certain as of the date hereof.

Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets. Since the beginning of May 2010, the sovereign debt-related difficulties in several Euro-zone countries have determined the decline of the credit quality of certain EU Member States, including Cyprus, Greece, Italy, Portugal and Spain, as also reflected by downgrades suffered by such Countries. The large sovereign debts and fiscal deficits in European countries and its impact on Euro-zone banks' funding have raised concerns regarding the stability and overall standing of the Euro-zone and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead the potential reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time. It should be noted that the risk that certain EU Member States could exit from European Union and consequently from the single currency has become more consistent at the beginning of 2015, in particular with reference to Greece.

The occurrence of such adverse scenario might result in higher levels of financial market volatility, lower interest rates, bond impairments, increased bond spreads and other difficult to predict spill-over effects.

In particular, the Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Notes are downgraded.

Measures to counter the impact of the "COVID-19" virus

In recent months, European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU economy, issued 4 recommendations on the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

1. Business Continuity Planning: ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.

2. Market disclosure: issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (MAR), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.

3. Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.

4. Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The European Central Bank (ECB), at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer-term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer-term refinancing operations (TLTROs); and, third, preventing financing conditions for the economy tightening in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards LTROs these will be carried out through a fixed rate tender procedure with full allotment. They will be priced very attractively, with an interest rate that is equal to the average rate on the deposit facility of ECB. These new LTROs will provide liquidity on favourable terms to bridge the period until the TLTRO III operation in June 2020.

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 25 basis points below the average rate applied in the Eurosystem's main refinancing operations.

Lastly, the Governing Council also decided to add a temporary envelope of additional net asset purchases of €120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (the "**Cura Italia Decree**") has been adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE notional return exceeding the total net income, to the extent of 20% of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. In particular, the ECB recommends to:

- give banks further flexibility in prudential treatment of loans backed by public support measures;
- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;
- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, EBA published a statement to explain the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

(i) the classification of exposures in default;

(ii) the identification of forborne exposures;

(iii) the accounting treatment of the aforesaid exposures

Specifically, the Authority repeats the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

On 25 March 2020, ESMA provided clarifications on the accounting implications of the economic support and relief measures adopted by EU Member States in response to COVID-19. In particular, the statement provides guidance to issuers and auditors on the application of IFRS 9 (*Financial Instruments*) with regard to the calculation of expected losses and related disclosure requirements. This concerns, in particular, the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the Covid19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.
- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.

- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the European Central Bank published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 (the "**Liquidity Decree**") was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (SACE), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020.

On 28 April 2020, the European Commission adopted a banking package for banks to help facilitate bank lending to households and businesses throughout the European Union. The aim of this package is to ensure that banks can continue to lend money to support the economy and help mitigate the significant economic impact of the COVID-19.

The Commission has proposed exceptional temporary measures to mitigate the immediate impact of coronavirus-related developments, which imply:

- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9);
- more favorable treatment of public guarantees granted during the crisis;
- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks ("G-SIB buffer");
- a change in the way of excluding certain exposures from the calculation of the leverage ratio, as of June 2021.

The Commission also proposed to anticipate the date of application of several measures agreed in CRR II that incentivise banks to finance employees, SMEs and infrastructure projects.

Bank Recovery and Resolution Directive

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

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

In addition to the above, it should be noted that due to the fact that ISP is a credit institution established in the European Union, it is subject to the BRRD. Therefore, in case of failure by ISP to comply with the prudential requirements applicable to it, or upon occurrence of certain other circumstances set forth in the BRRD, it may be subject to the BRRD resolution procedure. In such circumstances, ISP may not be in a position to meet its obligations under the Transaction Documents, including its obligations as Servicer and as indemnity provider under the Warranty and Indemnity Agreement.

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 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.

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, 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. This Prospectus will not be updated to reflect any such changes or events.

Projections, forecast and estimates

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

Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Forward-looking statements

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

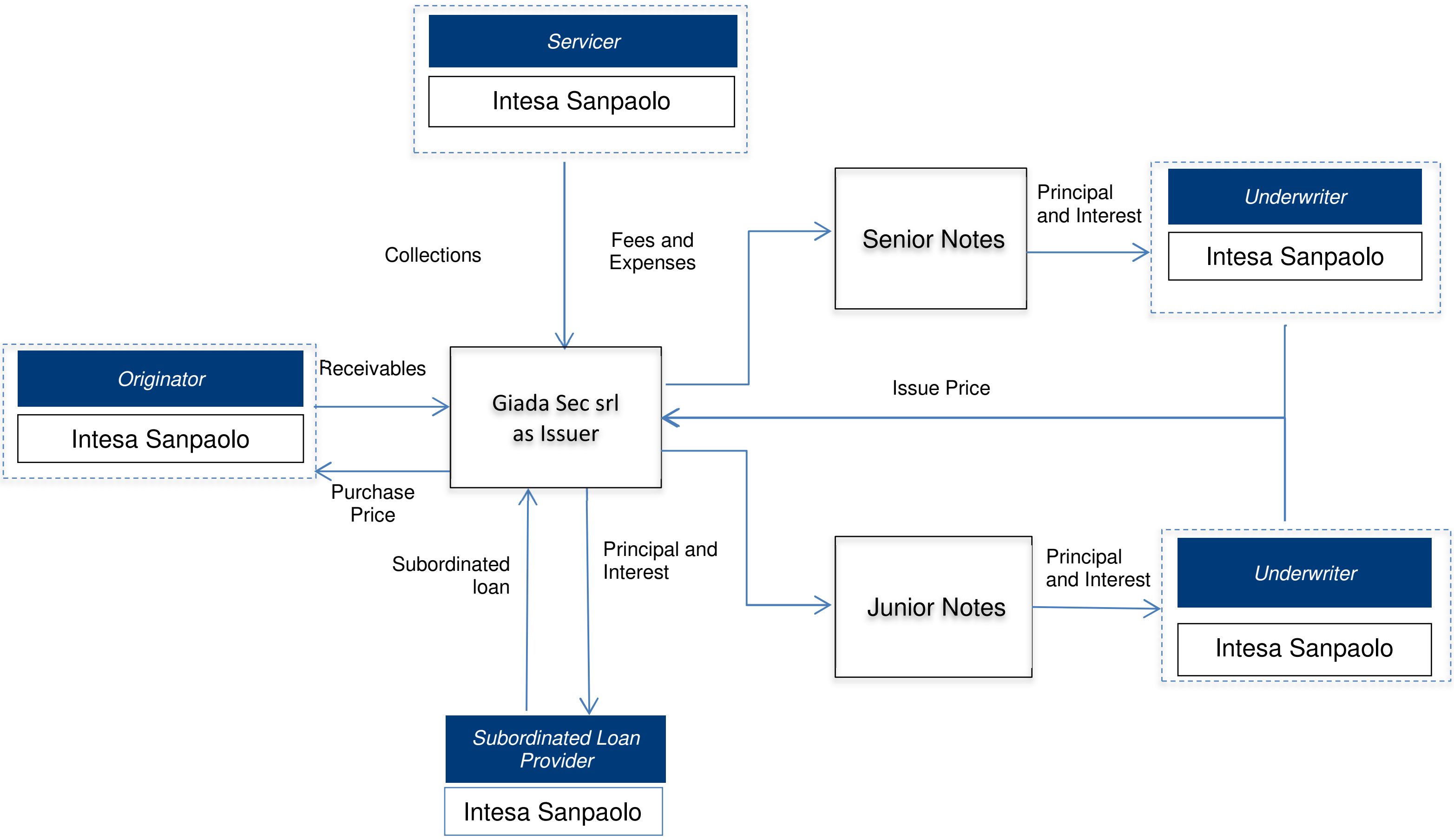
Simultaneous occurrence of several risk factors

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

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

TRANSACTION DIAGRAM

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



TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transactions and assets underlying the Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus and in the Transaction Documents. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this Prospectus. All capitalised words and expressions used in this transaction overview, not otherwise defined herein, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.

1. THE PRINCIPAL PARTIES

Issuer	**GIADA SEC. S.R.L.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), fiscal code and enrolment in the companies register of Treviso-Belluno No. 13134880155, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 32432.7 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law (the "**Issuer**"). The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to the terms and conditions specified under Condition 5.11 (*Covenants - Further securitisations*). *For further details see the section headed "*The Issuer*".*
Originator	**INTESA SANPAOLO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 10,084,445,147.92, fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act ("**ISP**" or the "**Originator**").
Servicer	**ISP**, acting as servicer pursuant to the Servicing Agreement or any person from time to time acting as servicer (the "**Servicer**").

Calculation Agent	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.**, *breviter* "**BANCA FININT S.P.A.**", a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "Fondo Interbancario di Tutela dei Depositi" and of the "*Fondo Nazionale di Garanzia*"("**BANCA FININT**" or the "**Calculation Agent**"). The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Representative of the Noteholders	**BANCA FININT**, acting as representative of the noteholders pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement or any person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders**").
Account Bank	**ISP**, acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as account bank (the "**Account Bank**").
Subordinated Loan Provider	**ISP**, acting as subordinated loan provider pursuant to the First Subordinated Loan Agreement and the Additional Subordinated Loan Agreement (if any) or any person from time to time acting as subordinated loan provider (the "**Subordinated Loan Provider**").
Paying Agent	**ISP**, acting as paying agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as paying agent (the "**Paying Agent**").
Corporate Services Provider	**BANCA FININT**, acting as corporate services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as corporate services provider (the "**Corporate Services Provider**").
Administrative Services Provider	**ISP**, acting as administrative services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as administrative services provider (the "**Administrative Services Provider**").
Quotaholders	**ISP** (a "**Quotaholder**") and **STICHTING SVEVO**, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands,

having its registered office at Barbara Strozzilaan, 101 1083 HN Amsterdam, The Netherlands, enrolment with the Dutch chamber of commerce under number 75249103, Italian fiscal code 97851670154 ("**Stichting Svevo**" or a "**Quotaholder**" and together with ISP, the "**Quotaholders**").

Reporting Entity	**ISP**, acting as reporting entity or any person from time to time acting as reporting entity (the "**Reporting Entity**").
Arranger	**ISP**, acting as arranger or any person from time to time acting as arranger (the "**Arranger**").

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

On the Issue Date the Issuer will issue the following classes of notes:

(i) Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052 (the "**Class A Notes**" or the "**Senior Notes**");

(ii) Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

Issue price

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

Class	Issue Price
Senior Notes	100 per cent
Junior Notes	100 per cent

Interest on the Senior Notes

The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 1.00% *per annum* (the "**Margin**"), *provided that* the Senior Notes Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1.70% *per annum* and shall not be negative.

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

Interest on the Junior Notes

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate equal to 0.50%*per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**").

Additional Return on the Junior Notes

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

"**Additional Return**" means:

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

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

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

plus, for the avoidance of doubt,

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

Payment Date

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 4th calendar day of March, June, September and December (each such dates, a "**Payment Date**"). The first Payment Date will fall on the 4th June 2021 (the "**First Payment Date**").

Unpaid Interest

Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any

Payment Date (in accordance with the applicable Priority of Payments), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest.

Form and denomination

The denomination of the Senior Notes and the Junior Notes will be Euro 100,000. 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 (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream). 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 book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Ranking, status and subordination of the Notes

In respect of the obligation of the Issuer to pay interest on the Notes and Additional Return (as applicable) during the Amortisation Period prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal up to the Target Amortisation Amount on the Notes during the Amortisation Period prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

In respect of the obligation of the Issuer, to pay interest on the Notes and Additional Return (as applicable) following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds net of any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

Withholding on the Notes

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

*For further details see the section headed "*Taxation*".*

Purchase Termination Events

If, during the Revolving Period, any of the following events (each a "**Purchase Termination Event**") occurs:

(i) *Trigger Notice*: a Trigger Notice is sent to the Issuer by the Representative of the Noteholders;

(ii) *default*: ISP defaults in the performance or observance of any of its obligations under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the

Servicing Agreement or any of the Transaction Documents to which it is a party and, in the motivated opinion of the Representative of the Noteholders (a) such default is materially prejudicial to the interests of the holders of the Senior Notes, and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iii) *breach of representations and warranties*: any of the representations and warranties given by ISP under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement or any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which, in the motivated opinion of the Representative of the Noteholders (a) such breach or false, incomplete or misrepresentation is materially prejudicial to the interests of the holders of the Senior Notes and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iv) *insolvency*:

(a) ISP becomes subject to any order issued by the competent authorities ordering the administrative compulsory liquidation (*liquidazione coatta amministrativa*) of the latter or its submission to other insolvency proceedings, or a resolution has been passed by ISP providing for its dissolution or seeking admission to one of the above proceedings; or

(b) ISP takes any action for the purpose of renegotiating its obligations relating to financial indebtedness or deferring its performance, concluding out-of-court agreements with its creditors (in any event to the extent that such agreements may prove to be materially detrimental to the interests of the holders of the Senior Notes or are unquestionably judged to be such by the Representative of the Noteholders), for the deferral of the performance of its obligations relating to financial indebtedness or the enforcement of guarantees given in order to ensure their performance;

(v) *validity of the agreements*: the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitral or administrative authority by anyone who has the right or an interest in it, on the basis of reasons to be considered well-founded according to the motivated assessment of the Representative of the Noteholders, on the basis of a legal opinion issued by a leading law firm in favour of the Representative of the Noteholders and ISP (to be disclosed also to the Rating Agencies) within 30 Business Days from the above mentioned dispute, which assesses that such circumstance substantially prejudices or may substantially prejudice the interests of the Noteholders;

(vi) *termination of the Servicer*: the appointment of ISP as Servicer is terminated by the Issuer in compliance with the terms and conditions of the Servicing Agreement;

(vii) *failure to credit the Cash Reserve Account*: on any Payment Date, an amount lower than the Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Cash Reserve Account;

(viii) *failure to credit the Additional Cash Reserve Account*: on any Payment Date, an amount lower than the Additional Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Additional Cash Reserve Account;

(ix) *Default Ratio*: the Default Ratio is higher than 8.50%;

(x) *Target Accumulation Amount ratio:* on any Payment Date following the First Payment Date, the ratio between the relevant Target Accumulation Amount and the Initial Principal Portfolio is higher than 37%; and

(xi) *failure to exercise the Transfer Option*: the Originator has not sold any Subsequent Portfolio to the Issuer for three consecutive Collection Periods,

then, the Servicer shall serve a notice to the Representative of the Noteholders. Once the Representative of the Noteholders has received notice from the Servicer confirming that a Purchase Termination Event has occurred, it shall give notice to the Issuer, the Originator, the Rating Agencies and the Arranger specifying which Purchase Termination Event has occurred in accordance with Condition 12.5 (*Purchase Termination Events*) (the "**Purchase Termination Notice**").

Upon service of a Purchase Termination Notice no more purchases of Receivables shall take place under the Master Receivables Purchase Agreement.

Mandatory redemption

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

Optional redemption

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

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

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

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

Optional redemption for taxation reasons

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

(i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

(ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation, ,

and provided that the Issuer:

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

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

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

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

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

Final Maturity Date

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Outstanding Amount (together with all accrued and unpaid interest thereon) on the Payment Date falling in December 2052 (the "**Final Maturity Date**").

Segregation of Issuer's Rights

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

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

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

*For further details see the section headed: "*Selected Aspects of Italian Law - Ring-fencing of the assets*".*

Trigger Events

If any of the following events occurs:

(a) *Non-payment*

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

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

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

(c) *Breach of other obligations*

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

(d) *Insolvency of the Issuer*

(i) the Issuer becomes 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, 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 the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or such proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(iv) the Issuer becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business; or

(e) *Winding up etc.*

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

(f) *Unlawfulness*

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

then the Representative of the Noteholders,

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

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

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

Non petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular:

(i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(ii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an insolvency or similar proceeding in relation to the Issuer, unless a Trigger Notice has been served or an insolvency or similar proceeding has occurred and the Representative of the Noteholders, having become bound to do so, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

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

Limited recourse obligations of Issuer

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

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

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

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

The Organisation of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed by the initial Noteholders in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Rating

The Senior Notes are expected to be assigned the following ratings on the Issue Date:

Class	*DBRS*	*Moody's*
Class A Notes	A (sf)	A1 (sf)

As of the date of this Prospectus, each of DBRS Ratings GmbH ("**DBRS**") and Moody's Investors Service España S.A. ("**Moody's**") is established in the European Union and is registered 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 amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**") and 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 Prospectus).

No rating will be assigned to the Class B Notes.

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

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" managed by Borsa Italiana S.p.A.

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

Selling restrictions

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

*For further details see the section headed "*Subscription, Sale and Selling Restrictions*".*

Governing Law

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

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

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

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

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Account during the immediately preceding Collection Period;

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

(iii) following the delivery of an Additional Cash Reserve Trigger Event Notice, all amounts transferred on the Additional Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Ninth* of the Revolving Period Pre Enforcement Priority of Payments and item *Tenth* of the Amortisation Period Pre Enforcement Priority of Payments (or, in the case of the first Payment Date following the opening of the relevant Account, all amounts transferred on the Additional Cash Reserve Account);

(iv) all amounts transferred on the Investment Account on the immediately preceding Payment Date in accordance with item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments;

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

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

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

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Investment Account on the Issue Date as issue price of the Notes in excess of the Initial Portfolio Purchase Price;

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

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

"**Initial Principal Portfolio**" means the Outstanding Principal of the Initial Portfolio as at the First Effective Date.

Senior Notes Principal Payment Amount

During the Amortisation Period, on each Calculation Date, the Calculation Agent will calculate the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date (the "**Senior Notes Principal Payment Amount**"), being the lesser of:

(i) the Principal Outstanding Amount of the Senior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Senior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount on such Payment Date.

Junior Notes Principal Payment Amount

During the Amortisation Period, on each Calculation Date, the Calculation Agent will calculate the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date (the "**Junior Notes Principal Payment Amount**"), being the lesser of:

(i) the Principal Outstanding Amount of the Junior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Junior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount less the Senior Notes Principal Payment Amount (if any) on such Payment Date.

Target Amortisation Amount The Target Amortisation Amount, on each Payment Date, is an amount equal to the difference between:

(A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, to be reduced, until the Payment Date (included) on which the Senior Notes are redeemed in full, of an amount equal to Euro 31,359,058.11 (resulting from the difference between the Initial Portfolio Purchase Price and the Initial Principal Portfolio); and

(B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

"**Performing Outstanding Principal Portfolio**" means the Outstanding Principal of all Receivables contained in the Performing Portfolio.

"**Performing Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Master Receivables Purchase Agreement which are not Defaulted Receivables as at such date.

Target Accumulation Amount The Target Accumulation Amount, on each Calculation Date with respect to the immediately following Payment Date during the Revolving Period, means an amount equal to the lesser of:

(A) the Issuer Available Funds net of all amounts payable on such Payment Date in priority to item *Eighth* of the Revolving Period Pre Enforcement Priority of Payment, and

(B) (i) an amount equal to Principal Instalments collected or recovered in the immediately preceding Collection Period, plus (ii) any proceeds during the immediately preceding Collection Period deriving from the sale, if any, of the Portfolios or of individual Receivables in accordance with the provisions of the Transaction Documents, plus (iii) any Purchase Price adjustments received during the immediately preceding Collection Period by the Issuer in accordance with the Master Receivables Purchase Agreement, plus (iv) the Target Accumulation Amount in excess of the amounts paid under item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments on the immediately preceding Payment Date (if any) (the "**Target Accumulation Amount**").

Revolving Period

"**Revolving Period**" means the period commencing on the First Transfer Date (included) and ending on the Payment Date falling in March 2023 (included) or, if earlier, the date (excluded) on which a Purchase Termination Notice has been served by the Representative of the Noteholders following the occurrence of a Purchase Termination Event (such date, the "**Revolving Period End Date**").

Amortisation Period

"**Amortisation Period**" means the period starting from the first Payment Date (included) immediately following the Revolving Period End Date.

Revolving Period Pre Enforcement Priority of Payments

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

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

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

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, (i) firstly to pay to the Originator, any Purchase Price due following the transfer of any Subsequent Portfolio (if any) for an amount not higher than the Target Accumulation Amount and, (ii) secondly, to credit any residual amount following the payment under item (i) above, to the Investment Account for an amount not higher than the Target Accumulation Amount;

Ninth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to credit to the Additional Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Additional Cash Reserve Required Amount;

Tenth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Eleventh, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

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

Amortisation Period Pre Enforcement Priority of Payments

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

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

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

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, to pay to the Originator any Purchase Price unpaid during the Revolving Period;

Ninth, to pay, *pari passu* and *pro* rata, on any Payment Date, (i) before the occurrence of a Pass-Through Condition, the Senior Notes Principal Payment Amount on the Senior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Tenth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to credit to the Additional Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Additional Cash Reserve Required Amount;

Eleventh, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Twelfth, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

Fifteenth, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes

Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

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

Post Enforcement Priority of Payments

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

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

Second, if the relevant Trigger Event is not one of those listed under Conditions 12.1.4 or 12.1.5 (*Trigger Events*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, (b) to credit the Issuer Disbursement Amount into the Expenses Account and (c) to credit the Issuer Retention Amount into the Corporate Account;

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

Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Ninth, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

Twelfth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount; and

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

"**Junior Notes Retained Amount**" means an amount equal to (a) Euro 100,000.00 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

4. TRANSFER AND SERVICING OF THE PORTFOLIOS

The Portfolios

The principal source of payment of interest on the Senior Notes and interest and Additional Return on the Junior Notes and of repayment of principal on the Notes will be Collections made in respect of (i) the Initial Portfolio purchased by the Issuer on 12 November 2020 and (ii) any Subsequent Portfolios, which will be purchased by the Issuer pursuant to the terms of the Master Receivables Purchase Agreement and the relevant Purchase Notice.

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

The Issuer may purchase Subsequent Portfolios from the Originator only if no Purchase Termination Events has occurred.

*For further details see the sections headed "*The Portfolios*" and "*Description of the Transaction Documents – The Master Receivables Purchase Agreement*".*

Servicing of the Portfolios

On 12 November 2020, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer, *inter alia*: (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, and (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables (including the management of the Receivables which are classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*)) on behalf of the Issuer in compliance with the Securitisation Law.

*For further details see the section headed: "*Description of the Transaction Documents – The Servicing Agreement*".*

5. CREDIT STRUCTURE

Cash Reserve

On or prior to the Issue Date, the Issuer has established a reserve fund in the Cash Reserve Account by applying the proceeds of the Subordinated Loan for an amount equal to Euro 112,000,000 (the "**Initial Cash Reserve**").

The amount standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Revolving Period Pre Enforcement Priority of

Payments or the Amortisation Period Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments is applied and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Revolving Period Pre Enforcement Priority of Payments or the Amortisation Period Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments.

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

"**Cash Reserve Required Amount**" means, with reference to each Payment Date during the Revolving Period, an amount equal to Euro 112,000,000 and, with reference to each Payment Date during the Amortisation Period, an amount equal to 1.7% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

Additional Cash Reserve

Following the delivery of an Additional Cash Reserve Trigger Event Notice, the Issuer will establish a reserve fund in the Additional Cash Reserve Account by applying the proceeds of the Additional Subordinated Loan for an amount equal to Euro 900,000,000.00 (the "**Initial Additional Cash Reserve**).

The amount standing to the credit of the Additional Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Revolving Period Pre Enforcement Priority of Payments or the Amortisation Period Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments is applied and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Revolving Period Pre Enforcement Priority of Payments or the Amortisation Period Pre Enforcement Priority of Payments or, on the Payment Date immediately following the delivery of a Trigger Notice, the Post Enforcement Priority of Payments.

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

"**Additional Cash Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to Euro 900,000,000.00 minus the cumulative offset amounts by the Debtors as of the end of the Collection Period preceding such Payment Date as reported in the Quarterly Servicer's Report, provided that the Additional Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

"**Additional Cash Reserve Required Ratings**" means:

(a) with respect to DBRS:

(i) a rating at least equal to "BBH", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

(ii) if the long-term COR is not currently maintained for the institution, a rating at least equal to "BBH", in respect of the institution's long-term senior unsecured debt rating;

(b) with respect to Moody's, a rating at least equal to "Ba1" in respect of long term deposit rating.

"**Additional Cash Reserve Trigger Event**" means, at any time, ISP ceasing to have any of the Additional Cash Reserve Required Ratings or any of such ratings has been withdrawn.

"**Additional Cash Reserve Trigger Event Notice**" means the notice in respect of an Additional Cash Reserve Trigger Event to be delivered promptly following the occurrence of such event, by the Servicer to the Issuer in accordance with the Cash Allocation, Management and Payments Agreement.

Pass-Through Condition

Prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Pass-Through Condition occurs when the Default Ratio is higher than 15%.

"**Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, expressed as a percentage, obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the relevant Effective Date and the immediately preceding Collection Date; by (B) the Initial Principal Portfolio.

Retention holder and retention requirements

The Originator will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Securitisation Regulation in accordance with Article 6(3)(a) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, such material net economic interest is represented by the retention of not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior Notes), as required by the text of Article 6(3)(a) of the Securitisation Regulation.

Reporting Entity

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

(a) until the Data Repository is appointed by the Reporting Entity, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) (the "**Temporary Website**") (for the avoidance of doubt, such website does not constitute part of this Prospectus); and

(b) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository (as defined below).

"**Data Repository**" means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article

10 of the Securitisation Regulation appointed in respect of the Securitisation.

*For further details see the section headed "*Regulatory Disclosure and Retention Undertaking*".*

6. THE TRANSACTION ACCOUNTS

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

Collection Account

(1) Collection Account

(a) *in:*

(i) the Collections received in relation to the Receivables comprised in the Portfolios in accordance with the provisions of the Servicing Agreement; and

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;

(b) *out*: on each Business Day any amounts standing to the credit of the Collection Account shall be transferred to the Investment Account.

Investment Account

(2) Investment Account

(a) *in:*

(i) all amounts transferred on each Business Day from the Collection Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) any amount paid by ISP in accordance with the provisions of the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement (if not to be credited on the Collection Account in accordance with the relevant Transaction Document);

(iii) the proceeds deriving from the sale, if any, of individual Receivables comprised in the Portfolios in accordance with the provisions of the Master Receivables Purchase Agreement;

(iv) the proceeds deriving from the sale of the Portfolios in accordance with the Transaction Documents;

(v) any amounts received by any third party under any Transaction Document and not allocated to any other Account in accordance with the provisions of clause 3.4 of the Cash Allocation, Management and Payments Agreement;

(vi) on the Business Day following the Issue Date, any amount standing to the credit of the Payment Account;

(vii) on the Business Day following each Payment Date, any amount transferred from the Payment Account, if any;

(viii) any amount credited on each Payment Date during the Revolving Period in accordance with item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments; and

(ix) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Investment Account;

(b) *out*:

(i) two Business Days prior to each Payment Date, all amounts standing to the credit of the Investment Account as at the immediately preceding Collection Date shall be transferred to the Payment Account;

(ii) on the Issue Date, an amount equal to Euro 180,000.00 shall be transferred to the Corporate Account; and

(iii) on the Issue Date, an amount equal to Euro 100,000.00 shall be transferred to the Expenses Account.

Payment Account

(3) Payment Account

(a) in:

(i) two Business Days prior to each Payment Date, the amounts transferred from the Investment Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payment Account;

(iii) pursuant to the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) pursuant to the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Additional Cash Reserve Account (if any);

(v) on the Issue Date, the proceeds deriving from the issue of the Notes; and

(vi) two Business Days prior to each Payment Date, all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account and the Corporate Account;

(b) out:

(i) on the Issue Date, the Purchase Price of the Initial Portfolio shall be paid to the Originator;

(ii) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the relevant Payments Report;

(iii) on the Business Day following each Payment Date, any residual amount, if any, shall be transferred to the Investment Account; and

(iv) on the Business Day following the Issue Date, any residual amount standing to the credit of the Payment Account shall be transferred to the Investment Account.

Cash Reserve Account

(4) Cash Reserve Account

(a) *in:*

(i) on the Issue Date, an amount equal to the Initial Cash Reserve;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account;

(b) *out:*

(i) two Business Days before each Payment Date, including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account.

Expenses Account

(5) Expenses Account

(a) in:

(i) on the Issue Date, an amount equal to Euro 100,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in June thereafter, the relevant Issuer Disbursement Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account shall be transferred to the Payment Account.

Corporate Account

(6) Corporate Account

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 180,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in June thereafter, the relevant Issuer Retention Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account shall be transferred to the Payment Account.

Additional Cash Reserve Account

In addition, the Issuer shall, upon the service of an Additional Cash Reserve Trigger Event Notice, open the Additional Cash Reserve Account with the Account Bank:

(a) in:

(i) following the delivery of an Additional Cash Reserve Trigger Event Notice in accordance with the Cash Allocation, Management and Payments Agreement, an amount equal to the Initial Additional Cash Reserve will be credited to the Additional Cash Reserve Account out of the proceeds arising from the Additional Subordinated Loan;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Additional Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Additional Cash Reserve Account;

(b) *out:*

(i) two Business Days before each Payment Date until the Payment Date in which the Senior Notes will be redeemed in full and including the Final Maturity Date, any amounts standing to the credit of the Additional Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Additional Cash Reserve Account shall be transferred to the Payment Account.

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

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention undertaking of the Originator

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

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such material net economic interest is represented by the retention of not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior 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 disclosed in the ESMA 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 is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

Transparency requirements under the Securitisation Regulation

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

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information:

(a) until the Data Repository is appointed by the Reporting Entity, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) (the "**Temporary Website**") (for the avoidance of doubt, such website does not constitute part of this Prospectus); and

(b) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository (as defined below).

Under the Intercreditor Agreement, the Reporting Entity has represented to the other Parties that, as long as the Data Repository has not been appointed by the Reporting Entity, the Temporary Website:

(a) includes a well-functioning data quality control system;

(b) is subject to appropriate governance standards and to maintenance and operation of an adequate organizational structure that ensures the continuity and orderly functioning of the Temporary Website;

(c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

(d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

(e) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the "**Data Repository**"). The Reporting Entity has agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

Under the Intercreditor Agreement, after the Data Repository is appointed:

(a) the Reporting Entity has undertaken to notify in writing the other Parties of the corporate name and relevant details of the Data Repository so appointed;

(b) the Parties, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(c) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

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

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation.

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

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) of the

Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the ESMA Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Reporting Entity will prepare the ESMA Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the ESMA Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

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

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

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

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

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

Under the Intercreditor Agreement, each of Banca FinInt (in any capacity) and the Issuer has undertaken to notify the Originator without undue delay 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 Originator to prepare the Inside Information and Significant Event Report.

In addition, in order to ensure that the disclosure requirements set out under article 7 of the Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) 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.

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

THE PORTFOLIOS

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

Pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Notice, the Originator may sell to the Issuer any Subsequent Portfolios, together with any related rights that have been granted to the Originator to secure or ensure payment of any of the Receivables comprised in such Subsequent Portfolio in accordance with the terms and conditions set forth in the Master Receivables Purchase Agreement (see the section headed "*Description of the Transaction Documents – The Master Receivables Purchase Agreement*").

The Receivables comprised in each Portfolio arise out of loans which, as at the relevant Transfer Date, are existing and classified as performing by the Originator.

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

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

As at the First Effective Date, the nominal value (including, *inter alia*, principal and accrued interest) of all the Receivables comprised in the Initial Portfolio amounted to Euro 10.095.048.177,24 whilst the Initial Principal Portfolio amounted to Euro 10.063.740.941,89.

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

The Criteria

The General Criteria

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

(a) receivables arising from unsecured loans which are governed by Italian law;

(b) receivables arising from loans denominated in Euro;

(c) receivables which do not arise from agricultural loans (*credito agrario*), public works project loans (*crediti alle opere pubbliche*) or personal loans (*prestiti personali*);

(d) the receivables represent all the claims of the Originator arising from the respective loan agreement;

(e) receivables arising from loan agreements which are not entered into by: (1) Banca Monte dei Paschi di Siena S.p.A.; (2) Banco Emiliano Romagnolo S.p.A.; (3) SediciBanca S.p.A.; (4) Barclays Bank Ireland Plc; (5) Banca Monte Parma S.p.A.; (6) Veneto Banca S.p.A.; (7) Banca Apulia S.p.A.; (8) Banca Popolare di Vicenza S.p.A.; and (9) Banca Nuova S.p.A.;

(f) receivables arising from loans that have not been granted by using third parties' funds;

(g) receivables which are not arising from syndicated loans;

(h) receivables arising from loan agreements which are fully disbursed and that shall not envisage any further disbursement obligation;

(i) receivables in relation to which the debtors are individuals resident or domiciliated in Italy or legal entities registered under Italian laws and having its registered office in Italy;

(j) receivables owed by debtors that, according to the classification criteria provided by Bank of Italy with circular 140 of 11 February 1991 (as amended and restated), belong to the following categories of SAE (*Settore di Attività Economica*): 430, 432, 450, 480, 481, 482, 490, 491, 492, 614 and 615, as can be shown by available information for debtors at any Originator's branch;

(k) receivables arising from loans whose debtors are not employees of companies of the Intesa Sanpaolo Group – including "Exodus" subjects (*soggetti "esodati"*) (i.e. those who interrupted their employment relationship as a result of company agreements, but which are not yet entitled to retirement due to an increase in the retirement age or a change in requirements to access the pension benefits) of the same Group – or belong to the retired personnel of the same Group or in joint ownership with them;

(l) receivables which, if arising from secured loans, are granted to individuals resident within the European Economic Area or to legal entities registered under the laws of any State within the European Economic Area and having their registered office within the European Economic Area;

(m) receivables that, as of the relevant Cut-Off Date and as at the relevant Transfer Date, are not classified as "*deteriorate*" (as "*sofferenze*", "*inadempienze probabili*", "*esposizioni scadute*" and/or "*sconfinanti deteriorate*" as defined in accordance to the Supervisory Authority's provision of Bank of Italy), as can be shown by available information for debtors at any Originator's branch;

(n) receivables arising from loan agreements in relation to which the relevant loans, starting from three years prior to the relevant Cut-Off Date and up to the relevant Transfer Date, have not been subject to concessions (so called "*forbearance*", as defined in accordance to the Supervisory Authority's provisions of Bank of Italy), as can be shown by available information for debtors at any Originator's branch;

(o) receivables arising from loans that have not been disbursed pursuant to the agreement executed between the Intesa Sanpaolo Group and Poste Italiane S.p.A. for the distribution of loans through the selling channel of Poste Italiane S.p.A.;

(p) receivables arising from loans which have never been renegotiated in accordance to article 3 of Italian Law number 126 of 24 July 2008 (so called "*Convenzione ABI – MEF*");

(q) receivables which do not arise from loans stipulated by debtors managed by the Corporate and Investment Banking Division of ISP, as can be shown by available information for debtors at any Originator's branch;

(r) receivables arising from loans which do not provide for any subsidy or other benefits in relation to principal or interest;

(s) receivables arising from loans which are not secured by guarantees issued in order to ensure any and all obligations of the relevant debtors (so called "*fidejussioni omnibus*"),towards the Originator;

(t) receivables arising from loans which are not guaranteed or counter-guaranteed by:

(i) *Fondo di Garanzia ISMEA (Istituto di Servizi per il Mercato Agricolo Alimentare)*;

(ii) *Fondo Regionale di Garanzia* for SMEs pursuant to article 4 of the Regional Law of Sardinia no. 1/2009;

(iii) *Finanziaria Ligure per lo Sviluppo Economico – FI.L.S.E. S.p.A.*;

(u) receivables arising from loans that were not disbursed in the context of loans granted in accordance to framework agreements between the Originator and consortia of *Garanzia Collettiva di Fidi* (so called "*Confidi*");

(v) receivables arising from loans which are not guaranteed or counter-guaranteed by the assignment of claims vis-à-vis Gestore Servizi Energetici S.p.A.;

(w) receivables which, if arising from loans which do provide for the option to require disbursement of additional funding source within 12 months from the signing of the loan agreement (so called "*Finanziamento Up*"), have the option already exercised or not exercisable anymore;

(x) receivables arising from loan agreements which do not provide any financial *covenants* that automatically provides for (i) if met, the application of improvement financial measures to the loan in favour of the relevant Debtor, or (ii) if not met, the right to terminate the loan agreement in favour of the Originator;

(y) receivables arising from loans which provides for the repayment of instalments on a monthly, quarterly or semi-annual basis;

(z) receivables arising from loan agreements having the so called French or Italian amortisation plan;

(aa) receivables arising from loan agreements which do not provide for an amortisation plan based on a variable duration depending on the interest rate and a constant instalment (including the possibility to recalculate the same);

(bb) receivables arising from loan agreements in relation to which the principal will not be fully repaid in one instalment at the expiry date of the relevant loan;

(cc) receivables arising from loan agreements which do not provide for a flexible amortisation plan, in relation to which the repayment of principal instalments must be carried out within the established expiry date (instead on the occasion of the repayment of each instalment contractually provided for the repayment of interests), since the debtor has the faculty to decide the frequency and the amount of payments of principal, in terms of compliance with the repayment obligation within the above expiry dates (so called loans "*Domus flex*" or "*Domus libero*");

(dd) receivables arising from loans that do not present, according to ISP's accounting records:

(i) an amount due and not paid for any reason whatsoever (including defaulted interest and any expenses) by the respective debtor in arrears for more than 30 days, for loans with monthly instalments; or

(ii) any amount due and unpaid for any reason whatsoever (including defaulted interest and any expenses) by the respective debtor, for loans with quarterly or semi-annual instalments;

(ee) receivables arising from loan agreements that provide for fixed-rate or variable-rate amortisation;

(ff) receivables not arising from loans which provide for:

(i) the option of change from floating rate to fixed rate or vice versa exercisable more than once during the course of the contract (this product is known as "*multi-option*");

(ii) the change (optional or contractual) of the interest rate from floating rate to fixed rate and vice versa exercisable only once during the course of the contract (so called product "*mono-opzione*")

(gg) receivables arising from loans in relation to which the residual principal (excluding of any eventual arrears) is not greater than Euro 7,000,000;

(hh) receivables arising from loan agreements in relation to which the end of the amortisation plan is not subsequent to 31 December 2043;

The Initial Portfolio Specific Criteria

The Receivables comprised in the Initial Portfolio assigned by the Originator to the Issuer, arise out of Loan which, at the Initial Cut-Off Date and/or at the different date indicated in the relevant criteria, met the General Criteria and the following criteria (to be considered as cumulative where not otherwise provided) (the "**Initial Portfolio Specific Criteria**") (such Receivables are listed in an electronic register available for consultation starting from the First Transfer Date in any ISP branch, upon request of the relevant Debtors):

(a) receivables arising from loan agreements whose debtors, since 1 January 2016, have never been classified as "*in sofferenza*", as defined in accordance to the Supervisory Authority's provisions of Bank of Italy;

(b) receivables arising from loan agreements whose debtors, if belonging to the regulatory segment "*Corporate*", as defined from the internal rating model for the purposes of the supervisory regulation of Bank of Italy, do not have a group aggregate result greater than Euro 200,000,000, as can be shown by available information for debtors at any Originator's branch;

(c) receivables arising from loan agreements which have not been entered into in the context of conventions with private and/or public subjects or with national/supranational entities, in accordance to which the lending bank has financed the disbursement of loans to particular debtor's classes or at special interest rates, unless such disbursements have taken place in the context of credit support conventions or agreements or regulations adopted in the context of the health emergency linked to the Covid-19 pandemic;

(d) receivables arising from loans which do not benefit from the total or partial suspension of payments due, except for the suspension *ex lege* pursuant to the provisions adopted in the context of the health emergency linked to the Covid-19 pandemic;

(e) receivables arising from loans disbursed between the 1 January 2015 and the 23 August 2020 (both included);

(f) receivables arising from loan agreements in relation to which the end of the amortisation plan is subsequent to 31 January 2021;

(g) receivables arising from loans which:

    (i) if disbursed from 1 April 2020 and granted by the *Fondo Centrale di Garanzia* for SMEs pursuant to article 2, paragraph 100, lett. (a) of the Law no. 662 of 23 December 1996, provide for the start of the amortisation plan within 30 September 2022; or

    (ii) provide for the start of the amortisation plan within 30 September 2021;

(h) receivables arising from loans in relation to which, if granted by the *Fondo Centrale di Garanzia* for SMEs pursuant to article 2, paragraph 100, lett. (a) of the Law no. 662 of 23 December 1996, such guarantee secures less than 100% of the secured exposure;

(i) receivables arising from loans in relation to which the residual principal (excluding of any eventual arrears) is greater than Euro 10,000 and not greater than Euro 5,000.000;

(j) receivables arising from loan agreements in relation to which the end of the amortisation plan is not subsequent to 31 August 2040.

Pursuant to the Master Receivables Purchase Agreement, any Subsequent Portfolio shall comply with the General Criteria, the relevant Subsequent Portfolios Specific Criteria and may also comply with the Additional Criteria.

Characteristics of the Initial Portfolio

The Loan Agreements included in the Initial Portfolio have the characteristics illustrated in the following tables. The following tables set out information with respect to the Initial Portfolio derived from the information supplied by the Originator in connection with the acquisition of the relevant Receivables by the Issuer. The information in the following tables represents the characteristics of the Initial Portfolio at the Initial Cut-Off Date whilst the reported Remaining Outstanding Balance reflects the position of the Initial Portfolio as at the relevant Transfer Date.

PORTFOLIO STRATIFICATION TABLES

(Portfolio as of Cut-Off Date - Amounts in Euro as of Effective Date)

	Total
Number of Loans	54,173
Current Principal Balance (Euro)	10,063,740,941.89
Number of Borrowers In Groups	26,999
Avg. Current Principal Balance (Euro)	185,770.42
Max Current Principal Balance (Euro)	4,926,726.98
Original Principal Balance (Euro)	12,468,051,325.30
Avg. Original Principal Balance (Euro)	230,152.50
Max Original Principal Balance (Euro)	10,000,000.00
Min Original Principal Balance (Euro)	10,000.00
Loans in Payment Holidays (% on Current Principal Balance)	16.26%
Loans guaranteed by Fondo Centrale di Garanzia (% on Current Principal Balance)	58.82%
WA guarantee by FCG on loans originated before "Cura Italia" decree	76.17%
WA guarantee by FCG on loans originated after "Cura Italia" decree	87.81%
WA Seasoning (months)	8.6
WA Remaining Term (months)	51.6
WA Maturity (months)	60.1
WA Coupon only for currently fixed (%)	1.58%
WA Spread only for currently floating (bps)	181
Top 1 Borrower Group (%)	0.13%
Top 10 Borrower Groups (%)	0.99%
Top 20 Borrower Groups (%)	1.75%
Loan Latest Maturity Date	19/08/2040

Table 1) Breakdown of the Portfolio by Original Outstanding Amount*

** Upper bound of each bucket is intended as excluded*

Range (Euro)		Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
10,000	50,000	596,717,886.05	4.79%	23,154	42.74%	450,088,089.47	4.47%
50,000	100,000	569,231,292.79	4.57%	9,135	16.86%	426,321,464.79	4.24%
100,000	150,000	500,006,664.89	4.01%	4,631	8.55%	377,076,046.20	3.75%
150,000	200,000	419,674,424.85	3.37%	2,675	4.94%	329,049,012.53	3.27%
200,000	250,000	520,519,100.78	4.17%	2,548	4.70%	405,829,174.72	4.03%
250,000	500,000	1,561,992,388.11	12.53%	4,858	8.97%	1,269,536,532.65	12.61%
500,000	750,000	1,610,315,168.40	12.92%	2,919	5.39%	1,325,702,943.96	13.17%
750,000	1,000,000	659,605,022.43	5.29%	816	1.51%	578,674,286.56	5.75%
1,000,000	1,500,000	1,644,675,750.00	13.19%	1,569	2.90%	1,363,997,102.57	13.55%
1,500,000	2,000,000	993,157,000.00	7.97%	639	1.18%	871,146,185.75	8.66%
2,000,000	2,500,000	1,121,060,000.00	8.99%	555	1.02%	954,605,762.01	9.49%
2,500,000	3,000,000	494,112,687.00	3.96%	195	0.36%	432,218,474.49	4.29%
3,000,000	4,000,000	920,499,240.00	7.38%	297	0.55%	734,538,570.85	7.30%

4,000,000	5,000,000	426,834,700.00	3.42%	104	0.19%	337,320,386.35	3.35%
over 5.000.000		429,650,000.00	3.45%	78	0.14%	207,636,908.99	2.06%
Total		**12,468,051,325.30**	**100.00%**	**54,173**	**100.00%**	**10,063,740,941.89**	**100.00%**

Table 2) Breakdown of the Portfolio by Current Outstanding Amount*

** Upper bound of each bucket is intended as excluded*

Range (Euro)		Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Original Outstanding Amount	% of Original Outstanding Amount
	50,000	677,542,442.33	6.73%	29,584	54.61%	1,034,607,892.87	8.30%
50,000	100,000	507,414,405.54	5.04%	7,266	13.41%	766,931,162.22	6.15%
100,000	150,000	414,928,858.95	4.12%	3,501	6.46%	605,855,074.97	4.86%
150,000	200,000	388,078,764.06	3.86%	2,318	4.28%	541,382,446.18	4.34%
200,000	250,000	384,851,011.35	3.82%	1,804	3.33%	505,111,091.02	4.05%
250,000	500,000	1,390,236,050.66	13.81%	4136	7.63%	1,769,976,867.41	14.20%
500,000	750,000	1,221,558,182.79	12.14%	2139	3.95%	1,445,905,051.11	11.60%
750,000	1,000,000	669,313,908.48	6.65%	812	1.50%	819,549,362.52	6.57%
1,000,000	1,500,000	1,292,937,354.90	12.85%	1186	2.19%	1,527,600,750.00	12.25%
1,500,000	2,000,000	935,720,356.44	9.30%	584	1.08%	1,068,325,000.00	8.57%
2,000,000	2,500,000	826,325,890.08	8.21%	403	0.74%	891,685,096.00	7.15%
2,500,000	3,000,000	460,435,110.63	4.58%	178	0.33%	519,397,387.00	4.17%
3,000,000	4,000,000	638,613,647.38	6.35%	201	0.37%	706,074,144.00	5.66%
4,000,000	5,000,000	255,784,958.30	2.54%	61	0.11%	265,650,000.00	2.13%
over 5.000.000		0.00	0.00%	0	0.00%	0.00	0.00%
Total		**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**	**12,468,051,325.30**	**100.00%**

Table 3) Breakdown of the Portfolio by Geographic Area

Geographic Area	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
Lombardia	2,631,479,534.80	26.15%	11,886	21.94%
Emilia Romagna	1,115,557,458.84	11.08%	4,751	8.77%
Veneto	1,351,678,335.10	13.43%	6,502	12.00%
Piemonte	870,948,736.84	8.65%	4,835	8.93%
Friuli Venezia Giulia	281,556,206.85	2.80%	1,417	2.62%
Liguria	133,087,813.38	1.32%	1,135	2.10%
Trentino Alto Adige	128,244,039.34	1.27%	363	0.67%
Valle d'Aosta	16,437,224.73	0.16%	88	0.16%
Total North	**6,528,989,349.88**	**64.88%**	**30,977**	**57.18%**
Toscana	1,033,587,062.72	10.27%	5,514	10.18%
Lazio	393,730,176.04	3.91%	2,175	4.01%
Umbria	175,887,006.75	1.75%	1,050	1.94%
Marche	323,606,194.99	3.22%	1,571	2.90%

Abruzzo	177,598,918.59	1.76%	1018	1.88%
Total Centre	**2,104,409,359.09**	**20.91%**	**11,328**	**20.91%**
Campania	522,204,838.24	5.19%	4,167	7.69%
Puglia	427,686,292.96	4.25%	2,867	5.29%
Sardegna	135,204,050.45	1.34%	1,542	2.85%
Sicilia	211,348,956.21	2.10%	1,915	3.53%
Calabria	76,875,251.63	0.76%	928	1.71%
Basilicata	36,097,670.52	0.36%	261	0.48%
Molise	20,925,172.91	0.21%	188	0.35%
Total South	**1,430,342,232.92**	**14.21%**	**11,868**	**21.91%**
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 4) Breakdown of the Portfolio by Months of Seasoning*

** Upper bound of each bucket is intended as excluded*

Months		**Current Outstanding Amount**	**% of Current Outstanding Amount**	**No of Mortgage Loans**	**% of No of Mortgage Loans**
–	6	6,435,647,697.91	63.95%	16,336	30.16%
6	12	920,352,640.94	9.15%	12,213	22.54%
12	18	785,261,809.89	7.80%	9,387	17.33%
18	24	751,525,328.09	7.47%	8,319	15.36%
24	36	869,268,350.11	8.64%	6,107	11.27%
36	48	227,440,679.32	2.26%	1,297	2.39%
48	60	56,938,637.83	0.57%	428	0.79%
60	120	17,305,797.80	0.17%	86	0.16%
over 120		0.00	0.00%	0	0.00%
Total		**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 5) Breakdown of the Portfolio by Residual Maturity*

** Upper bound of each bucket is intended as excluded*

Months		**Current Outstanding Amount**	**% of Current Outstanding Amount**	**No of Mortgage Loans**	**% of No of Mortgage Loans**
–	6	0.00	0.00%	0	0.00%
6	12	330,159,903.46	3.28%	3,588	6.62%
12	18	1,328,494,431.13	13.20%	9,312	17.19%
18	24	446,903,623.67	4.44%	4,224	7.80%
24	36	996,106,174.54	9.90%	7,474	13.80%
36	48	1,002,241,729.21	9.96%	8,878	16.39%
48	60	1,325,542,012.41	13.17%	8,272	15.27%
60	120	4,585,857,537.58	45.57%	12,146	22.42%
120	180	42,808,328.85	0.43%	245	0.45%
180	240	4,934,375.44	0.05%	32	0.06%
over 240		692,825.60	0.01%	2	0.00%
Total		**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 6) Breakdown of the Portfolio by Original Maturity*

** Upper bound of each bucket is intended as excluded*

Months		Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
-	6	0.00	0.00%	0	0.00%
6	12	6,218,964.47	0.06%	22	0.04%
12	18	48,985,532.17	0.49%	324	0.60%
18	24	1,054,167,452.49	10.47%	5,946	10.98%
24	36	611,945,089.80	6.08%	7,210	13.31%
36	48	696,765,124.05	6.92%	5,939	10.96%
48	60	613,189,599.38	6.09%	4,967	9.17%
60	120	6,709,834,802.66	66.67%	27,824	51.36%
120	180	295,516,912.00	2.94%	1,775	3.28%
180	240	22,943,852.66	0.23%	139	0.26%
over 240		4,173,612.21	0.04%	27	0.05%
Total		**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 7) Breakdown of the Portfolio by Origination Year

Origination Year	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
2015	28,110,904.43	0.28%	173	0.32%
2016	107,570,833.97	1.07%	640	1.18%
2017	375,671,921.08	3.73%	1,971	3.64%
2018	1,173,611,770.35	11.66%	10,564	19.50%
2019	1,594,859,365.39	15.85%	20,083	37.07%
2020	6,783,916,146.67	67.41%	20,742	38.29%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 8) Breakdown of the Portfolio by Amortization Type

Payment Frequency	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
French	8,962,736,923.01	89.06%	52,269	96.49%
Linear	1,101,004,018.88	10.94%	1,904	3.51%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 9) Breakdown of the Portfolio by Payment Frequency

Payment Frequency	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
Monthly	7,943,283,411.39	78.93%	50,096	92.47%
Quarterly	1,700,611,856.02	16.90%	2,716	5.01%
Semi-annual	419,845,674.48	4.17%	1,361	2.51%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 10) Breakdown of the Portfolio by Payment Method

Payment Method	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
Direct Debit	10,040,152,025.03	99.77%	53,972	99.63%
MAV	16,779,582.96	0.17%	59	0.11%
RID	6,809,333.90	0.07%	142	0.26%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 11) Breakdown of the Portfolio by Interest rate Type

Interest rate Type	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
Fixed all life	4,148,824,110.98	41.23%	29,394	54.26%
Floating all life	5,914,916,830.91	58.77%	24,779	45.74%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 12) Breakdown of the Portfolio by Current Interest Rate Margin (Floating Rate Mortgages)*

** Upper bound of each bucket is intended as excluded*

Range (bps)		Curent Outstanding Amount	% of Current Outstanding Amount	No of Mortgag e Loans	% of No of Mortgage Loans
33	80	274,087,056.38	4.63%	204	0.82%
80	120	1,058,611,280.12	17.90%	1,249	5.04%
120	160	1,516,225,841.25	25.63%	2,940	11.86%
160	200	1,133,903,928.89	19.17%	3,161	12.76%
200	240	794,814,632.94	13.44%	3,301	13.32%
240	280	442,442,466.80	7.48%	2,843	11.47%
280	320	245,641,159.55	4.15%	2,347	9.47%
320	360	167,185,242.95	2.83%	2,202	8.89%
360	400	70,132,877.04	1.19%	1,027	4.14%
Over 4		211,872,344.99	3.58%	5,505	22.22%
Total		**5,914,916,830.91**	**100.00%**	**24,779**	**100.00%**

Table 13) Breakdown of the Portfolio by Current Interest Rate (Fixed Rate Mortgage)*

** Upper bound of each bucket is intended as excluded*

Range (%)		Curent Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
0.0	1	1,421,136,143.92	34.25%	2,136	7.27%
1	1.5	964,965,914.23	23.26%	2,459	8.37%
1.5	2	791,500,440.07	19.08%	4,508	15.34%
2	2.5	284,440,339.66	6.86%	3,254	11.07%
2.5	3	215,186,077.54	5.19%	3,609	12.28%
3	3.5	118,291,038.05	2.85%	2,425	8.25%

3.5	4	112,988,699.14	2.72%	2,744	9.34%
4	4.5	62,702,031.27	1.51%	1,856	6.31%
4.5	5	63,975,201.32	1.54%	1,823	6.20%
Over 5		113,638,225.78	2.74%	4,580	15.58%
Total		**4,148,824,110.98**	**100.00%**	**29,394**	**100.00%**

Table 14) Breakdown of the Portfolio by Economic Sector (SAE- Settore di Attività Economica, as classified in accordance with Bank of Italy)

SAE	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
430 - 432	8,973,548,535.29	89.17%	29,206	53.91%
450	1,650,993.07	0.02%	7	0.01%
480 - 481 - 482	139,827,384.31	1.39%	2,875	5.31%
490 - 491 - 492	339,174,195.25	3.37%	4,537	8.38%
614 - 615	609,539,833.97	6.06%	17,548	32.39%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 15) Breakdown of the Portfolio by NACE classification

NACE	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
C - Manufacturing	4,610,014,116.38	45.81%	12,579	23.22%
G - Wholesale and Retail	2,247,705,253.20	22.33%	14,536	26.83%
F - Construction	555,234,794.52	5.52%	5,371	9.91%
I - Accommodation and Food Service	424,097,068.70	4.21%	4,765	8.80%
A - Agriculture, Forestry and Fishing	367,307,409.34	3.65%	3,719	6.87%
H - Transporting and Storage	299,239,338.48	2.97%	2,141	3.95%
M - Professional, Scientific and Technical	294,859,289.95	2.93%	2,202	4.06%
L - Real Estate	279,368,905.16	2.78%	1,697	3.13%
J - Information and Communication	259,036,993.76	2.57%	1,192	2.20%
N - Administrative and Support	236,204,220.29	2.35%	1,550	2.86%
Other NACE	490,673,552.11	4.88%	4,421	8.16%
Total	**10,063,740,941.89**	**100.00%**	**54,173**	**100.00%**

Table 16) Breakdown of the Portfolio by Loan Purpose

Loan Purpose	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
Finance Restr.	5,681,071,563.54	56.45%	16,867	31.14%
Investment	4,276,913,829.44	42.50%	36,650	67.65%
Equity Release	100,536,960.37	1.00%	614	1.13%
Purchase	3,651,116.01	0.04%	22	0.04%
Working Capital	1,101,704.49	0.01%	16	0.03%
Other	465,768.04	0.00%	4	0.01%
Total	**10,063,740,941.89**	**100%**	**54,173**	**100%**

Table 17) Breakdown of the Guarantee % by FCG*

** Upper bound of each bucket is intended as included*

Guarantee %	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
No Guarantee	4,144,501,290.94	41.18%	40,924	75.54%
30% - 70%	98,884,771.76	0.98%	475	0.88%
80%	1,503,087,526.41	14.94%	5,824	10.75%
90%	4,317,267,352.78	42.90%	6,950	12.83%
Total	**10,063,740,941.89**	**100%**	**54,173**	**100%**

Table 18) Breakdown of the Portfolio by Payment Holiday

Payment Holiday	Current Outstanding Amount	% of Current Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans
No Payment Holiday	8,427,182,479.06	83.74%	36,238	66.89%
Total Payment Holiday	1,392,332,276.42	13.84%	16,263	30.02%
Only Principal Payment H.	244,226,186.41	2.43%	1,672	3.09%
Total	**10,063,740,941.89**	**100%**	**54,173**	**100%**

Capacity to produce funds

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

THE ORIGINATOR, THE SERVICER, THE ADMINISTRATIVE SERVICES PROVIDER, THE PAYING AGENT AND THE ACCOUNT BANK

History and Organisation of the Group

Intesa Sanpaolo Origins

Intesa Sanpaolo is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with Banca Intesa S.p.A. (effective 1 January 2007).

Banca Intesa S.p.A.

Banca Intesa S.p.A. was originally established in 1925 under the name of La Centrale and invested in the business of the production and distribution of electricity. After the nationalisation of companies in this sector in the early 1960s, the company changed its name to La Centrale Finanziaria Generale, acquiring equity investments in various companies in the banking, insurance and publishing sector. The company merged by incorporation with Nuovo Banco Ambrosiano in 1985 and assumed its name and constitutional objects. Following the acquisition of Cassa di Risparmio delle Provincie Lombarde S.p.A. ("**Cariplo**") in January 1998, the Intesa Sanpaolo Group's name was changed to Gruppo Banca Intesa. Then, in 2001, Banca Commerciale Italiana S.p.A. was merged into the Gruppo Banca Intesa and the Intesa Sanpaolo Group's name was changed to "Banca Intesa Banca Commerciale Italiana S.p.A.". On 1 January 2003 the corporate name was changed to "Banca Intesa S.p.A.".

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. ("**Sanpaolo IMI**") was formed in 1998 through the merger of Istituto Mobiliare Italiano S.p.A. ("**IMI**") and Istituto Bancario San Paolo di Torino S.p.A. ("**Sanpaolo**").

Sanpaolo originated from the "Compagnia di San Paolo" brotherhood, which was set up in 1563 to help the needy. The "Compagnia di San Paolo" began undertaking credit activities and progressively developed into a banking institution during the nineteenth century, becoming a public law credit institution (Istituto di Credito di Diritto Pubblico) in 1932. Between 1960 and 1990, Sanpaolo expanded its network nationwide through a number of acquisitions of local banks and medium-sized regional banks, ultimately reaching the level of a multifunctional group of national importance in 1991 after its acquisition of Crediop. On 31 December 1991, Sanpaolo became a stock corporation (*società per azioni*) with the name Istituto Bancario San Paolo di Torino Società per Azioni.

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a joint stock corporation (società per azioni) in 1991.

The merger between Banca Intesa and Sanpaolo IMI and the creation of Intesa Sanpaolo S.p.A.

The boards of directors of Banca Intesa and Sanpaolo IMI unanimously approved the merger of Sanpaolo IMI with Banca Intesa on 12 October 2006 and the merger became effective on 1 January 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

Legal Status

Intesa Sanpaolo is a company limited by shares, incorporated in 1925 under the laws of Italy and registered with the Companies' Registry of Turin under registration number 00799960158. It is also registered on the National Register of Banks under no. 5361 and is the parent company of "Gruppo Intesa Sanpaolo". Intesa Sanpaolo operates subject to the Banking Law.

Registered Office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin (Italy) and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan (Italy).

Website

Intesa Sanpaolo's website is https://www.intesasanpaolo.com/. The information on the website does not form part of this Base Prospectus unless information contained therein is incorporated by reference into this Base Prospectus.

Objects

The objects of Intesa Sanpaolo are deposit-taking and the carrying-on of all forms of lending activities, including through its subsidiaries. Intesa Sanpaolo may also, in compliance with laws and regulations applicable from time to time and subject to obtaining the required authorisations, provide all banking and financial services, including the establishment and management of open-ended and closed-ended supplementary pension schemes, as well as the performance of any other transactions that are incidental to, or connected with, the achievement of its objects.

Ratings

The credit ratings assigned to the Originator are the following:

- BBB (high) by DBRS Morningstar;
- BBB- by Fitch Ratings;
- Baa1 by Moody's; and
- BBB by S&P Global Ratings.

Share Capital

As at 27 November 2020, Intesa Sanpaolo's issued and paid-up share capital amounted to €10,084,445,147.92, divided into 19,430,463,305 ordinary shares without nominal value. Since 27 November 2020, there has been no change to Intesa Sanpaolo's share capital.

The Originators is not aware of any arrangements currently in place, the operation of which may at a subsequent date result in a change of control of the Originator.

Organisational Structure of the Divisions[1] as at 30 November 2020

Organisational Structure of the Divisions[1] as at 30 November 2020

INTESA SANPAOLO

Managing Director and CEO
C. Messina

Banca dei Territori (*) Division S. Barrerse	IMI Corporate & Investment Banking Division M. Micillo	International Subsidiary Banks Division M. E. Rottigni	Private Banking Division T. Corcos	Asset Management Division S. Perissinotto	Insurance Division N. M. Fioravanti
Intesa Sanpaolo	Banca Intesa (**);	Banca Intesa Beograd	Fideuram	Eurizon	Fideuram Vita
Banca 5	Intesa Sanpaolo Bank Ireland	Bank of Alexandria	Intesa Sanpaolo Private Banking		Intesa Sanpaolo Assicura
	Intesa Sanpaolo Bank Luxembourg	CIB Bank	Intesa Sanpaolo Private Bank (Suisse) Morval		Intesa Sanpaolo Life
	Intesa Sanpaolo Brasil	Eximbank	SIREF Fiduciaria		Intesa Sanpaolo RBM Salute
		Intesa Sanpaolo Bank (***)			Intesa Sanpaolo Vita
		Intesa Sanpaolo Bank Albania			
		Intesa Sanpaolo Bank Romania			
		Intesa Sanpaolo Banka Bosna i Hercegovina			
		Pravex Bank			
		Privredna Banka Zagreb			
		VUB Banka			

(1) UBI Banca (CEO Gaetano Miccichè) has been temporarily considered as a separate business area
(*) *Domestic commercial banking*
(**) *Russian Federation*
(***) *Slovenia*

The Intesa Sanpaolo Group is one of the top banking groups in Europe and is committed to supporting the economy in the countries in which it operates, specifically in Italy where it is also committed to becoming a reference model in terms of sustainability and social and cultural responsibility.

In Italy, the Intesa Sanpaolo Group has 14.6 million customers and approximately 5,360 branches.

The Intesa Sanpaolo Group is the leading provider of financial products and services to both households and enterprises in Italy.

The Group has a strategic international presence, with approximately 1,000 branches and 7.2 million customers. It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa, through its local subsidiary banks: the Intesa Sanpaolo Group ranks first in Serbia, second in Croatia and Slovakia, fourth in Albania, fifth in Bosnia and Herzegovina and Egypt, and sixth in Moldova, Slovenia and Hungary.

As at 30 September 2020, the Intesa Sanpaolo Group had total assets of €996,848 million, customer loans of €489,148 million, direct deposits from banking business of €547,328 million and direct deposits from insurance business and technical reserves of €169,690 million.

The Intesa Sanpaolo Group operates through six divisions:

(a) The **Banca dei Territori division**: focuses on the market and centrality of the territory for stronger relations with individuals, small and medium-sized enterprises and non-profit entities. The division includes the activities in industrial credit, leasing and factoring, as well as instant banking through the partnership between the subsidiary Banca 5 and SisalPay.

(b) The **IMI Corporate and Investment Banking division**: a global partner which, taking a medium-long term view, supports corporates, financial institutions and public administration, both nationally and internationally. Its main activities include capital markets and investment banking. The division is present in 25 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices and subsidiary banks focused on corporate banking.

(c) The **International Subsidiary Banks division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.

(d) The **Private Banking division**: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking with 5,785 private bankers.

(e) The **Asset Management division**: asset management solutions targeted at the Intesa Sanpaolo Group's customers, commercial networks outside the Intesa Sanpaolo Group, and the institutional clientele. The division includes Eurizon with €263 billion of assets under management.

(f) The **Insurance division**: insurance and pension products tailored for the Intesa Sanpaolo Group's clients. The division includes Intesa Sanpaolo Vita, Intesa Sanpaolo Life, Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute, with direct deposits and technical reserves of €170 billion.

Intesa Sanpaolo in the last two years

Intesa Sanpaolo in 2019 – Highlights

During the first nine months of 2019, the corporate simplification process envisaged by the business plan continued according to the established schedule.

Specifically, the deed of merger by incorporation of Intesa Sanpaolo Group Services into Intesa Sanpaolo was signed on 11 January. The merger took effect with respect to third parties on 21 January 2019, while the operations conducted by the incorporated company were posted to the financial statements of the absorbing company, including for tax purposes, effective from 1 January 2019.

On 1 February 2019, the merger between Intesa Sanpaolo Private Banking (Suisse) S.A. and Banque Morval S.A. was completed. After obtaining the authorisations from the competent supervisory authorities, the new bank was renamed Intesa Sanpaolo Private Bank (Suisse) Morval S.A. It was created to contribute to the strategic initiative outlined in the 2018-2021 business plan of the Intesa Sanpaolo Private Banking Division. The new company, which the London branch also reports to, is continuing the process of international expansion already begun by Fideuram – Intesa Sanpaolo Private Banking. The main branches (Geneva and Lugano) and the international network of private bankers will enable the expansion of the geographical footprint to high-potential countries, particularly in the Middle East and South America.

On 5 February 2019, the deeds were also signed for the merger by incorporation of Cassa di Risparmio di Pistoia e della Lucchesia into Intesa Sanpaolo, with an increase in the absorbing company's share capital of €64,511.72 through the issue of 124,061 ordinary shares without nominal value, and for the merger by incorporation of Cassa di Risparmio in Bologna and Cassa di Risparmio di Firenze. The legal effects of the transactions started from 25 February 2019, while the accounting and tax effects started from 1 January 2019.

On 15 January 2019, Intesa Sanpaolo published a press release with the following wording:

"With reference to recent news in the press regarding communication from the ECB to the banks supervised about their gradual reaching in the next few years of a coverage ratio of NPL stock in line with that set for inflows in the Addendum to the ECB Guidance on NPLs as of 1 April 2018, Intesa Sanpaolo does not envisage any significant impact in respect of targets and forecasts concerning its income statement and balance sheet for the 2018 financial year and the 2018-2021 Business Plan, already disclosed to the market."

On 8 February 2019, Intesa Sanpaolo received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 March 2019, following the results of the Supervisory Review and Evaluation Process (SREP). The overall capital requirement Intesa

Sanpaolo has to meet in terms of Common Equity Tier 1 ratio is 8.96% under the transitional arrangements for 2019 and 9.36% on a fully loaded basis.

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In February 2019, Intesa Sanpaolo announced the invitation to the holders or beneficial owners of the following series of notes outstanding: (i) U.S.$1,000,000,000 5.25% Section 3(a)(2) Notes Due 2024, (ii) U.S.$1,250,000,000 3.875% Rule 144A Notes Due July 14, 2027, (iii) U.S.$1,000,000,000 3.875% Rule 144A Notes Due 2028, and (iv) U.S.$500,000,000 4.375% Rule 144A Notes Due 2048 or the global receipts representing beneficial interests in any Series of Notes issued through Citibank N.A. as the receipt issuer, to tender their notes for the cash purchase by the Originator, as described in the Tender Offer Memorandum of 7 February 2019. The offers, not subject to any future issue on the capital markets, form part of the liability management transactions carried out by the Originator. At the close of the transaction, the total nominal amount tendered and accepted was USD 2,100,761,000.

On 30 April 2019, the Ordinary Shareholders' Meeting of Intesa Sanpaolo – in addition to approving its financial statements, the allocation of the net income for the year and the distribution of the dividend to shareholders, the financial statements of the merged companies Intesa Sanpaolo Group Services and Cassa di Risparmio di Pistoia e della Lucchesia – appointed EY S.p.A. as the independent auditors for the financial years 2021-2029, determining their fee. The Shareholders' Meeting also appointed the members of the Board of Directors and the Management Control Committee for financial years 2019-2021 on the basis of slates of candidates submitted by the shareholders.

The Shareholders' Meeting then passed specific resolutions on the remuneration and own shares. Specifically, it:

- approved the remuneration policies in respect of the Board of Directors of Intesa Sanpaolo;
- determined the remuneration of the Board of Directors;
- approved the remuneration and incentive policies for 2019 and voted in favour of the procedures used to adopt and implement the remuneration and incentive policies, as described in the Report on Remuneration;
- approved the increase in the variable-to-fixed remuneration cap for personnel operating exclusively in the Investment Management units belonging to Intesa Sanpaolo Group Asset Management entities, both in Italy and abroad;
- authorised the purchase and disposal of own shares to service the 2018 annual incentive plan.

Lastly, the Shareholders' Meeting approved the proposal for the settlement of the liability action brought against Alberto Guareschi and Roberto Menchetti in their capacity as former Chairman and former General Manager of Banca Monte Parma, with proceeds of €4.35 million.

On 2 May 2019, the Board of Directors unanimously appointed Carlo Messina as Managing Director and CEO, granting him the powers necessary and appropriate to ensure consistent management of Intesa Sanpaolo.

The first sell-back of high-risk loans deriving from the Venetian banks in compulsory administrative liquidation was launched on 11 May 2019, following notification of Intesa Sanpaolo on 11 March 2019 from the Ministry of the Economy and Finance of the issue of the decree formalising the high-risk guarantee for a total of €4 billion. The high-risk positions reclassified as "bad loans" and/or "unlikely to pay loans" were sold back for €456 million, calculated per the contract on the basis of the gross carrying value of the reclassified high-risk loans, less (i) provisions at the date of execution and (ii) 50% of the impairment losses which under IAS/IFRS the Intesa Sanpaolo Banking Group would have recognised had the Banks in compulsory administrative liquidation not had the obligation to purchase. Since the Intesa Sanpaolo Banking Group had already reclassified the loans in question as discontinued operations at a carrying amount consistent with the above consideration, no differences between the net value of the loans sold and their sell-back price emerged. As at 30 June 2019, discontinued operations included the residual high-risk loans classified in the interim as "bad loans" and/or "unlikely-to-pay loans" and to be sold back by the end of 2019.

On 14 May 2019, the deed was signed for the merger by incorporation of Banca Apulia S.p.A. into Intesa Sanpaolo, with the issue of 247,398 Intesa Sanpaolo ordinary shares bearing regular dividend rights, without nominal value, and an increase in share capital from 9,085,534,363.36 to 9,085,663,010.32. The deed of merger by incorporation of Banca Prossima S.p.A. into Intesa Sanpaolo was then signed on 24 May 2019. The legal effects of these two operations started on 27 May 2019 and were posted to the financial statements of the absorbing company from 1 January 2019 also for tax purposes. Lastly, the merger plan for the merger by incorporation of Mediocredito Italiano into Intesa Sanpaolo was filed on 14 June 2019. Such merger has been effective as at 11 November 2019.

As at 30 June 2019, discontinued operations included the residual high-risk loans classified in the interim as "bad loans" and/or "unlikely-to-pay loans" and to be sold back by the end of 2019.

As a result of the acquisition of certain assets and liabilities and certain legal relationships of the former Venetian banks in compulsory administrative liquidation and the resulting provisions of the European Competition Authority to the Italian government, in the agreements dated 13 July and 12 October 2017, the Intesa Sanpaolo Banking Group resolved to reduce staff by 4,000 resources (of which at least 1,000 within the scope of the former Venetian banks) by 30 June 2019.

As around 6,850 applications had been received, a number much higher than the 3,000 expected (in addition to the 1,000 applications regarding the former Venetian banks), also with a view to the business plan under preparation, the subsequent integration agreement of 21 December 2017 confirmed the acceptance of the "public offer" of the protocol dated 12 October 2017 for all staff that applied, extending the validity of the agreement for voluntary access to the Solidarity Fund to 30 June 2020.

The postponement of the exits to 30 June 2020 and the reduction in the average time drawing on the Solidarity Fund made it possible to optimise the charges for voluntary exits to be borne by the Intesa Sanpaolo Banking Group.

At the start of 2019, as a result of the effects of the legislative changes regarding pensions, the trade unions requested the assessment of the possibility of re-opening the terms for access to the Solidarity

Fund and the retirement schemes set out in those agreements also to staff that, as a result of said legislative measures, could now fall within the scope of addressees of the protocol dated 12 October 2017.

In that context, without prejudice to the overall amounts allocated to the Solidarity Fund and the exits for retirement pursuant to the agreements of 13 July, 12 October and 21 December 2017, and considering the full completion of the process of integrating the businesses of the former Venetian banks which, as a result of the achievement of synergies improved the measurement of excess production capacity, the Group confirmed its willingness to permit the voluntary exits also of people who were previous excluded, as an alternative to the required professional reallocation envisaged in the business plan.

In order to allow for incentives for the retirement of up to 1,000 people and for up to 600 people to participate in the Solidarity Fund, the agreement extended to 30 June 2021 the option to access the Solidarity Fund.

In the second quarter, the Intesa Sanpaolo Banking Group carried out the voluntary realignment of some tax values. Specifically, Intesa Sanpaolo exercised the option set out in Law no. 145/2018 (Budget Act 2019) to realign tax values to their higher carrying amounts, with regard to owned real estate assets, for which values to realign were identified for €1,955.6 million. These mainly derive from the revaluations carried out starting with the 2017 financial statements, following the adoption of the criteria for revaluation of the value of owner-occupied properties (IAS 16) and of the fair value for investment property (IAS 40). These correspond to a substitute tax of €269.4 million. At consolidated level, the exercise of this option resulted in: i) the recognition of substitute tax of €269.4 million, of which €93.9 million posted to the income statement for the period and €175.5 million to shareholders' equity; ii) the derecognition of net deferred tax liabilities of €622.6 million, of which €217.1 million through profit or loss and €405.5 million through shareholders' equity, with a positive impact on the income statement of the period of € 123.2 million and an additional €230 million in shareholders' equity. The Board of Directors identified the share premium reserve in the financial statements to be classified as the suspended tax reserves, in an amount equal to the difference between the higher values realigned and the substitute tax due (€1,686.2 million), which will be subject to approval by the ordinary shareholders' meeting of Intesa Sanpaolo at the next possible meeting, presumably on approval of the 2019 Financial Statements.

On 31 July 2019, Intesa Sanpaolo and Prelios reached a binding agreement to form a strategic partnership in respect of loans classified as unlikely to pay (UTP). The agreement reached with a leading player in the UTP segment, which adds to the strategic partnership with Intrum in respect of bad loans finalised in 2018, will enable the Intesa Sanpaolo Group to focus – also thanks to the redeployment of skilled employees, in the region of a few hundred people – on the proactive credit management of early delinquency loan portfolio (specifically, the Pulse initiative) using the best external platforms for the management of subsequent stages, and to further accelerate the achievement of the NPL reduction target set out in the 2018-2021 Business Plan.

The agreement consists of the two transactions outlined below.

- A 10-year contract for the servicing of UTP Corporate and SME loans of the Intesa Sanpaolo Group to be provided by Prelios initially covering a portfolio worth around €6.7 billion of gross book value, with terms and conditions in line with market standards and a fee structure mostly composed of a variable component specifically aimed at maximising the return of positions to performing status;

- the disposal and securitisation of a portfolio of UTP Corporate and SME loans of the Intesa Sanpaolo Group worth around €3 billion of gross book value, at a price of around €2 billion which is in line with the carrying value. Taking this disposal into consideration with reference to the figures as at the end of June 2019, the NPL to total loan ratio would be down from 8.4% to 7.7% gross, from 4.1% to 3.6% net, and the NPL reduction achieved in the first 18 months of the 2018-2021 Business Plan would be as much as around 80% of the target set for the entire four-year period, at no extraordinary cost to shareholders. The capital structure of the securitisation vehicle will be the following, in order to obtain full accounting and regulatory derecognition of the portfolio at the closing date:

    - a Senior Tranche equivalent to 70% of the portfolio price, to be underwritten by Intesa Sanpaolo;

    - Junior and Mezzanine Tranches equivalent to the remaining 30% of the portfolio price, to be underwritten to the tune of 5% by Intesa Sanpaolo and the remaining 95% by Prelios and third-party investors.

The finalisation of the transactions above is subject to authorisation being received from the competent authorities. The transactions are compliant with the Group's income statement and balance sheet targets and forecasts which have already been disclosed to the market for the 2019 financial year and the 2018-2021 Business Plan. They do not affect the strategic partnership in place with Intrum.

On 9 September 2019, Intesa Sanpaolo has received notification of the ECB's permission to calculate the Group's consolidated capital ratios applying the so-called Danish Compromise – under which insurance investments are risk weighted instead of being deducted from capital – as of the regulatory filings for 30 September 2019.

On 18 September 2019, Intesa Sanpaolo communicated that it concluded the ordinary share buy-back programme launched on 17 September 2019 and announced to the market in a press release dated 16 September 2019. The programme executes a plan that assigns, free of charge, ordinary shares of Intesa Sanpaolo to the Group's employees; this covers the share-based incentive plan for 2018 reserved for Risk Takers who accrue a bonus in excess of the so-called "materiality threshold", as well as for those who, among Managers or Professionals that are not Risk Takers, accrue "relevant bonuses". In addition, the programme has been implemented in order to grant, when certain conditions occur, severance payments to Risk Takers upon early termination of employment. The programme has been carried out in accordance with the terms approved at the Shareholders' Meeting of Intesa Sanpaolo on 30 April 2019. Moreover, the Bank's subsidiaries indicated in the aforementioned press release have concluded their purchase programmes of Intesa Sanpaolo's shares to be assigned, free of charge, to their employees. The programmes were approved by their respective corporate bodies within their remits and are analogous to the programme approved at Intesa Sanpaolo's Shareholders' Meeting.

In compliance with Article 113-ter of Legislative Decree 58 of 24 February 1998, Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and Article 2 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, details concerning the purchases executed are provided below. Information is also given by Intesa Sanpaolo on behalf of the aforementioned subsidiaries.

On the two days of execution of the programme (17 and 18 September 2019), the Intesa Sanpaolo Group purchased a total of 17,137,954 Intesa Sanpaolo ordinary shares through Banca IMI (which was responsible for the programme execution). These represent approximately 0.10% of the share capital of Intesa Sanpaolo. The average purchase price was €2.129 per share, for a total countervalue of €36,481,543. The Bank purchased 12,393,958 shares at an average purchase price of €2.129 per share, for a countervalue of €26,388,935.

Purchase transactions were executed in compliance with provisions included in Articles 2357 and following and 2359-bis and following of the Italian Civil Code and within the limits of number of shares and consideration as determined in the resolutions passed by the competent corporate bodies. Pursuant to Article 132 of TUF and Article 144-bis of the Issuers' Regulation and subsequent amendments, purchases were executed on the regulated market MTA managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.

Moreover, purchases have been arranged in compliance with the conditions and the restrictions under Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and Articles 2, 3, and 4 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The total number of shares purchased and, therefore, the daily volume of purchases executed, did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2019, which was equal to 127.3 million shares.

On 26 November 2019, Intesa Sanpaolo has received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2020, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 9.16% under the transitional arrangements for 2020 and 9.35% on a fully loaded basis.

This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.5% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.5% made up entirely of Common Equity Tier 1 ratio;
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:
    - a Capital Conservation Buffer of 2.5% on a fully loaded basis from 2019,
    - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.56% under the transitional arrangements for 2020 and 0.75% on a fully loaded basis in 2021,

- a Countercyclical Capital Buffer of 0.1%.[2]

Intesa Sanpaolo's capital ratios as at 30 September 2019 on a consolidated basis - net of €2,648 million dividends accrued in the first nine months of 2019 - were as follows:

- 14% in terms of Common Equity Tier 1 ratio[3,4]
- 17.8% in terms of Total Capital ratio[3,4]

calculated by applying the transitional arrangements for 2019, and

- 14.2% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis[3,5]
- 18.2% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis[3,5].

On 3 December 2019, concerning the Prelios agreement, Intesa Sanpaolo published a press release with the following wording:

"Having received the required authorisations from the relevant authorities, Intesa Sanpaolo and Prelios have finalised the agreement concerning the strategic partnership in respect of loans classified as unlikely to pay (UTP), which was signed on 31 July 2019 and disclosed to the market on the same day. The agreement consists of a contract for servicing activities to be provided by Prelios aimed at maximising the return of positions to performing status and the disposal and securitisation of a portfolio, in respect of UTP Corporate and SME loans of the Intesa Sanpaolo Group."

On 19 December 2019, Intesa Sanpaolo and Nexi reached a strategic agreement which provides for:

- the transfer to Nexi of the Intesa Sanpaolo business line consisting of the acquiring activities currently carried out for over 380,000 points of sale, with Intesa Sanpaolo retaining the sale force dedicated to acquiring new customers; and
- a long-term partnership, with Nexi to become the sole partner of Intesa Sanpaolo in the acquiring activities and the latter to distribute the acquiring services provided by Nexi and maintain the relationship with its customers.

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2 Calculated taking into account the exposures as at 30 September 2019 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating either to 2019-2020, where available, or to the latest update of the reference period (requirement was set at zero per cent in Italy for 2019).

3 After the deduction of accrued dividends, equal to 80% of net income for the first nine months of the year, and the coupons accrued on the Additional Tier 1 issues.

4 Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 13.1% for the Common Equity Tier 1 ratio and 17.1% for the Total Capital ratio.

5 Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2019, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285 million covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward and the expected distribution of the 9M 2019 net income of insurance companies that exceeds the amount of reserves already distributed in the first quarter.

The strategic agreement was finalised on 30 June 2020 after having obtained the necessary authorisations from the competent authorities. Pursuant to the agreement, the business line was transferred through contribution to a Nexi subsidiary for €1,000 million. Intesa Sanpaolo sold the shares received from the contribution to Nexi for a corresponding cash consideration and then used part of this consideration to purchase shares of Nexi from the latter's reference shareholder, Mercury UK HoldCo Limited, for an amount of €653 million, equal to a 9.9% shareholding of Intesa Sanpaolo in the share capital of Nexi.

The transaction enables Intesa Sanpaolo to extract proper value from the acquiring activities currently carried out internally, through the contribution of its business line – taking into account that operating efficiently in this sector, in a competitive scenario of international scope, requires greater investment and economies of scale – while retaining an interest in a business with significant growth prospects.

In 2018, the business activities contributed to Nexi generated operating income of around €74 million, operating margin of around €72 million and net income of around €48 million.

The transaction generates a net capital gain in the region of €1.1 billion for the Intesa Sanpaolo Group's consolidated income statement in the second quarter of 2020. This figure has been calculated including the effect attributable to the difference between the purchase price of the 9.9% of the Nexi share capital and the corresponding value resulting from the stock exchange price of the Nexi shares. This capital gain might not be reflected in the net income entirely if, over the course of 2020, allocations are identified that are appropriate to strengthen sustainable profitability.

Intesa Sanpaolo in 2020 – Highlights

Integration of the UBI Group

The acceptance period for the voluntary public purchase and exchange offer (below "Offer" or "Public Offer") launched by Intesa Sanpaolo for a maximum of 1,144,285,146 ordinary shares of Unione di Banche Italiane S.p.A. ("UBI Banca"), representing all subscribed and paid-in share capital, ended on 30 July 2020. The Private Placement of UBI Banca shares reserved for "qualified institutional buyers" launched by Intesa Sanpaolo in the United States also ended on that date.

Detailed information about the Offer is provided in the offer document, the information document and all the legally-required documentation made available, together with the individual announcements made regarding the progress of the Offer and its outcome. The Offer was amended on 17 July 2020 following the increase in the consideration per share, through the establishment of a cash consideration of €0.57 for each UBI Banca share tendered in acceptance, and that the acceptance period was extended ex officio by CONSOB from 28 July 2020 to 30 July 2020, pursuant to Article 40, paragraph 4, of the Issuers' Regulation, through Resolution No. 21460 of 27 July 2020.

Furthermore, to prevent possible antitrust concerns, on 17 February 2020 Intesa Sanpaolo and BPER Banca (below also "BPER") entered into a binding agreement, conditional on the success of the Public Offer ("BPER Agreement"), which provides for the purchase by BPER of a going concern consisting of a pool of branches of the entity resulting from the combination of Intesa Sanpaolo with UBI Banca. The original agreement provided for the sale of around 400/500 branches of the combined entity and the related assets and liabilities for a consideration equal to a multiple of 0.55 times the CET 1 of UBI Banca allocated to the branches identified as being subject of the sale. Subsequently, to take appropriate account of the economic situation generated by the outbreak of the COVID-19 pandemic, and following discussions held between Intesa Sanpaolo and BPER, the pricing mechanism described above was modified by establishing a consideration for the above-mentioned going concern equal to 0.38 times the value of the fully-loaded CET 1 at the reference date allocated to the risk-weighted assets of the branches to be sold. In order to remove the specific antitrust concerns raised by the Italian Antitrust Authority ("AGCM"), on 15 June 2020 Intesa Sanpaolo negotiated and signed an agreement supplementing the BPER Agreement under which the number of branches to be transferred was increased (from 400/500 to 532, of which 501 of UBI Banca and 31 of Intesa Sanpaolo) with the precise identification of the details and consequent redefinition of the estimated values. By decision adopted at the meeting of 14 July 2020 and notified to Intesa Sanpaolo on 16 July 2020, AGCM approved the transaction for the acquisition of control of UBI Banca subject to the execution of structural sales in accordance with the BPER Agreement and the commitments made by Intesa Sanpaolo. Through a specific press release on 30 September 2020, it was announced that the parties had identified as the period currently envisaged for the closing of the sale to BPER the second half of February 2021 with regard to the UBI Banca branches and the second quarter of 2021 with regard to the Intesa Sanpaolo branches.

Based on the final results – announced to the market on 3 August 2020 – a total of 1,031,958,027 UBI Banca shares were tendered in acceptance of the Offer during the acceptance period (including those tendered in acceptance through the Private Placement), equal to approximately 90.184% of the share capital of UBI Banca. As a result of the settlement of the Offer (and of the Private Placement) and on the basis of the results of the Offer (and of the Private Placement), the offeror came to hold a total of 1,041,458,904 UBI Banca shares, representing approximately 91.0139% of the share capital of UBI Banca, given that (i) the offeror Intesa Sanpaolo held, directly and indirectly (including through fiduciary companies or nominees) a total of 249,077 ordinary shares of the Originator, equal to 0.0218% and (ii) UBI Banca held 9,251,800 own shares equal to 0.8085% of the share capital of the Originator.

Lastly, acceptances "with reserves" were also received in respect of a total number of 334,454 UBI Banca shares from 103 acceptors. These acceptances have not been counted for determining the percent acceptance of the Offer. Based on the final results indicated above, the Percentage Threshold Condition (i.e. the condition that the offeror comes to hold an overall interest at least equal to 66.67% of the Originator's share capital) was fulfilled and all the other conditions precedent of the Offer were fulfilled or, as the case may be, waived by Intesa Sanpaolo. As a result, the Offer was effective and was able to be completed.

On 5 August 2020, in exchange for the transfer of the ownership of the UBI Banca shares, Intesa Sanpaolo issued and assigned the acceptors of the Offer a total of 1,754,328,645 new Intesa Sanpaolo shares, representing 9.107% of the share capital of Intesa Sanpaolo, based on the ratio of 1.7000 Intesa Sanpaolo shares to 1 UBI Banca share. In addition, on 19 August 2020, Intesa Sanpaolo paid the entitled parties the cash consideration (i.e. €0.57 for each UBI Banca share tendered in acceptance) which amounted to a total of €588,216,075.39.

The interest held directly or indirectly by Intesa Sanpaolo in the share capital of UBI Banca at the end of the acceptance period was more than 90%, but less than 95%, which meant that the conditions were met for the compulsory squeeze-out pursuant to Article 108, paragraph 2, of the Consolidated Law on Finance, with Intesa Sanpaolo having already declared in the offer document that it would not implement measures to restore the minimum free float conditions for normal trading of the UBI Banca ordinary shares. Therefore, pursuant to Article 108, paragraph 2, of the Consolidated Law on Finance, Intesa Sanpaolo was required to purchase the remaining ordinary shares from the shareholders of UBI Banca who requested it, for a total amount of 112,327,119 UBI Banca shares and representing 9.8163% of the share capital. The consideration per remaining share, identified in accordance with the provisions of Article 108, paragraphs 3 and 5, of the Consolidated Law on Finance, was determined as follows:

- a consideration equal to that offered to the acceptors of the Public Purchase and Exchange Offer, namely 1.7000 newly issued Intesa Sanpaolo ordinary shares and €0.57 for each UBI Banca share tendered in acceptance; or, alternatively,

- only to the shareholders so requesting, a cash consideration in full whose amount for each UBI Banca share, calculated in accordance with Article 50-ter, paragraph 1, letter a) of the Issuers' Regulations, was equal to the sum of (x) the weighted average of the official prices of the ISP shares recorded on the Mercato Telematico Azionario (electronic stock exchange) during the five trading days prior to the payment date (i.e. on 29, 30 and 31 July, and 3 and 4 August 2020) multiplied by the exchange ratio (€2.969) and (y) €0.57, for a total consideration of €3.539 per remaining share.

The compulsory squeeze-out procedure, pursuant to Article 108, paragraph 2, of the Consolidated Law on Finance, which was carried out between 24 August and 11 September 2020, resulted in sale requests for a total of 90,691,202 remaining shares, representing 7.9256% of the share capital of UBI Banca and 80.7385% of the remaining shares. With reference to the 90,691,202 remaining shares:

- for 87,853,597 remaining shares, the owners have requested the consideration established for the Public Offer; and

- for the other 2,837,605 remaining shares, the owners have requested the cash consideration in full, i.e. 3.539 per remaining share.

Taking into account (a) the 1,031,958,027 shares tendered in acceptance of the Offer, (b) the 90,691,202 remaining shares purchased through the procedure pursuant to Article 108, paragraph 2, of the Consolidated Law on Finance, (c) the 131,645 ordinary shares of the Originator held directly or indirectly by Intesa Sanpaolo and (d) the 8,903,302 own shares held by UBI Banca, Intesa Sanpaolo, following the procedure pursuant to Article 108, paragraph 2, of the Consolidated Law on Finance, came to hold a total of 1,131,684,176 UBI Banca shares, equal to 98.8988% of the share capital of UBI Banca. Intesa Sanpaolo made the payment of the consideration for the compulsory squeeze-out pursuant to Article 108 paragraph 2 of the Consolidated Law on Finance on 17 September 2020 through:

- the issuance of 149,351,114 new Intesa Sanpaolo shares, representing 0.77% of the bank's share capital, and the payment of a consideration of €50,076,550.29 to the accepting shareholders who chose the consideration established for the Offer;

- the payment of €10,042,284.10 for the accepting shareholders that requested the cash consideration in full.

Subsequent to the procedure pursuant to Article 108, paragraph 2 of the Consolidated Law on Finance, Intesa Sanpaolo, having come to hold more than 95% of the share capital of UBI Banca, exercised its right of squeeze-out pursuant to Article 111 of the Consolidated Law on Finance and, at the same time, carried out the compulsory squeeze-out pursuant to Article 108, paragraph 1 of the Consolidated Law on Finance for the shareholders of UBI Banca that requested it, through a specific joint procedure that, as agreed with CONSOB and Borsa Italiana (the "Joint Procedure"), was carried out in the period 18 - 29 September 2020. The Joint Procedure targeted a maximum of 21,635,917 UBI Banca residual shares. The consideration established in the Joint Procedure was the same as that paid for the shares purchased in the procedure pursuant to Article 108, paragraph 2 of the Consolidated Law on Finance. During the Joint Procedure, sale requests were submitted for a total of 3,013,070 remaining shares, i.e. 13.9262% of the shares subject to the procedure.

More specifically:

- for 408,474 shares, the owners requested the consideration established for the Public Offer; and

- for the other 2,604,596 shares, the owners requested the cash consideration in full, i.e. 3.539 per remaining share.

No sale requests were submitted by the owners of the 18,622,847 remaining shares. Such residual shares also include 8,877,911 own shares (representing 0.7758% of the Originator's share capital) held by UBI Banca and 120,985 UBI Banca ordinary shares held on own account by Intesa Sanpaolo before 17 February 2020, the announcement date of the Offer. The UBI Banca own shares and UBI Banca ordinary shares held on own account by Intesa Sanpaolo were not transferred to Intesa Sanpaolo under the Joint Procedure. Intesa Sanpaolo made the payment of the consideration for the Joint Procedure on 5 October 2020 through:

- the issuance of 17,055,121 new Intesa Sanpaolo shares, representing 0.09% of the bank's share capital and the payment of a consideration of €5,718,482.25 to the accepting shareholders who chose the consideration established for the Offer and to the shareholders that did not submit any sale requests;

- the payment of €9,217,655.24 for the accepting shareholders that requested the cash consideration in full.

Following the conclusion of the Joint Procedure, Intesa Sanpaolo came to hold 100% of the share capital of UBI Banca.

Lastly, with resolution no. 8693 of 17 September 2020, Borsa Italiana ordered the delisting of UBI Banca shares from trading on the Mercato Telematico Azionario (electronic stock exchange) as of 5 October 2020 (settlement date of the Joint Procedure), subject to suspension of the share during the sessions of 1 and 2 October 2020.

Press release on satisfaction of the capital requirement (November 2020)

Following the communication received from the ECB in relation to the Supervisory Review and Evaluation Process (SREP), Intesa Sanpaolo has announced on 25 November 2020 that the Bank, on a consolidated basis, must continue to meet the capital requirement that was established last year. The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.44% under the transitional arrangements for 2020 and 8.63% on a fully loaded basis. This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.5% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.5%, of which 0.844% is Common Equity Tier 1 ratio applying the regulatory amendment introduced by the ECB and effective from 12 March 2020;
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:

▫ a Capital Conservation Buffer of 2.5% on a fully loaded basis from 2019,

▫ an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.56% under the transitional arrangements for 2020 and 0.75% on a fully loaded basis in 2021,

▫ a Countercyclical Capital Buffer of 0.032% under the transitional arrangements for 2020 and 0.037% on a fully loaded basis in 2021.

Intesa Sanpaolo's capital ratios as at 30 September 2020 on a consolidated basis - net of around €2.3 billion dividends accrued in the first nine months of 2020 - were as follows:

• 14.7% in terms of Common Equity Tier 1 ratio

• 19.6% in terms of Total Capital ratio

calculated by applying the transitional arrangements for 2020, and

• 15.2% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis

• 20.6% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis.

Merger of Banca IMI

Intesa Sanpaolo announced on 2 April 2020 that following authorisation given by the European Central Bank, the plan for the merger by incorporation of Banca IMI S.p.A. into Intesa Sanpaolo was filed with the Companies Register of Turin. The merger, which was approved by the Board of Directors of Intesa Sanpaolo on 5 May 2020 and by the shareholders' meeting of Banca IMI, was completed on 20 July 2020.

2020 Annual General Meeting

On 27 April 2020, the annual general meeting of the shareholders of Intesa Sanpaolo approved, inter alia, the parent company's 2019 financial statements and, further to the Board of Directors' decision to suspend the proposal regarding dividend distribution to shareholders, allocation to reserves of the net income for the 2019 financial year. The shareholders' meeting also resolved to grant powers to the Board of Directors to implement a share capital increase by 31 December 2020 by a maximum total amount of €1,011,548,072.60 to serve the UBI Banca voluntary public exchange offer.

Agreement with Trade Unions in respect of at least 5,000 voluntary exits and up to 2,500 new hires by 2023

On 30 September 2020 Intesa Sanpaolo announced that Intesa Sanpaolo signed an agreement with the national Secretariats and Group Trade Delegations FABI, FIRST CISL, FISAC/CGIL, UILCA and UNISIN, which aims at enabling generational change at no social cost, while continuing to ensure an alternative to the possible paths for staff reskilling and redeployment as well as the enhancement of the skills of people of the Intesa Sanpaolo Group resulting from the acquisition of UBI Banca finalised on 5 August 2020.

The agreement identifies ways and criteria to reach the target of at least 5,000 exits on a voluntary basis by 2023, with Intesa Sanpaolo Group's people either to retire or access the solidarity fund.

Furthermore, by 2023, indefinite-term employment contracts will be signed according to the proportion of one hire for each two voluntary exits, up to 2,500 hires, against a minimum of 5,000 envisaged voluntary exits, a calculation which does not include the exits of people who will be moved due to the transfers of business lines. The new hires will support the Intesa Sanpaolo Group's growth and its new activities, with a focus on the branch Network and on the disadvantaged areas of the country, including through the "stabilisation" of people currently on fixed-term contracts. The Intesa Sanpaolo Group envisages that at least half of the hires will concern the provinces in which UBI Banca has its historical roots (Bergamo, Brescia, Cuneo and Pavia) and the South of Italy. The agreement has been signed well ahead of the deadline originally planned for year-end, thus highlighting the effective progress of the integration process.

Specifically, the agreement provides that:

- the offer relating to the voluntary exits is addressed to all the people of the Intesa Sanpaolo Group's Italian companies which apply the CCNL Credito (bank employees National Collective Labour Contract), including the mangers;
- people who meet the retirement requirements by 31 December 2026, including by applying the so-called calculation rules "Quota 100" and "Opzione donna", may subscribe to the offer in accordance with the ways communicated by the Group;
- people who subscribed to the Intesa Sanpaolo 29 May 2019 Agreement or the UBI 14 January 2020 Agreement but were not included in the lists can submit requests for voluntary exit under defined terms;
- in the event that applications for retirement or access to the Solidarity Fund are in excess of the number of 5,000, a single list will be drawn up at Group level based on the date when the retirement requirement is met. The list will give priority to those people who have previously subscribed to the former Intesa Sanpaolo Group 29 May 2019 agreement or to the former UBI Group 14 January 2020 agreement and have not been included among the envisaged exits, as well as to people entitled to provisions under art. 3, paragraph 3 of Law 104/1992 for themselves, and to disabled people with a disability of at least 67%.

Sovereign risk exposure

As at 30 September 2020 Intesa Sanpaolo Group's exposure in securities to Italian sovereign debt – including the insurance business – amounted to a total of €88,554 million, in addition to receivables for €11,556 million. The security exposures increased compared to €75,913 million as at the 31 December 2019.

Management

Board of Directors

The composition of Intesa Sanpaolo's Board of Directors as at the date hereof is as set out below.

Member of the Board of Directors	**Position**	**Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Originator's activities (to be updated)**
Gian Maria Gros-Pietro	Chairman	None
Paolo Andrea Colombo (#) (##)	Deputy Chairperson	Director of Colombo & Associati S.r.l.
Carlo Messina (*)	Managing Director and CEO	None
Bruno Picca(#)	Director	None
Rossella Locatelli (##)	Director	Director of Società per la Bonifica dei Terreni Ferraresi e per Imprese Agricole S.p.A. Member of the Supervisory Board of Darma SGR, a company in administrative compulsory liquidation Chairwoman of B.F. S.p.A. Director of CAI – Consorzio Agrari d'Italia S.p.A.
Livia Pomodoro (##)	Director	Director of Febo S.p.A.
Franco Ceruti	Director	Chairman of Intesa Sanpaolo Expo Institutional Contact S.r.l. Director of Intesa Sanpaolo Private Banking S.p.A. Chairman of Società Benefit Cimarosa 1 S.p.A.
Daniele Zamboni (##)(1) (#)	Director	None
Maria Mazzarella (##)(1)	Director	None

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Originator's activities (to be updated)
Milena Teresa Motta (##) (#)	Director and Member of the Management Control Committee	Director of Strategie & Innovazione S.r.l.
Alberto Maria Pisani (##)(1) (#)	Chairman of the Management Control Committee	None
Maria-Cristina Zoppo(##)(#)	Director and Member of the Management Control Committee	Director of Newlat Food S.p.A. Chairwoman of the Board of Statutory Auditors Schoeller Allibert S.p.A. Standing Statutory Auditor of Coopers & Standard Automotive Italy S.p.A.
Luciano Nebbia	Director	Deputy Chairman of Equiter S.p.A. Director of Intesa Sanpaolo Casa S.p.A.
Maria Alessandra Stefanelli(##)	Director	None
Guglielmo Weber(##)	Director	None
Anna Gatti(##)(1)	Director	Director of Fiera Milano S.p.A. Director of WiZink Bank S.A. Director of Lastminute Group
Fabrizio Mosca(##) (#)	Director and Member of the Management Control Committee	Deputy Chairman of Mecplast S.r.l. Chairman of the Board of Statutory Auditors of Aste Bolaffi S.p.A. Chairman of the Board of Statutory Auditors of Bolaffi S.p.A. Chairman of the Board of Statutory Auditors of Bolaffi Metalli Preziosi S.p.A.

Member of the Board of Directors	**Position**	**Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Originator's activities (to be updated)**
		Standing Statutory Auditor of M. Marsiaj & C. S.r.l.
		Standing Statutory Auditor of Moncanino S.p.A.
Roberto Franchini (##)(3)(4) (#)	Director	None
Andrea Sironi (##)(2)	Director	Chairman of the Board of Borsa Italiana S.p.A.
		Director of London Stock Exchange plc
		Chairman of the Board of London Stock Exchange Group Holding Italia S.p.A.

(*) Carlo Messina was appointed Managing Director and CEO by the Board of Directors on 2 May 2019. He is the only executive director on the Board.
(#) Is enrolled on the Register of Statutory Auditors and has practiced as an auditor or been a member of the supervisory body of a limited company
(##)Meets the independence requirements pursuant to Article 13.4.3 of the Articles of Association, the Corporate Governance Code and Article 148, third paragraph, of Legislative Decree 24 February 1998 no. 58. (1) is a representative of the Minority List
(2) was appointed as a director at the shareholders' meeting of 27 April 2020, following co-option by the Board of Directors on 2 December 2019
(3) was appointed as a director at the shareholders' meeting of 27 April 2020, replacing Corrado Gatti who had ceased to hold office
(4) Minorities representative

Conflicts of Interest

As at the date of this Base Prospectus no member of the Board of Directors of Intesa Sanpaolo is subject to potential conflicts of interest between their obligations arising out of their office or employment with the Originator or the Intesa Sanpaolo Group and any personal or other interests.

The Originator and its corporate bodies have adopted internal measures and procedures to guarantee compliance with the relevant regulation on board member conflict of interest.

Principal Shareholders

As of 5 October 2020, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 1 per cent [*]). Figures are updated based on the results from the register of shareholders and the latest communications received.

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
Compagnia di San Paolo	1,188,947,304	6.119%
Fondazione Cariplo[(1)]	767,029,267	3,948%
Norges Bank[(1)(2)]	408,812,789	2.104%
Fondazione Cariparo[(1)]	347,111,188	1,786%
JPMorgan Chase & Co. [(1)(3)]	334,747,844	1.723%
Fondazione CR Firenze[(1)]	327,138,747	1.684%
Fondazione Carisbo	243,955,012	1.256%

[(*)] *Shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold.*

[(1)] *The percentage held has been recalculated due to the changes in Intesa Sanpaolo's share capital of 5 August 2020, 17 September 2020 and 5 October 2020 as a result of the share capital increase to serve the Public Purchase and Exchange Offer for UBI Banca shares, the ensuing Procedure for the Compulsory Squeeze-Out pursuant to art. 108, paragraph 2, of the Consolidated Law on Finance ("TUF") and the subsequent Joint Procedure for the Right of squeeze-out pursuant to art. 111 of the TUF and Compulsory squeeze-out pursuant to art. 108, paragraph 1, of the TUF.*

[(2)] *Also on behalf of the Government of Norway.*

[(3)] The shareholder holds an aggregate investment equal to 6.580% as per form 120 B dated 24 June 2020 which has been recalculated in 6.010% due to the changes in Intesa Sanpaolo's share capital of 5 August 2020, 17 September 2020 and 5 October 2020 as a result of the share capital increase to serve the Public Purchase and Exchange Offer for UBI Banca shares, the ensuing Procedure for the Compulsory Squeeze-Out pursuant to art. 108, paragraph 2, of the Consolidated Law on Finance ("TUF") and the subsequent Joint Procedure for the Right of squeeze-out pursuant to art. 111 of the TUF and Compulsory squeeze-out pursuant to art. 108, paragraph 1, of the TUF. JPMorgan Chase & Co. made the original disclosure on 16 July 2018 (through form 120 B) in view of the positions held in relation to the issue of LECOIP 2.0 Certificates, having as underlying instruments Intesa Sanpaolo ordinary shares, that the Intesa Sanpaolo Group's employees received under the 2018-2021 LECOIP 2.0 Long-term Incentive Plan based on financial instruments.

Note: figures may not add up exactly due to rounding differences.

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

CREDIT AND COLLECTION POLICY

1. REGULAR LOANS

Payment systems and the recording of collections

The repayment of almost all loans to Natural Persons starts on the first day of the **second** month following the date of signature of the agreement (unless entire grace periods are stipulated by contract). Between the date of signature and the first repayment date, the client is covered by a grace period and only pays interest, which is usually collected together with the first repayment instalment.

Companies generally have a grace period, the duration of which, defined at the time of approval of the loan, is commensurate with its duration, type and purpose. The repayment period starts at the end of the grace period.
Where no grace period is provided, the start date of the repayments usually corresponds to the "date of disbursement + periodicity of instalments" (monthly, quarterly, half-yearly, annual).

The terms of payment of the loan instalments essentially consist of:

- direct debit of the debtor's current account opened at any branch of the Bank
- payment by the debtor on the basis of a MAV (deposit slip) notice of payment of each instalment, to be made at the counters of the Bank or any other credit institution adhering to the MAV circuit;
- direct debit of the debtor's current account opened at another Bank (SDD mandate);
- payment at the Bank counter.

It is the Bank practice, for current loans with payments of previous instalments, to allow for payments made after the instalment deadline but within the period of validity of the instalment itself for tax purposes, as indicated on the MAV (generally 90 days for six-month periods, 35 days for quarterly periods), and for default interest to be debited on the following due date or on the first accounting event of the loan (see repayment).

1.1 Payment by direct debit of current account

For the loan items that use this system of payment, the procedure identifies all instalments falling due on a specific day and provides for the current account to be debited (on the specific day). If the account does not have funds or its funds are only partially sufficient, the system makes the debits nonetheless, providing each branch (on the day of each instalment due date) with a list of instalment debits that have caused the current account to become overdrawn. The branch concerned has the option of cancelling instalments debited automatically by the system.

Any outstanding payments are recorded in the relevant Bank's information system in real time.

The operator can, however, check the accounting position of the loan at any time.

If an instalment is even only partially unpaid, the loan is not taken into consideration when preparing the debit flow for the following instalment.

Note that each week, the recovery of instalments in arrears is generated automatically, by monitoring the balances of clients' accounts in order to gradually reduce the arrears.

1.2 Payment by pre-authorised debit

In order to improve operability and offer clients services that are increasingly designed to meet their expectations, instalments may be paid by the pre-authorised debit of current accounts at other credit institutions.

A pre-authorised debit order issued to other banks, only to be used on the client's express request, provides an alternative to debiting a current account opened at the Bank. This option is of interest to clients who reside outside the area of operations of the Bank, and those operating with other credit institutions. This service serves to reduce loans with no supporting current account.

The flow of debits forwarded to the paying banks is generated automatically several days prior to the due date of the instalment, currently 8 business days for all items collectable by SDD mandate.

On the due date of the debit orders, the electronic procedure credits the collections "subject to collection" to a transit account and on that same day the "Loans" procedure debits the amount of the instalments due to the same account to balance the amount credited.

Unpaid orders returned by the correspondent banks are debited by the procedure from the transit account.

Reversals of payments made by SDD mandate attributable to outstanding sums are effected automatically by the procedure. An appropriate report on the event is also provided to the Operating Points. In view of the time taken by the Bank to return the sums credited "subject to collection" and the subsequent processing time, the effect of the collection (or outstanding sum) can only be verified approximately twenty business days later. After the 20th day, the receipts to be sent to Clients are generated.

In the case of outstanding sums, the debit subject to collection is only guaranteed if the loan returns to performing status prior to generation of the debit flow for the subsequent instalment.

1.3 Payment by MAV deposit slip

In order to facilitate more rapid registration of the sums paid, for payment of loan instalments with other credit institutions and in order to automate the relevant flow, a notice of instalment due form has been produced in a standard interbank format, which enables the use of the MAV electronic banking circuit to credit the relevant bank with the sums received.

The MAV is a paper slip that can be paid at any bank forming part of the MAV circuit (in practice almost all Italian banks).

The Bank sends the slip to the client 45 days prior to the due date of the instalment in the case of an annual, half-yearly or quarterly loan, and 18 days prior to the due date in the case of a monthly loan. If the payment is made at a counter of the Bank itself, the relevant entry in the loan procedure takes place in real time; if the client makes the payment at another bank, an electronic data flow is sent, via the portfolio procedure, containing all the details of the payment.

In addition to the speed of data transmission and the resulting faster update of the loans ledger, the use of this procedure enables the reduction of manual payment allocation to a minimum.

Usually the result of the payment at another bank (electronic flow) is received within 3 days of the date of payment.

If a client fails to pay an instalment, for loans payable in annual, half-yearly and quarterly instalments, a MAV reminder is sent.

For other due dates and for all payment procedures, a reminder letter is sent monthly summarising all the amounts payable by clients.

1.4 Collection by cheque or postal order

Instalments may also be paid, subject to collection, by banks drafts, bank cheques and postal orders.

In this case too, the deadline for payment without default is that indicated on the notice of the instalment due that is only produced if the payment method is without domiciliation (MAV).

Cheques and postal orders must be issued to the order of the Bank. Exclusively for clients known to be of good standing by the Branch, checks and postal orders with one or more endorsements may be accepted, in all cases in accordance with applicable legislation. In such cases, the last endorsement must always correspond to that of the presenting client.

In the event of the return of unpaid or protested cheques or postal orders, the legislation provides that the branch:

- must attempt to recover from the transferor the amount of the unpaid/protested cheque and the relevant expenses, together with interest on late payment from instalment due date until the recovery date;
- if recovery is impossible, the branch must reverse the payment procedure, following recall of any receipts issued.

1.5 Tolerance periods for payments

The deadline for payment for all types of loan (monthly, quarterly, half-yearly or annual) is the instalment due date, irrespective of the payment procedure used by the client.

If the due date is a public holiday, the deadline is deferred to the first subsequent business day.

1.6. Loan renegotiation policies

Possible solutions to renegotiate the loan consist of:

a) extension of the duration of floating rate and fixed rate loans: the final expiration of the repayment plan may not exceed a duration of 40 years and, with regard to Natural Persons only, the relevant debtor may not be older than 75 (or the different time limits in force according to the Parent Company's policy) and except in the cases referred to in the subsequent letter e),

b) amendment of the indexation parameter or transformation of the loan from a variable rate to a fixed rate and vice versa, with any change in the frequency of regular instalments, as per the standard *pro tempore* catalogue conditions in force for the type of counterparty;

c) renegotiation of the spread and/or fixed rate;

d) shortening the duration (for Natural Persons only);

e) granting the possibility to suspend the payment of instalments on the basis of:

   - agreements promoted by the ABI (Italian Bank Association) to support the credit market for small and medium-sized enterprises and retail credit, such as the Credit Agreement of 2015;

   - legislative or regulatory provisions, such as, for example:

     i) the provisions contained in the Implementing Regulation (adopted by Ministerial Decree No. 132 of 21 June 2010) of the "Solidarity Fund" (the Gasparrini Fund) for loans for the purchase of first homes established by Article 2, paragraph 475 et seq. of Law No. 244/2007 (2008 Finance Law);

     ii) measures for natural disasters or humanitarian emergencies;

   - initiatives undertaken from time to time by the Intesa Sanpaolo Group in favour of clients;

- agreements included in contractual arrangements.

Suspensions regularly have a maximum duration of 12 months, unless otherwise specified in the contract or under different legal or regulatory provisions (see, for example, the “Solidarity Fund”), with the repayment plan being adjusted and the final duration of the loan extended for a period corresponding to the duration of the suspension.

The suspension may apply to:

- the entire instalment (principal and interest), in such cases the interest accruing during the suspension, will be paid, without the application of default interest, on resumption of the repayment of the loan, in the manner agreed with the borrower;

- only the principal amount, in such cases the borrower shall continue to pay interest calculated in accordance with the provided contractual terms during the period of suspension.

In the case of overdue instalments, the suspension shall take effect from the first overdue and unpaid instalment included in the suspension and, if the suspension is total, the default interest accrued on that instalment shall not be payable.

2. THE CREDIT MANAGEMENT PROCESS

2.1. Proactive Credit

Proactive Credit is defined as the set of processes for loans to clients who have difficulties that, at the time, are potential, and not yet openly apparent, but which could, if not promptly resolved, lead to the breach of contract, with the resulting deterioration in the quality of the risks assumed by the Bank. The occurrence of such a default could, depending on its seriousness and duration, result in the subsequent classification of all positions as non-performing.

2.1.1 Proactive Credit Process

Aims and guiding principles

Proactive Credit management processes represent the model dedicated to the management of clients with potential difficulties, aimed at properly and promptly addressing anomalies from their first appearance. This model is based on some guiding principles:

- the Branch’s responsibility to oversee the positions;

- differentiation of processes according to the regulatory segment;

- the establishment of dedicated Units, both peripheral and central, which intervene in the process according to the increasing seriousness of the risk represented;

- the efficiency of credit management processes and statuses with the resulting simplification of the workflow and the required activities focused on the effective solution of the detected anomalies;

- the revision of the intervention criteria to ensure greater efficiency and effectiveness of the new processes, with a view to full automation both in and out of the process, minimising subjective assessments and anticipating as much as possible the detection of phenomena that could lead to the impairment of positions through new Early Warning (EW) intervention systems;

- the use of rating to support decision-making activities;

Proactive management structure

Proactive Credit for the management of intercepted clients draws on the support of dedicated units in the Loans Offices at the Regional Headquarters of the BdT (Local Bank Networks) and of the office of the CLO (Chief Lending Officer), with the task of supporting the Network in the management of clients that are showing initial signs of difficulty.

The processes involved in Proactive Credit, which are designed to manage intercepted clients in a timely and optimal manner, are differentiated by regulatory segment and are divided into:

- Corporate and SME Corporate Processes;
- SME Retail Process;

The intervention system is guided by a new early warning system which, through the collation of a series of indicators, enables classification of credit positions according to the counterparty's state of default. The state of impairment of a counterparty is represented/summarised through the attribution of a colour (a 'traffic light' result). The calculation engine produces six categories:

- green;
- light green;
- orange;
- red;
- light blue;
- dark blue;

These are intercepted in the Proactive Credit process:

- for the SME Retail regulatory segment, counterparties with Orange and Red traffic light results generated by "alerted" criticalities , while
- for the Corporate, Banking and Non-Banking Financial Institutions regulatory segments, counterparties with Orange and Red traffic light results.

Management phases

Proactive credit processes are divided into management phases, which in turn are differentiated according to process type/client segment:

- the "Branch Management" (GF) phase
- the "Branch Management - not settled" (NG) phase

- the “Proactive Management” (PM) phase.

1) The “Branch Management” phase is operational for positions:

- intercepted by EWS Orange traffic lights (only alerted criticalities for the SME Retail segment), or

- counterparties with less serious risk signs.

It provides for the intervention of the Branch/manager responsible for the commercial relationship and is carried out in the verification with the client of the reasons for the intervention with the aim of finding, where possible, an agreement for the settlement of the position and/or accommodation of the automatically detected anomaly.

This phase provides for the compilation by the manager of a check list in which the actions undertaken will be made visible to the system. Each edited action will be subject to automatic or manual control, with different intervals depending on the type of action implemented; during monitoring, if the action is not fulfilled or ineffective, the manager will be automatically asked to re-analyse the position and again specify the actions undertaken and shared with the client.

This processing phase is referred to as “Branch Management - not settled” (NG) which is more detailed below.

In the case of criticalities that cannot be solved in the short term or are of significant complexity, the manager holding the relationship can request a worsening override of the traffic light result by accelerating the classification in the “Proactive Credit” status and the attribution of the “Red” traffic light result with the consequent intervention of the specialist Proactive Credit Unit; in the most serious cases, it will also be possible to proceed directly with the request for classification to non-performing states.

The management phase does not have a minimum duration, but within 30 days from the intervention the operator is required to analyse the counterparty and indicate to the system, through the completion of the check list, the actions taken.

Positions not processed within 30 days, like positions processed but in an ineffective manner, enter the “Branch Management - not settled” management phase and are automatically reported to the competent lending unit.

2) The “Branch Management - not settled” management phase is operational for positions:

- that are unprocessed or with unfulfilled management action or with ineffective action;

In this phase, the relationship manager, who has the burden of identifying and implementing any action necessary to support the counterparty in overcoming the difficulty or potential difficulty, is supported by the specialist Proactive Credit Unit; the latter does not intervene directly on the position but has the responsibility of the “Governance of the GN portfolio” or it is responsible for monitoring volumes, processing and recycling, urging the branches to adequately supervise the positions for which they are responsible.

3) The “Proactive Management” phase is operational for positions:

- with an EWS Red traffic light result (only alerted criticalities for the SME Retail segment)

- in “Branch Management” status for which the manager requires a worsening override.

This phase does not have a defined duration and ends with the settlement of the positions and variation of the EWS Red traffic light result or the categorisation to non-performing. Upon entering the phase, the Branch is expected to compile a specific Action Plan, simplified or complete, in which, in addition to assessing the client’s situation, activities aimed at settling the position must be identified.

The Action Plan must be submitted to the competent specialist Credit Units for validation; the competent unit is automatically identified on the basis of the granting powers expressed in Risk Weighted Assets - RWA; more specifically clients with:

- RWA exposure of less than EUR 15 million: validation is the responsibility of the Regional Headquarters of the BdT;

- RWA exposure in excess of EUR 15 million: validation is the responsibility of the CLO Area’s Credit Value Prevention Units. For clients of the IMI Corporate & Investment Banking Division, validation falls exclusively within the responsibilities of the CLO Area’s dedicated units.

Depending on the action taken, the status provides for cycles of 30 or 60 days for monitoring the Action Plan; more specifically, the same credit function, which is responsible for validating the plan, is responsible for monitoring, at the predefined expiration mentioned above, that the plan is being implemented in the manner shared with the branch and at the same time verify that no new anomalies have occurred that could undermine the maintenance of the status of the position.

Also in the Proactive Management Phase, for less complex counterparties, the manager is given the possibility to complete an intervention checklist, in place of the action plan, with a content and functioning similar to what is indicated above for the GF phase; however, the 30-day monitoring obligation remains so as to guarantee and verify compliance with what is shared with the manager and the client.

The aim of the management is to eliminate anomalies with a view to continuing relations with the counterparty, helping the counterparty to avoid slipping into non-performing states.

Positions for which settlement does not take place remain classified in the state until a subjective classification assessment as higher risk with a request submitted to the competent Non-performing Functions. Positions are also released from the status with worsening risk in the event that objective impairment conditions occur (90 days of continuous overrun above the materiality threshold, detection of a prejudicial dark-blue, double labelling or overrun >30 days on the forborne performing line from non-performing) leading to the automatic classification as past-due overrun or unlikely to pay.

Therefore, performing positions, to which is attributed an automatic assessment of high riskiness confirmed over time or which present early signs that are potentially predictive of difficulties, are promptly and automatically intercepted in the Proactive Management processes.

For credit quality purposes, these positions are for all intents and purposes classified as “performing” and the responsibility for their management remains with the organisational unit holding the counterparty in its portfolio.

The Proactive Credit processes, in order to guarantee objectivity, are supplied, both incoming and outgoing, mainly automatically; only the designated Control Units (such as, for example, the Internal Auditing Department) have the power, in the event of serious anomalies found during the performance of their activities, to manually classify positions in the “Proactive Management” status.

2.2 Non-performing exposures

The 10th update of Bank of Italy Circular No. 272 (hereinafter "Circular 272") introduced further clarifications to the definitions and types of "non-performing financial assets" to implement the provisions of the EBA 2016/07 Guidelines of 18 January 2017 ("EBA DoD Guidelines") on the application of the Definition of Default contained in Article 178 of Regulation 575/2013 (the Capital Requirements Regulation).

The various types of credit statuses that come within the category of "non-performing financial assets", referring to the overall exposure of the debtor, are discussed below.

"Non-performing financial assets" consist of cash assets (loans and debt securities) and off-balance sheet[1] assets (guarantees given, irrevocable and revocable undertakings to disburse funds, etc.) from debtors:

1) which have significant exposures which are past due by more than 90 days, or
2) for which full fulfilment of the credit obligations is considered unlikely without enforcement of guarantees, irrespective of the existence of overdue sums or the number of days in arrears.

No account is taken of any guarantees (real or personal) put in place to protect assets. The category of "Non-performing financial assets" does not include financial instruments included in a "Financial assets held for trading" portfolio or derivative contracts.

In order to identify non-performing loans, the Bank has selected a criterion that involves an approach by "Individual debtor".

"Non-performing financial assets" are classified, in accordance with the principle of increasing gravity, in the following three categories:

- non-performing past due exposures
- unlikely-to-pay loans
- bad loans

With respect to the classification of "in default", the recent European legislation on the subject (known as "new definition of default") will be applied, with particular reference to the EBA guidelines on the application and definition of default pursuant to Article 178 of Regulation (EU) No 575/2013.

Again in accordance with the regulatory provisions, the details of the categories of non-performing exposures, with regard to specific exposure, include the classification of "Non-Performing Forborne Exposures".

Non-performing financial assets are subject to analytical-statistical or analytical valuations for financial reporting purposes.

The process of assessing non-performing exposures to counterparties classified among past due loans and unlikely-to-pay loans, in accordance with the reference accounting principles and the applicable regulatory provisions, arises from the presence of objective loss elements that lead to the conclusion that the amount contractually expected from each individual asset is no longer fully recoverable.

In general terms, receivables classified:

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1 An off-balance-sheet transaction is considered non performing if, in the case of utilisation, it may give rise to an exposure that risks not to be fully repaid, in accordance with the terms of the contract. Securities shall, in any case, be classified as non performing if the secured exposure meets the conditions to be classified as non performing.

- among past due and/or impaired overruns (regardless of the amount of exposure) and those classified as unlikely-to-pay and non-performing (of an amount not exceeding a significant pre-established threshold, currently €2 million) are subject to automatic analytical assessment based on statistical grids produced by Risk Management on the basis of a historical series of changes in risk status and recovery times

- among unlikely-to-pay and non-performing (above the threshold of €2 million), are subject to a specific analytical evaluation process based on a reliable qualitative and quantitative analysis of the economic, financial and asset situation of the counterparty, together with the relevant exogenous factors, such as for example the performance of the relevant economic sector. The assessment is performed analytically for each individual receivable, considering the implicit riskiness of the relative technical form of use, the relevant degree of dependence on any mitigating factors and, if significant, the financial effect of the realistically estimated time required for its recovery.

2.2.1 Non-performing past due exposures (Overrun)

This category includes "cash exposures other than those subsequently defined as bad loans or unlikely-to-pay loans which, on the reference date of the report, are due" for more than 90 consecutive days.

The overall exposure to a debtor must be recognised as past due and/or overrun if, at the reporting date, the amount of principal, interest and/or commission not paid at the date on which it was due exceeds both of the following thresholds (hereinafter jointly referred to as the "Relevance Thresholds"):

a) an absolute limit of €100 for retail exposures and of € 500 for non-retail exposures (known as "Absolute Threshold") to be compared with the debtor's total amount overdue and/or overrun;

b) a relative limit of 1% compared with the ratio between the total amount overdue and/or overrun and the total amount of all exposures recorded in the balance sheet to the same debtor[2] (known as "Relative Threshold").

Classification in this status is takes place automatically, at the level of the banking group, on the persistence of a credit situation that is past due and/or overrunning the Relevance Thresholds for a period of more than 90 consecutive days.

The classification in status is also occurs automatically as a result of 'dragging' of a default status from joint holders to a joint account, or from the joint account to joint holders, according to specific rules as specified in the relevant paragraph.

All positions classified in Past Due, for which the circumstances envisaged in the definition of default no longer apply, after a continuous "Probation" period of three months from the time when the conditions for remaining in default no longer apply, the debtor re-enters performing status.

The classification resolution to Unlikely-to-pay or Bad automatically interrupts the classification of the "Probation" period.

In the event that the original repayment commitments are amended, the number of days past due will be based on the amended plan.

2 For the purposes of calculating the relative threshold, both the numerator and the denominator must take into account exposures sold and not derecognised for balance sheet purposes to the same debtor with respect to the bank and intermediaries included in the scope of prudential consolidation. Equity exposures are excluded.

2.2.2 Unlikely to pay

This category includes a debtor's entire cash and "off-balance-sheet" exposures, in relation which in the bank concludes that it is unlikely that it will fulfil all its credit obligations (in terms of capital and/or interest) without recourse to actions such as the enforcement of guarantees. This valuation does not take account of any amounts (or instalments) that are due and outstanding.

The following positions are automatically categorised as "unlikely to pay":

- positions in in the state of "About to Expire", on passing the expiry date of this state and with a relative threshold of materiality in excess of 5%;

- positions presenting a misaligned SAG for more than 30 consecutive days as "unlikely-to-pay" or "non-performing" loans with an exposure classified in one of the above situations, equal to or exceeding 20% of overall exposure at banking group level (except positions which, at the level of each individual bank/group company, show an exposure of less than EUR 1,000);

- in the state of "Unlikely-to-pay - Forborne" upon exceeding 90 days of continuous overrun above the materiality threshold;

- positions presenting one of the following prejudicial events, i.e., bankruptcy, arrangement with creditors, extraordinary administration, forced liquidation, settlement of bankruptcy proceedings, receivership, insolvency proceedings;

- as a result of 'dragging' of a default status from joint holders to a joint account, or from the joint account to joint holders, according to specific rules as detailed in the relevant paragraph.

For management purposes, the Bank has also made provision for a further classification within "unlikely to pay", identified as "Unlikely-to-pay-Forborne" , which may include counterparties that show at least one exposure subject to a measure of "forbearance" that is duly complied with or that remain in a state of risk pending the start of the 'Cure Period' required by law (minimum 12 months).

The following positions are automatically categorised as "unlikely-to-pay-forborne":

- forborne performing positions, arising from non-performing positions, subject to a subsequent tolerance measure on the same credit line as the previous intervention known as "probation period";

- forborne performing positions, arising from non-performing positions, with an unreported overrun of more than 30 continuous days (applying a minimum tolerance threshold and with verification undertaken on the Forborne line) occurring during the Probation Period;

- positions with a forborne flag arising from closed non-performing positions with existing agreed/used residues;

- positions in the state of "non-performing past due exposures" for which forbearance measures have been granted with an overrun of zero or less than 30 days or below the threshold;

- positions presenting a misaligned SAG for more than 30 consecutive days as "unlikely-to-pay forborne" and with an exposure classified in that state as equal to or exceeding 20% of overall exposure at banking group level (except positions which, at the level of each individual bank/group company, show an exposure of less than EUR 1,000);

- performing counterparty positions, if the calculation of the diminished obligation (in the case of a new forborne labelling) – at the time of execution of the operation on the legacy of reference – registers a value above a threshold set at 1%.

A manual classification as "unlikely to pay" - a decision on which is the responsibility of the decision-making body – is possible at any time if, in accordance with the regulatory provisions, this classification better represents the deterioration of the debtor's creditworthiness.

<u>Observation period for non-performing past due overruns and for unlikely to pay exposures</u>

Impaired exposures must continue to be classified as such until at least 3 months have passed (known as Probation Period) from the time when they no longer meet the conditions to be classified as non-performing past due exposures, or as unlikely to pay, as the case may be.

An exception is made for counterparties classified as unlikely-to-pay forborne, for a 12-month "cure period" applies, during which the counterparty is prevented from being re-classed as performing, even if the financial difficulty is overcome.
During the probation period, the conduct of the counterparty must be assessed in the light of the relevant
financial situation (in particular, by verifying the absence of overruns above the Relevance Thresholds)4.

<u>Effect of classification on other entities</u>

Consideration must be given to the possibility of a contagion effect upon the occurrence of an event which results in the classification of a counterparty within a group indicating a worsening risk status, with consequences in terms of potential default by other entities within the same group.

In view of the consequences (in terms of materiality) that the classification of a counterparty could have on the ability to cover the indebtedness of the other parties of group entities, the evidence of the event is classed as a negative symptom or among the prejudicial event, with the relevant consequences.

Any repercussions for other entities arising from the classification of a counterparty therefore presuppose that they are separate and financially autonomous legal entities. In particular, in the case of relationships established with a sole proprietorship and with the natural person who operates it, given the absence of separate legal entities, any classification among non-performing loans will relate to the overall exposure.

With exclusive reference to counterparties with retail exposures (Retail and SME Retail Segments) that are linked to counterparties classified as Unlikely To Pay or among Non-performing past due exposures, automatic classification criteria are applied if linked relationships exist and where certain conditions are met.

In particular, in the case of the classification of a linked relationship among impaired exposures, the exposures of the individual joint holders will also be automatically classified, unless at least one of the following conditions has been met:

a) the delay in payment is the result of a dispute between the co-holders which has been brought before a court or has been dealt with in another extrajudicial conciliation procedure which has resulted in a binding decision, and there is no concern about the financial situation of the individual co-holders;

b) the credit obligation of the linked relationship represents a minor part[3] of the overall exposure of the co-holder.

Outside of these automatic systems, the effects that the classification of a linked relationship among non-performing loans may have on the individual co-holders and on any other joint relationships with third parties attributable to them must in any case be assessed.

Non-Performing Forborne Exposures

The category of "Forbearance", relating to exposures subject to re-negotiation due to the client's financial difficulties, is a subset of both non-performing exposures and of performing loans, relating to the state of risk of exposure at the time of renegotiation.

Individual cash exposures and revocable and irrevocable commitments to disburse funds that fall, as the case may be, under bad, unlikely-to-pay, non-performing and/or past due exposures and which are subject to forbearance measures are referred to as "Non-Performing Forborne Exposures".

This category also includes those exposures for which the application of tolerance measures determined the conditions for classification as non-performing assets (e.g., credit write-off).

"Non-Performing Forborne Exposures" include those which meet the definition of "Non-performing exposures with forbearance measures" of the Implementing Technical Standard (ITS) set out in Annex V, Part 2, paragraph 180 of the ITS as amended from time to time.

Not included with this category are those agreements - reached between the debtor and a pool of creditor banks - whereby existing credit lines are temporarily "frozen" with a view to formal restructuring.

In the case of restructuring operations carried out by a pool of banks, those that are not party to the restructuring agreement are required to verify whether the conditions are met for classifying their exposure as bad or unlikely-to-pay.

The exposures to debtors who have filed an application for a composition with creditors with reserves ("concordato preventivo in bianco") are to be classified among those subject to non-performing forborne exposures where the application for a composition with creditors is transformed into a debt restructuring Agreement in accordance with Article 182-bis of the Italian Bankruptcy Law.

Even in the case of approval of the application for a composition under a going concern arrangement, the exposure must be recognised as part of the non-performing forborne exposures, except in the case described above of sale of the company in operation or of transferred to one or more companies (including newly established companies) not belonging to the debtor's economic group, where the exposure must be reclassified within the scope of performing assets, provided that the buyer/transferee is not already classified among the non-performing forborne exposures at the time of sale/transfer". For the elimination of the forborne label of non-performing forborne exposures on non-performing counterparties, a period of 36 months must elapse for positions classified as non-performing, represented by:

- a 12-month 'Cure Period', calculated from the date of application of the forbearance measure or, if later, from the date of entry into a deteriorated state. It should be noted that, in the event

3 A "minor part of the overall exposure of the co-holder" is defined as a circumstance where the co-holder's exposure does not exceed 20% of the total exposure of the co-holder for a period of time of at least 10 consecutive days.

that the restructuring agreement classed as a forbearance measure provides for a period of suspension of payments, known as 'Grace Period', the calculation of the days of Cure Period will start from the date of resumption of payments by the client (i.e., from the date of the end of the period of suspension). During the Cure Period, the counterparty's return to performing status will be prevented, even if the financial difficulty has been overcome.

During the Cure Period, the regularity of payments on the line covered by the forbearance measure must be verified.

At the end of the 12-month period, the position may be reclassified as performing (by means of a specific resolution), provided that:

- the debtor has not incurred any overruns
- the debtor has paid a significant amount of principal and interest
- a further 24 months of the probation period has passed, starting from the counterparty's return to 'performing' status. In this period, exposures are placed in a special category called "forborne performing from non-performing". At the end of the 24-month Probation Period, the exposure can cease to be monitored - and the Forborne label may be cancelled - provided that the above conditions are met

Categorisation as bad loans

The category of bad loans includes cash and off-balance sheet exposures to a client that is insolvent (even if not legally confirmed) or in comparable situations, independently of any loss forecasts by the bank. No account is therefore taken of any guarantees (real or personal) put in place to protect the exposures. Exposures that are in an anomalous situation due to country risk profiles are excluded.

A client must be classified as having a bad loan:

- in any event, where one of the following circumstances has occurred:

- a declaration of bankruptcy or of forced liquidation;
- initiation of legal proceedings by the Bank in accordance with the procedure laid down in the applicable legislation and without prejudice to the specific nature of the positions arising from former Intesa Sanpaolo Personal Finance;

- following a thorough evaluation, if the following events have occurred:

1- admission to an extraordinary administration procedure, in the event that there are no real prospects of restoring the economic-financial and asset equilibrium of entrepreneurial activities;

2- legal proceedings brought by third parties;

3- cessation of business activities;

4- placement in voluntary liquidation;

5- application/admission to composition with creditors if the state of crisis can in fact be considered to coincide with the state of insolvency.

6- when the number of outstanding instalments exceeds objective limits (12 monthly instalments unpaid for all technical forms) with reference to counterparties with instalment financing, except in the presence of out-of-court agreements and/or formalised repayment plans;

As a general rule, in accordance with regulatory provisions (Risk Centre - Instructions for Participating Intermediaries - the Supervisory Authority), recognition as bad loans implies an assessment by the intermediary of the overall financial situation of the client and cannot automatically result from a mere delay on the part of the client in paying the debt. The assertion of a receivable is not in itself a sufficient condition for it to be classed as a bad loan.

For the purposes of the Transaction, the category of **Defaulted Loans** will be assigned to loans classified as non-performing and/or (b) has, or at any time had, an **Arrear Ratio** (i) equal to or greater than 10, in case of Loans payable on a monthly basis, (ii) equal to or greater than 4, in case of Loans payable on a quarterly basis, (iii) equal to or greater than 2, in case of Loans payable on a semi-annual basis.

It should be noted that, in the context of the Transaction and for its exclusive purposes, the status of Defaulted Loan will be irreversible regardless of the Group Administrative Status which will be attributed to the Debtor over time.

2.3 Renegotiation, restructuring and/or suspension of payments of loans

For some time now, the Intesa Sanpaolo Group has envisaged various forms of renegotiation in order to provide actual answers to the needs expressed by clients. Renegotiation is permitted both to holders of mortgages and/or loans that are current with payments as well as to those with arrears.

If the amendments are limited to economic conditions only, without any variation to the structure of the repayment plan due to lengthening or reduction of the duration, and do not generate amendments such as to cause substantial changes in the creditworthiness, it is possible to proceed with the simple authorisation of the competent unit and the completion of the renegotiation regardless of the credit resolution.

<u>COVID health emergency - interventions in favour of Businesses and Retail Companies (SME)</u>

In order to deal with the difficult situation resulting from the COVID health emergency, the bank immediately provided for the possibility for clients to request the suspension of the payment of the loan instalments (either the entire instalment or the principal amount) for an initial period of three months, which could be extended for another three or six months if the emergency did not end, and thus for a total of 9 months then extended to 12 months. The initiative is aimed at all companies, without size limits, directly or indirectly affected by the emergency, in order to prevent potential situations of liquidity stress caused by the current economic context.

This intervention anticipated the law and system measures that were subsequently introduced , such as Order No. 642/2020 for “red zone” subjects, Decree-Law No. 18 of 17 March 2020 and the Addendum of 6 March and 22 May of the Italian Bank Association (ABI) Credit Agreement of 2019.

For companies in the tourism sector, the Bank has made available a dedicated initiative that provides for the possibility of requesting the suspension of payment of instalments (either the entire instalment or the principal amount)) for a period of up to 24 months (including any suspension period already used for the COVID emergency).

The Bank has also made provision for remote processes, including centralised processes, for sending and handling requests for suspension in order to facilitate clients and limit the flow of clients to the branch.

Similar remote formalisation processes have been activated for the management of most banking operations.

Loan renegotiation for Businesses and Retail Companies (SMEs) current with payments

The client has the possibility to reschedule the mortgage/loan by extending the duration of the original loan within the following limits:

-the mortgage/loan duration may be extended up to a further 10 years with respect to the original expiration; for unsecured loans the maximum extension is 5 years for loans with an original duration of up to 7 years and a further 10 years for loans with an original duration longer than 7 years;

-the total duration of the mortgage/loan must not exceed 40 years, taking into account the original duration (for example, in the case of an original duration of 20 years, it is possible to renegotiate by extending the duration by a maximum of another 20 years);

-the renegotiation is subject to confirmation of the guarantees securing the transaction;

-each mortgage/loan may be renegotiated a maximum of twice during the life of the mortgage/loan;

The request for renegotiation shall be assessed by means of an ordinary deliberative investigation.

Suspension of Principal Portion of Loans to Businesses and Retail Companies (SMEs) current with payments

Companies and Retail Companies holding mortgage loans and/or unsecured loans may request the suspension of payment of only the principal portion of the repayment instalment for a maximum period of 24 months, compatibly with the frequency of the instalments as a fraction of an instalment may not be suspended.

For companies in the cereals sector (ATECO codes 011110 – 011100 – 011130 – 011200 – 011140) the principal portion shall be suspended for a maximum period of 36 months.

At the due date of each instalment subject to suspension, the client is required to pay interest, calculated on the residual principal debt, at the rate and in the manner contractually provided for.

At the end of the suspension, the client will resume paying the instalments (consisting of principal and interest) in accordance with the repayment plan provided for by the mortgage/loan.

Suspension means that the repayment plan is extended for a period equal to that of the suspension itself.

The suspension does not entail the application of fees or investigation costs, the amendment of the rates/spreads applied, or the request for additional guarantees.

The request for suspension shall be assessed by means of an ordinary deliberative investigation and is subject to confirmation of the guarantees securing the mortgage/loan.

Renegotiation and restructuring of loans to Businesses and Retail Companies (SMEs) in arrears

The renegotiation of the rate and/or the duration of the repayment plan is permitted to clients with mortgage-backed or unsecured loans and who have payment arrears.

For positions classified as Proactive Credit, Non-performing past due exposures, Unlikely-to-pay and Unlikely-to-pay Forborne, it is necessary to agree in advance with the competent Credit Value Monitoring and/or Management Function, based on the granting or management powers, the possibility of proposing to the client the renegotiation of the mortgage/loan.

The renegotiation makes it possible to make the loan performing again and favours its future sustainability by remodelling the repayment plan of the residual debt with a possible extension of its duration, so as to adjust its commitment to the actual cash flows of the client.

The renegotiation operation must be decided by the competent granting body, regardless of the status of the position. If the renegotiation also entails a waiver, the position must be classified in advance as Unlikely-to-pay and the transaction must be decided by the competent Body, both in terms of granting and management powers.

The characteristics of this intervention are as follows:

-the possibility to include the amount of the instalments due and unpaid together with the residual debt with a remodelling of the repayment plan; the client has the possibility to extend the duration of the loan up to a further 10 years with respect to the original expiration with a total residual duration, including the extension, not exceeding 30 years;

-the renegotiation may be re-negotiated for a maximum of 2 times during the life of the loan with a total residual duration, including the extension, not exceeding 30 years. The second renegotiation is to be considered only in the event of a further worsening of the client's ability to repay, and is authorised at the minimum level of the Level II Credit Specialist of the Regional Headquarters of the Local Bank Networks/Level I Bank Credit Specialist of the BdT (Local Bank Networks).

-it is possible to provide for a grace period not exceeding 36 months (period included in the extension of the granted duration) in which only instalments of interest will be paid. This power may be decided upon at the minimum level of Credit Specialist of the Regional Headquarters of the Local Bank Networks/Bank Credit Specialist of the BdT (Local Bank Networks);

-without prejudice, as a matter of priority, to the need to collect at the same time as the renegotiation, in addition to the interest accrued from the last instalment due on the day the transaction was completed, the contractual interest accrued on the instalments due in the last six months and all default interest, with specific authorisation at the minimum resolution level of the Regional Headquarters of the Local Bank Networks and only for positions classified as Non-performing and/or past due exposures and Unlikely-to-pay or Unlikely-to-pay Forborne, the last two items (interest accrued in the last 6 months and default interest) may be delayed and deferred on the renegotiated loan. In this case the extension period may last up to a maximum of 36 months and in any case no longer than the remaining duration of the renegotiated loan. These items will be non-interest-bearing, not subject to default interest even in the event of subsequent insolvency and will be collected in instalments starting from the first instalment following those that may be of interest only (in the event of any grace period). However, it is not permitted to waive collection for performing and Proactive Credit positions;

-the renegotiation is subject to confirmation of the guarantees securing the transaction.

Suspension of Principal Portion of Loans to Businesses and Retail Companies (SMEs) in arrears

Businesses and Retail Companies with unsecured and mortgage-backed loans may request the suspension of payment of only the principal portion of the repayment instalment. Suspension may also be requested by counterparties intercepted/classified as Proactive Credit (PB, GF, NG and PM statuses), Non-performing past due exposures, Unlikely-to-pay or Unlikely-to-pay Forborne.

The request for suspension shall be assessed by means of an ordinary deliberative investigation and is subject to confirmation of the guarantees securing the mortgage/loan; in the case of counterparties classified as Non-performing past due exposures, Unlikely-to-pay and Unlikely-to-pay Forborne, the possibility of proposing a suspension to the client is to be agreed, based on management limits, with the competent Body with a minimum level of Level II Credit Management Specialist of the Regional Headquarters of the Local Bank Networks, while it is to be defined with the support of the Credit Value Monitoring Unit for positions in the PM - Proactive Management status.

Only loans with a payment delay not exceeding 180 consecutive days fall within the scope of the suspension initiative, regardless of whether this involves the first or second suspension.

The suspension of the instalments shall apply only to the principal portion, and shall be repeated for a maximum of 2 times, for a maximum period of 12 months each, regardless of any other suspensions (not in arrears) granted and compatible with the frequency of the instalments as a fraction of an instalment may not be suspended.

If the client has benefited from a suspension while in a performing position, the suspension while in arrears can only be granted after the expiry of 6 months.

The suspension does not entail the application of fees or investigation costs, the amendment of the rates/spreads applied, or the request for additional guarantees.

The suspension shall take effect from the last instalment paid and shall not give rise to the application of default interest for the period of suspension. At the same time as the suspension is completed, the contractual interest accrued on the overdue instalments and the related default interest shall be collected.

During the period of suspension, interest shall accrue at the contractual rate on the residual principal outstanding at the date of suspension and shall be repaid at the original dates provided for in the repayment plan.

Following the suspension, the repayment plan is extended for a period equal to that of the suspension itself. At the end of the suspension, the client will resume paying the instalments (consisting of principal and interest) in accordance with the repayment plan provided for by the mortgage/loan.

3. THE GROUP ORGANISATIONAL MODEL FOR THE MANAGEMENT OF BAD LOANS

With reference to the organisational aspect of the management of bad loans, it should be noted that, since December 2018, the Group has transferred a significant part of the stock and new flows of bad loans, as well as the servicing platform, to an external servicer (Intrum Italy) (with the exception of receivables arising from Factoring agreements and receivables from foreign banks). The bad loans portfolio of Intesa Sanpaolo and the Group's banks is therefore divided as follows:

- positions entrusted to Intrum Italy (hereinafter "Servicer") which also plays a monitoring role with regard to the activities of other external sub-servicers;

- positions the management of which is maintained within Intesa Sanpaolo (NPE Direct Management and Workout Management & Administration unit);

- Europa Factor S.p.A. and FBS S.p.A., which are responsible for the direct management, through a specific mandate and with predefined limits, of unsecured receivables classified as bad loans since April 2015 with an exposure of less than the above threshold of Euro 100,000.

In the case of unsecured bad positions of between €500 and €15,500, the non-recourse assignment is made on a monthly basis to third-party companies at the time of classification as bad loans, with some specific exclusions.

4. THE PROCESSING OF BAD LOANS

4.1 The organisational structure of the NPE Central Management

The NPE Central Management is located within the Intesa Sanpaolo Group in the Chief Lending Officer Area.

The structure of the NPE Central Management, with reference only to the management of bad loans, is structured as follows:

1. NPE Direct Management:
    - Bad Loans Direct Management;
    - Recovery Factoring
2. Workout Management & Administration (Interface structure for bad loans outsourced to Servicers):
    - Recovery and Outsourcing Management;
    - Accounts Volumes;
    - Specialist Support;
    - Administrative and Operational Coordination.

4.2. THE MANAGEMENT OF BAD LOANS

Once classified as bad loans, positions are taken over by the relevant internal (NPE Direct Management) or external (Workout Management & Administration) credit recovery Units, which immediately adopts the most appropriate recovery initiatives.

At the time of deciding on credit recovery measures, both the judicial solutions and the extrajudicial solutions are carefully assessed in terms of cost-benefit analyses, also taking the financial effect of the estimated recovery times into consideration.

The analysis takes account of all available information, in particular:

- the verification of the proper formalisation of the contractual forms certifying the existence of credit relations with the client (correct conclusion of the loan and guarantees);

- the risks of revocation/inefficacy of guarantees and/or payments;

- the up-to-date value of the guarantees;

- the financial and economic/asset position of the client and any guarantors;

- the outcome of any initiatives undertaken by the Bank to dialogue with the client (meeting, responses to any written communications);

- the existence of insolvency proceedings.

The wide-ranging powers conferred, particularly for settlements, on the Head of NPE Central Management as well as on the managers of the Units that report to them, enables flexible and effective management of the recovery activities.

Legal actions for the recovery of bad loans are taken:

• directly, where possible, by ex parte claims (prompt filing proof of debts, declarations of receivables in insolvency proceedings, etc.);

and

• by the appointment of external legal counsel for legal actions (e.g., payment orders, levy of execution against movable and immovable property, etc.).

In case it is deemed appropriate to initiate judicial activities and to resort to external support through specific professional assignments, the indications of the specific current legislation must be complied with, taking into account that, as a rule, any new assignment can only be entrusted to lawyers included on the Register and who are signatories of the most recent convention.

In the case of actions of appeals as well as actions before the Courts of last instance (e.g., the Italian Supreme Court), specific authorisations are envisaged, both as regards the choice of external legal counsel as well as the legal strategy to be implemented. The relationship with external lawyers (regulated, also with regard to economic aspects, by the convention) envisages (i) frequent document and information updates on the main aspects of the Bank's interest (e.g., the debtor's interest in an amicable settlement of the dispute or the admission of the loan to the debtor's statement of liabilities) as well as (ii) the monitoring of their work by legal experts, under the supervision and with the help of the Heads of the debt collection units (internal and external).

With particular reference to the recovery activity typical of positions of significant amounts, upon taking charge of the position, the position is immediately examined, taking all urgent and necessary steps to optimise the possibilities of loan recovery, including through the acquisition of new guarantees (e.g., court mortgage).

Consideration is also given to the advisability of filing bankruptcy petition as a matter of urgency if it would be useful to prevent the consolidation of guarantees or acts (e.g., payments) made by the debtor to third parties.

After an initial necessary phase dedicated to the most urgent credit protection actions, the best operational strategy is prepared to be put in place in order to maximise loan recovery in the shortest possible time.

In this perspective, it can be decided:

- to proceed with the direct recovery of the individual loan (judicially or extrajudicially);
- to assign individual loans without recourse.

The choice of one of the indicated solutions does not preclude the possible recourse to the other.

With reference to the possible without recourse assignment, it is represented how the NPE Central Management regularly maintains relations with the main investors operating in the acquisitions sector of non-performing loans (NPLs).

This market knowledge makes it possible – even in the case of the assignment of individual loans – to close the assignment contract very quickly and under the best possible conditions.

If, on the other hand, it is considered preferable and more convenient to proceed with the direct recovery of the loan, there is the option, depending on the case:

- for an extrajudicial procedure;

or

- for a judicial procedure (aimed at individual enforcement and/or insolvency proceedings).

In relation to loans of a significant amount, it often happens that extrajudicial solutions – which however do not exclude the simultaneous recourse to judicial proceedings – are proposed by the same debtor to the entire banking creditor class.

During such meetings, the Parent Company's policy, as a rule, is to avoid recourse to "new finance", always preferring solutions that allow – where possible also with the contribution of financial means from third parties – the rapid definition of the pending period, since – obviously – the time needed to recover a loan is certainly a burden for the Group's banks.

If extrajudicial recovery is not considered possible or reasonable, assessment is made whether it is appropriate to take the path of individual enforcement or insolvency proceedings, depending on the situation in question (risks of revocation of guarantees and/or payments or the expediency of bankruptcy in order to avoid the consolidation of guarantees acquired by third parties).

If the path of individual enforcement is preferred, all activities are put in place to allow (including the possibility of entrusting a notary or other professionals with the forced sale procedures) a rapid disposal of the assets.

In the case of insolvency proceedings, the timing which can be less easily controlled but, even in such cases, attempts should be made to speed up the realisation and distribution of assets, to the extent the bankruptcy rules allow.

5. RECOVERY FORECASTS

The valuation of bad loans is carried out on the basis of two different processes depending on the amount of the receivable:

- an "analytical-statistical assessment" process - based on Loss Given Default grids prepared and periodically updated on the basis of models estimated in line with what has been developed for the purpose of calculating regulatory capital requirements - for receivables at client level to the Banking Group of less than €2 million (with some limited exceptions, such as bad loans in the Public Entities/Banks/Sovereign segments);
- an analytical valuation process for all bad loans not subject to "analytical-statistical valuation".

For loans subject to analytical valuation, the valuation is based on the write-down percentages attributed by the manager, to which an Add-On component is added in order to understand the future macroeconomic scenario (with the exception of Mortgage Bad loans, for which the impacts of future macroeconomic scenarios are included through the Haircut determination method to the value of the encumbered properties).

The analytical assessment process is based on a judgement assigned by the position manager, to be carried out periodically so as to allow for the timely inclusion in the Financial Statements of all events that may affect the prospects for debt recovery. In any case, the assessment must be carried out in the following situations:

- on the occasion of classification as Bad Loan (within 60 days of receipt of the complete documentation from the Unit in charge of the relevant position);
- subsequently, whenever a new event occurs that could affect the prospects for recovery (e.g. change in the value of assets for which a security has been acquired, developments in ongoing litigation, etc.).

Once a year, during the last quarter of the year, the debt collection units to which the positions are assigned must verify the recovery estimates for each position, confirming (by means of a specific function of the Bad loans management procedure) or updating (through the usual decision-making process) the relevant assessments.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 4 May 2000 as a *società a responsabilità limitata* for the purpose of carrying out securitisation transactions and issuing asset backed securities. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via V. Alfieri n. 1, 31015 Conegliano (TV) Italy. The fiscal code and enrolment number with the companies register of Treviso-Belluno is 13134880155. The Issuer's telephone number is + 390438360809. The Issuer's website is https://www.securitisation-services.com (for the avoidance of doubt, such websites does not constitute part of this Prospectus). The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration No. 32432.7.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is Euro 10,000 fully paid up and held by Stichting Svevo for the amount of Euro 9,500 and Intesa Sanpaolo S.p.A. for the amount of Euro 500. Stichting Svevo is a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

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

In August 2000 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the "**Previous Securitisation**"). In the context of the Previous Securitisation the Issuer has purchased from Cariplo - Cassa di Risparmio delle Province Lombarde S.p.A. (before its merger into ISP) ("**CARIPLO**") a portfolio of receivables deriving from mortgage loans qualifying as *mutui fondiari* and classified as performing by CARIPLO (the "**Previous Securitisation Portfolio**").

Under the Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 270,500,000 Class A1 Residential Mortgage Backed Floating Rate Notes due 10 August 2018; (b) Euro 205,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due 10 August 2018; (c) Euro 29,500,000 Class B Residential Mortgage Backed Floating Rate Notes due 10 August 2018; and (d) Euro 8,234,000 Class C Residential Mortgage Backed Floating Rate Notes due 10 August 2018 (the "**Previous Securitisation Notes**"). The Previous Securitisation Notes have been redeemed in full on the payment date falling in February 2020 and the Previous Securitisation has been unwound thereafter.

Issuer's principal activities

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

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

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Chairman of the board of directors	Povoledo Fabio
Director	Reali Giulia
Director	Ferrari Fabio Francesco

The current statutory auditors of the Issuer are:

Chairman of the board of statutory auditors	De Luca Alberto
Statutory auditor	Bruni Nicola
Statutory auditor	Arnosti Corrado

The Quotaholders Agreement

On 12 November 2020, the Issuer and the Quotaholders entered into the Quotaholders Agreement pursuant to which the Quotaholders have agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

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

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

Accounts of the Issuer and accounting treatment of the Portfolios

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year ending on 31 December 2000.

Capitalisation and indebtedness statement

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

Quota capital	**Euro**

Issued, authorised and fully paid up capital	10,000.00

Loan Capital (Securitisation)	**Euro**
Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052	6,610,000,000
Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052	3,485,100,000
First Subordinated Loan	112,000,000

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

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. The first financial year ended on 31 December 2000. For the Issuer's financial statement issued on the 31st December of the financial years ending on 31 December 2018 and 31 December 2019 please see section "*Documents incorporated by reference*" below.

KPMG S.p.A. has been appointed as external auditor of the Issuer.

THE CALCULATION AGENT, THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE CORPORATE SERVICES PROVIDER

Banca Finanziaria Internazionale S.p.A., a bank incorporated under the laws of the Republic of Italy as a joint stock company with a sole shareholder (*società per azioni unipersonale*), share capital of Euro 71,817,500.00 fully paid up, having its registered office at Via Vittorio Alfieri 1, 31015 Conegliano (TV), fiscal code and enrolment in the companies' register of Treviso-Belluno under the number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered with the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under number 5580.

In the context of the Securitisation, Banca Finanziaria Internazionale S.p.A. acts as Corporate Services Provider, Representative of the Noteholders and Calculation Agent.

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

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 10,095,100,000 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Initial Portfolio in accordance with the Master Receivables Purchase Agreement. Any remaining amount (deriving from any rounding adjustment) will be credited to the Payment Account.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. THE MASTER RECEIVABLES PURCHASE AGREEMENT

On 12 November 2020, the Originator and the Issuer entered into the Master Receivables Purchase Agreement, pursuant to which (i) the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Initial Portfolio and (ii) the Originator has agreed with the Issuer that, during the Revolving Period, provided that a Purchase Termination Notice has not been delivered to the Issuer and subject to the satisfaction of certain conditions precedent set out in article 4.3 of the Master Receivables Purchase Agreement, may, at its option, sell to the Issuer, and the Issuer shall purchase, Portfolios of Receivables which shall satisfy the General Criteria, the Subsequent Portfolios Specific Criteria and the Additional Criteria (if any).

Purchase Price

The Initial Portfolio Purchase Price payable pursuant to the Master Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Initial Portfolio (the "**Initial Receivables**"). The Individual Purchase Price for each Initial Receivable is equal to the nominal amount of the Initial Receivables as at the First Effective Date under the relevant Loan Agreement, plus the interest accrued but unpaid as at the First Effective Date. Under the Master Receivables Purchase Agreement, the Initial Portfolio Purchase Price is payable by the Issuer to the Originator on the Issue Date, provided that, with reference to the Initial Portfolio, the formalities set out in clauses 10.1 and 12.1 of the Master Receivables Purchase Agreement have been completed.

The Purchase Price of each Subsequent Portfolio will be paid by the Issuer, provided that, with reference to such Subsequent Portfolio, the formalities set out in clauses 10.1 and 12.1 of the Master Receivables Purchase Agreement have been completed, out of the Issuer Available Funds and in accordance with the applicable Priority of Payments.

Transfer of the Initial Portfolio

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Initial Receivables, which meet the General Criteria and the Initial Portfolio Specific Criteria, described in detail in the sections headed "*The Portfolios – The General Criteria*" and "*The Portfolios – The Initial Portfolio Specific Criteria*". The sale of the Initial Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer of the Initial Portfolio was published in the *Gazzetta*

Ufficiale della Repubblica Italiana, Parte Seconda, number 139 of 26 November 2020 and was registered in the companies register of Treviso Belluno on 1 December 2020.

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

Further, under the Master Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase the Portfolios (in whole but not in part) from the Issuer, without recourse (*pro soluto*) and in accordance with article 58 of the Consolidated Banking Act, on the Clean Up Option Date (included) and on any Payment Date thereafter, provided that the repurchase price of the residual Portfolios is sufficient to redeem (a) all the Notes, (b) any accrued but unpaid interest due in respect of the Notes and (c) any amount required to be paid under the applicable Priority of Payments in priority to or *pari passu* with the Class B Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by the Originator, (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura – Ufficio del Registro delle Imprese – Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator and (c) a solvency certificate issued by the competent *Tribunale Ordinario – Sezione Fallimentare* for the registered office of the Originator (if available). The above certificates must be dated not earlier than 10 Business Days before the date of the exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to Article 15.1 of the Master Receivables Purchase Agreement).

In addition, under the Master Receivables Purchase Agreement, in order to allow the Originator to maintain good relationships with its customers and for other commercial needs of the Originator and with a view at avoiding, to the extent possible, discriminations between the Debtors and the other borrowers of the Originator, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolios as described above, within the limit of (a) in respect of the Defaulted Receivables, 10% of the aggregate of the Outstanding Principal of the Receivables as at the relevant Effective Date, and (b) in respect of Receivables other than the Defaulted Receivables, 15% of the aggregate of the Outstanding

Principal of the Receivables as at the relevant Effective Date. In addition, such option right may be exercised subject to the Originator delivering to the Issuer (with copy to Representative of the Noteholders and the Rating Agencies) (a) a solvency certificate issued by the Originator, (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator and (c) a solvency certificate issued by the competent *Tribunale Ordinario - Sezione Fallimentare* for the registered office of the Originator (if any), in each case dated not earlier than 10 Business Days before the date of the relevant exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolios pursuant to Article 15.2 of the Master Receivables Purchase Agreement).

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

2. THE SERVICING AGREEMENT

On 12 November 2020, the Originator and the Issuer entered into the Servicing Agreement pursuant to which the Issuer has appointed the Originator as Servicer of the Receivables included in the Portfolios. The receipt of the Collections related to the Portfolios is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit to the Collection Account any amounts collected from the Receivables included in the Portfolios, within the second Business Day following the date on which such amounts have been so collected. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law.

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

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

(b) monitor, on an ongoing basis and prior to any sale of Receivables (other than the sale of the Receivables comprised in the First Initial Portfolio), the occurrence of a Purchase Termination Event and promptly give notice to the Issuer, the Originator, the Calculation Agent and the Representative of the Noteholders of the occurrence of any Purchase Termination Event;

(c) give the relevant confirmations for the sale of any Portfolio (other than the Initial Portfolio) pursuant to the Master Receivables Purchase Agreement; and

(d) prepare and deliver:

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

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

(iii) to the Issuer, the Reporting Entity and the Rating Agencies, the Loan by Loan Report in compliance with the Securitisation Regulation and the Regulatory Technical Standards in order to include the information necessary for the preparation of the reports requested under article 7, paragraph 1 of the Securitisation Regulation and the application of the applicable Regulatory Technical Standards,

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

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

Furthermore, under the Servicing Agreement, the Servicer will be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement, any activities related to the management, enforcement and recovery of the Defaulted Receivables which, in accordance with article 2.4.1 of the Servicing Agreement and with the Bank of Italy's supervisory regulations, may be sub-delegated by the Servicer to a third party, provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated.

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

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

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

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

(a) for the activity of administration, management and collection of the performing Receivables (*crediti in bonis*), an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(b) for the activity of administration, management, collection and recovery of the non performing Receivables (*crediti non in bonis*) different from the Receivables classified *in sofferenza*, an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

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

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

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

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

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

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

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

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

The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the obligations arising from the Servicing Agreement if on such date a successor servicer is not appointed by the Issuer or it has not accepted the appointment.

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

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

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

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

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

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

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

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

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

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 12 November 2020, the Issuer and the Originator entered into the Warranty and Indemnity Agreement pursuant to which the Originator gives certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in each Portfolio and certain other matters and agrees to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

Representation and warranties given by the Originator

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

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

(b) existence and legal ownership of the Receivables;

(c) transfer of the Receivables and Transaction Documents;

(d) Loan Agreements;

(e) Loans; and

(f) compliance with the Applicable Privacy Law.

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

Existence and legal ownership of the Receivables:

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

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

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

- there are no clauses or provisions in the Loan Agreements, pursuant to which any right or faculty is recognised to the Debtors as a consequence of the transfer of the Receivables;

- the Receivables arise from Loan Agreements which, as at the relevant Cut-Off Date (i) for loans with monthly instalments, did not present instalment that are due but have not been paid for any reason (including default interest and expenses) by the relevant Debtor for more than 30 calendar days, or (ii) for loans with quarterly or half-yearly instalment payments, did not present arrears due and not paid for any reason (including default interest and expenses) by the relevant Debtor, on the basis of the accounting findings of the Originator;

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

Transfer of the Receivables and Transaction Documents:

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

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

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

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

- there are no clauses or provisions in the Loan Agreements and in the other agreements, deeds, agreements or documents connected to them (i) by virtue of which it is prohibited for the Originator, even partially, to transfer, assign or otherwise dispose of the relative Receivables, or (ii) which are in any case in conflict with certain provisions of the Warranty and Indemnity Agreement, the Master Receivables Purchase Agreement or the other Transaction Documents.

The assignment of the Receivables to the Issuer under the terms of the Master Receivables Purchase Agreement does not in any way affect or invalidate the obligations of the Debtors and any other person otherwise obliged to the Originator by virtue of a contract, deed, agreement entered into in relation to the Loan Agreement, concerning the payment of the amounts due in respect of the Receivables;

- the payment obligations assumed by the Originator under the Warranty and Indemnity Agreement and under all the other Transaction Documents of which it is or will become a party, constitute claims against it at least equal in rank to the claims of all its other creditors not subordinated or guaranteed under Italian law, with the exception of those whose claims are privileged by virtue of applicable laws and to the extent that such laws provide;

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

- as the relevant Transfer Date, the sum of the Outstanding Principal granted to a single Debtor is no more than 0.4% of the sum of the Outstanding Principal of the Initial Portfolio;

Loan Agreements

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

- each Loan Agreement and each related document is valid, existing and enforceable according to their provisions (except for the application of bankruptcy laws and other similar laws generally affecting the rights of creditors) and complies in all respects with the Italian laws and regulations currently in force;

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

- all the Loan Agreements have been signed: (i) in compliance with the standard form agreements used from time to time by the Originator or by the subsidiaries of the Originators operating locally; (ii) with counterparties selected on the basis of credit procedures adopted in full compliance with the applicable supervisory regulations and instructions which has been regularly applied; (iii) in compliance with the internal criteria adopted by the Originator or by the subsidiaries of the Originators operating locally for the disbursement of Loans. After the date on which each Loan Agreement was entered into, no Loan Agreement was amended, even if only potentially, in such a way as to prejudice the rights and claims of the Originator, without prejudice to the effects of renegotiations carried out by the Originator up to the relevant Cut-Off Date;

- each Loan Agreement has been drawn up in the form of public deed (*atto pubblico*) drawn up by an Italian Notary Public or private deeds subsequently notarised (*scrittura privata autenticata*);

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

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

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

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

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

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

Loans

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

- none of the Debtors is a public entity, public administration nor a company belonging to the Intesa Sanpaolo Group;
- all the Debtors that are natural persons are resident in Italy and were resident in the European Economic Area (as defined in Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 (on the implementation of the monetary policy framework of the Eurosystem)) upon the disbursement of the relevant Loan;
- all the Debtors that are legal entities are incorporated under the laws of Italy and have their registered office in Italy;
- each amount related to the Loans has been entirely disbursed to the relevant Debtor and there is no obligation against the Originator to disburse, pay or make available further amounts under the same title;
- as of the relevant Transfer Date, none of the Receivables have been repaid in full;
- in approving the granting of the Loans to the relevant Debtors, the Originator relied on the economic and financial conditions of the relevant Debtors;
- as of the relevant Cut-Off Date and as of the relevant Transfer Date none of the Loans is classified as "non performing" or "unlikely to pay", "past due and/or impaired exposure" (as defined in the Circular of the Bank of Italy No. 272 of 30 July 2008, as integrated by update No. 7 of 20 January 2015 and as amended from time to time - *Matrice dei Conti*);
- no Loan falls within the definition of agricultural loan (*creditro agrario*) within the meaning of Article 43 of the Consolidated Banking Act.
- the information used to determine the relevant Purchase Price (as set out in article 6 of the Master Receivables Purchase Agreement) and the relevant Individual Purchase Price (as set out in the relevant List of Receivables) was and is true, accurate and correct in all respects as to the relevant Effective Date;
- as of the relevant Cut-Off Date, the payment of the instalments of each Loan was made on a monthly, quarterly or semi-annual basis, as provided for in the relevant Loan Agreement;
- no Receivable provides for full repayment of the principal at the expiration date of the relevant Loan Agreement;
- each Loan Agreement, as may be supplemented and amended, and any other agreement, deed or document related thereto, is valid and effective and constitutes for the relevant parties a source of valid, legitimate and binding obligations, validly enforceable in court against such parties under their respective terms and conditions;
- the interest rates applicable on the relevant Effective Date are true and correct pursuant to the relevant Loan Agreement and, subject to the provisions of the Usury Law, the criteria on the basis of which they are calculated are not subject to reduction or variation for the entire duration of the Loan Agreement except as provided for in the relevant agreement;
- on the relevant Cut-Off Date, payment of the Instalments due under the relevant Loan is made by (i) direct debit to the current account or (ii) Sepa Direct Debit (SDD); or (iii) Payment Through Alert (MAV);

- as at the relevant Cut-Off Date, the aggregate value of all the Receivables arising from Loans subject to the suspension of the payment of the instalments (in full or for the principal component only) is not higher than 19% of the value of all Receivables included in the Initial Portfolio;

- as at the relevant Cut-Off Date, the aggregate value of all the Receivables guaranteed by FCG Guarantee is not lower than 52% of the value of all Receivables comprised in the relevant Portfolio;

Compliance with the Applicable Privacy Law

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

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

Indemnity obligations of the Originator

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Loan Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated Banking Act; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreements.

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

4. THE CORPORATE AND ADMINISTRATIVE SERVICES AGREEMENT

On 12 November 2020, the Issuer, the Corporate Services Provider and the Administrative Services Provider entered into the Corporate and Administrative Services Agreement pursuant to which each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

The parties of the Corporate and Administrative Services Agreement have also agreed, *inter alia*, that any remuneration, cost and expense incurred by the Corporate Services Provider and/or the Administrative Services Provider which are exclusively related to a specific securitisation transaction shall be entirely paid out of the available funds of the Issuer in accordance with the priority of payments applicable to the relevant securitisation transaction while any other sum which is not exclusively related to a specific securitisation shall be divided by the number of securitisation transactions then outstanding and each payment so calculated shall be made by the Issuer utilising the issuer available fund of each such securitisation transactions in accordance with the relevant priority of payments.

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

5. THE QUOTAHOLDERS AGREEMENT

On 12 November 2020, the Issuer and the Quotaholders entered into the Quotaholders Agreement pursuant to which the Quotaholders have agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

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

6. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Originator, the Account Bank, the Calculation Agent, the Paying Agent, the Representative of the Noteholders, the Corporate Services Provider, the Administrative Services Provider, the Subordinated Loan Provider and the Servicer entered into the Cash Allocation, Management and Payments Agreement.

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

(a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Cash Reserve Account, the Expenses Account the Corporate Account, the Collection Account, the Investment Account and the Payment Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the above mentioned Accounts;

(b) the Calculation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report and the Investors Report and to provide the Issuer with certain calculation services in relation to the Notes; and

(c) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Euribor on each Interest Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

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

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of any Agent by giving not less than 90 calendar days written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred, provided that no revocation of the appointment of any Agent shall take effect until a successor has been duly appointed. The appointment of an Agent may terminate in accordance with article 1456 of the Italian civil code if the relevant Agent fails to comply with certain obligations under the Cash Allocation, Management and Payments Agreement.

The appointment of an Agent may terminate in accordance with article 1373 of the Italian civil code or 78 of the Italian Bankruptcy Law, as applicable, if an Insolvency Event occurs in relation to any Agent. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 90 calendar days (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders, it being understood that in the event the prior notice is given with at least 90 calendar days or such other shorter period agreed with the Representative of the Noteholders which is an adequate notice ("*congruo preavviso*") for the purpose of article 1727 of the Italian civil code, the relevant Agent may resign without giving any reason and without being responsible for Liabilities whatsoever which may be caused as a result of such resignation. Such resignation will be subject to and conditional upon: (i) if such resignation would otherwise take effect less than ten days before or after any Payment Date (or any other date on which the Issuer is allowed or obliged for whatever reason to effect payments in respect of the Notes), such resignation not taking effect until the tenth day following such date; (ii) a substitute Calculation Agent, Paying Agent or Account Bank, as the case may be, being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement (in particular, the substitute Paying Agent or Account Bank must be an Eligible Institution); (iii) no Agent being released from its obligations under the Cash Allocation, Management and Payments Agreement until a substitute Agent has entered into such new agreement and it has become a party to the Intercreditor Agreement and the other relevant Transaction Documents; and (iv) notice of such resignation having been given to the Rating Agencies by the Issuer or the Representative of the Noteholders or the resigning Agent.

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

7. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolios and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolios.

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

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

With reference to risk retention requirements set out under article 6 of the Securitisation Regulation, under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such material net economic interest is represented by the retention of not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior 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 disclosed in the ESMA 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 is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

With reference to transparency requirements set out under article 7 of the Securitisation Regulation, under the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator as the Reporting Entity and the Parties had acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the

Securitisation Regulation by making available the relevant information:

(a) until the Data Repository is appointed by the Reporting Entity, on the Temporary Website; and

(b) after the Data Repository is appointed by the Reporting Entity, on the Data Repository.

Under the Intercreditor Agreement, the Reporting Entity has represented to the other Parties that, as long as the Data Repository has not been appointed by the Reporting Entity, the Temporary Website:

(a) includes a well-functioning data quality control system;

(b) is subject to appropriate governance standards and to maintenance and operation of an adequate organizational structure that ensures the continuity and orderly functioning of the Temporary Website;

(c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

(d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

(e) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the "**Data Repository**"). The Reporting Entity has agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

Under the Intercreditor Agreement, after the Data Repository is appointed:

(a) the Reporting Entity has undertaken to notify in writing the other Parties of the corporate name and relevant details of the Data Repository so appointed;

(b) the Parties, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(c) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

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

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation.

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

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

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Reporting Entity will prepare the ESMA Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the ESMA Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

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

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

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

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

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

Under the Intercreditor Agreement, each of Banca Finint (in any capacity) and the Issuer has undertaken to notify the Originator without undue delay 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 Originator to prepare the Inside Information and Significant Event Report.

In addition, in order to ensure that the disclosure requirements set out under article 7 of the Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) 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.

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

8. THE FIRST SUBORDINATED LOAN AGREEMENT

Under the terms of the First Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the First Subordinated Loan for an amount of Euro 112,000,000 for the purpose of establishing, on the Issue Date, the Cash Reserve in accordance with the Transaction Documents and the Priority of Payments.

The First Subordinated Loan will be repaid by the Issuer in accordance with the First Subordinated Loan Agreement and the applicable Priority of Payments.

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

9. THE MANDATE AGREEMENT

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

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

THE ACCOUNTS

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

(1) Collection Account

(a) *in:*

(i) the Collections received in relation to the Receivables comprised in the Portfolios in accordance with the provisions of the Servicing Agreement; and

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;

(b) *out*: on each Business Day any amounts standing to the credit of the Collection Account shall be transferred to the Investment Account.

(2) Investment Account

(a) *in:*

(i) all amounts transferred on each Business Day from the Collection Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) any amount paid by ISP in accordance with the provisions of the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement (if not to be credited on the Collection Account in accordance with the relevant Transaction Document);

(iii) the proceeds deriving from the sale, if any, of individual Receivables comprised in the Portfolios in accordance with the provisions of the Master Receivables Purchase Agreement;

(iv) the proceeds deriving from the sale of the Portfolios in accordance with the Transaction Documents;

(v) any amounts received by any third party under any Transaction Document and not allocated to any other Account in accordance with the provisions of clause 3.4 of the Cash Allocation, Management and Payments Agreement;

(vi) on the Business Day following the Issue Date, any amount standing to the credit of the Payment Account;

(vii) on the Business Day following each Payment Date, any amount transferred from the Payment Account, if any;

(viii) any amount credited on each Payment Date during the Revolving Period in accordance with item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments; and

(ix) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Investment Account;

(b) *out*:

(i) two Business Days prior to each Payment Date, all amounts standing to the credit of the Investment Account as at the immediately preceding Collection Date shall be transferred to the Payment Account;

(ii) on the Issue Date, an amount equal to Euro 180,000.00 shall be transferred to the Corporate Account; and

(iii) on the Issue Date, an amount equal to Euro 100,000.00 shall be transferred to the Expenses Account.

(3) Payment Account

(a) *in:*

(i) two Business Days prior to each Payment Date, the amounts transferred from the Investment Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payment Account;

(iii) pursuant to the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) pursuant to the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Additional Cash Reserve Account (if any);

(v) on the Issue Date, the proceeds deriving from the issue of the Notes; and

(vi) two Business Days prior to each Payment Date, all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account and the Corporate Account;

(b) *out*:

(i) on the Issue Date, the Purchase Price of the Initial Portfolio shall be paid to the Originator;

(ii) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the relevant Payments Report;

(iii) on the Business Day following each Payment Date, any residual amount, if any, shall be transferred to the Investment Account; and

(iv) on the Business Day following the Issue Date, any residual amount standing to the credit of the Payment Account shall be transferred to the Investment Account.

(4) Cash Reserve Account

(a) *in:*

(i) on the Issue Date, an amount equal to the Initial Cash Reserve;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account;

(b) *out:*

(i) two Business Days before each Payment Date, including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account.

(5) Expenses Account

(a) *in:*

(i) on the Issue Date, an amount equal to Euro 100,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in June thereafter, the relevant Issuer Disbursement Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account shall be transferred to the Payment Account.

(6) Corporate Account

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 180,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in June thereafter, the relevant Issuer Retention Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account shall be transferred to the Payment Account.

In addition, the Issuer shall, upon the service of an Additional Cash Reserve Trigger Event Notice, open the Additional Cash Reserve Account with the Account Bank:

(a) in:

(i) following the delivery of an Additional Cash Reserve Trigger Event Notice in accordance with the Cash Allocation, Management and Payments Agreement, an amount equal to the Initial Additional Cash Reserve will be credited to the Additional Cash Reserve Account out of the proceeds arising from the Additional Subordinated Loan;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Additional Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Additional Cash Reserve Account;

(b) out:

(i) two Business Days before each Payment Date until the Payment Date in which the Senior Notes will be redeemed in full and including the Final Maturity Date, any amounts standing to the credit of the Additional Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Additional Cash Reserve Account shall be transferred to the Payment Account.

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

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act, and (ii) the Joint Regulation. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.*

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

The Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052 (the "**Class A Notes**" or the "**Senior Notes**") and the Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") are issued by Giada Sec. S.r.l. (the "**Issuer**") on 21 December 2020 (the "**Issue Date**") pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), to finance the purchase by the Issuer of a portfolio (the "**Initial Portfolio**") of monetary claims and connected rights arising under unsecured loan agreements originated by ISP, pursuant to a master receivables purchase agreement entered into on 12 November 2020 (the "**Master Receivables Purchase Agreement**").

The Originator may sell to the Issuer subsequent portfolios of monetary claims and connected rights arising under unsecured loan agreements originated by ISP (the "**Subsequent Portfolios**") in accordance with the terms and conditions set forth in the Master Receivables Purchase Agreement, together with any related rights that have been granted to the Originator to secure or ensure payment of any of the Receivables comprised in such Subsequent Portfolio, provided that such Subsequent Portfolio meet such transferability conditions specified in the Master Receivables Purchase Agreement.

The principal source of payment of interest and Additional Return (if any) and repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolios and the other Transaction Documents from the relevant Effective Date. By operation of Italian Law and the Transaction Documents, the Issuer's Rights, title and interest in and to the Portfolios and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors 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 Portfolios will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

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

Notes and references to the "**Junior Noteholders**" are to the beneficial owners of the Junior Notes and references to the "**Noteholders**" are to the beneficial owners of the Senior Notes and Junior Notes.

1. INTRODUCTION

1.1 *Noteholders deemed to have notice of Transaction Documents*

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents (described below).

1.2 *Provisions of Conditions subject to Transaction Documents*

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

1.3 *Copies of Transaction Documents available for inspection*

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

(a) during normal business hours at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi, 8, 20121 Milan (MI), Italy; and

(b) at the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) or through the Data Repository (if appointed).

1.4 *Description of Transaction Documents*

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

1.4.2 Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Initial Portfolio assigned and will give certain representations and warranties in favour of the Issuer in relation to any Subsequent Portfolio that will be assigned and certain other matters and has agreed to indemnify the Issuer in respect of certain costs, liabilities and expenses of the Issuer incurred in connection with the purchase and ownership of the Portfolios.

1.4.3 Pursuant to the Servicing Agreement, the Servicer (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, and (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables (including the management of the Receivables which are classified as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*)) on behalf of the Issuer in compliance with the Securitisation Law.

1.4.4 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Services Provider, the Administrative Services

Provider and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains certain provisions relating to, *inter alia*, the calculation (by the Calculation Agent) and the payment (by the Paying Agent) of any amounts in respect of the Notes of each Class.

1.4.5 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolio and the Transaction Documents.

1.4.6 Pursuant to the First Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the First Subordinated Loan for an amount equal to the Initial Cash Reserve for the purpose of establishing, on the Issue Date, the Cash Reserve.

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

1.4.8 Pursuant to the Corporate and Administrative Services Agreement, each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide, respectively, certain corporate and administrative services to the Issuer in relation to the Securitisation.

1.4.9 Pursuant to the Quotaholders' Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.4.10 Following the delivery of an Additional Cash Reserve Trigger Event Notice, the Issuer and the Subordinated Loan Provider shall enter into an additional subordinated loan agreement (the "**Additional Subordinated Loan Agreement**"). Pursuant to the Additional Subordinated Loan Agreement, the Subordinated Loan Provider will agree to make available to the Issuer an additional subordinated loan for an amount equal to the Initial Additional Cash Reserve for the purpose of establishing the Additional Cash Reserve.

1.5 *Acknowledgement*

Each Senior Noteholder, by reason of holding the Senior 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 Senior Noteholders as a result of the performance by Banca Finanziaria Internazionale S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1. *Definitions*

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

"**Accounts**" means collectively the Collection Account, the Investment Account, the Payment Account, the Cash Reserve Account, the Additional Cash Reserve Account (if any), the Expenses Account and the Corporate Account, and "**Account**" means any of them.

"**Account Bank**" means ISP or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Cash Reserve**" means the reserve fund that will be established by the Issuer, after the delivery of an Additional Cash Reserve Trigger Event Notice, through the proceeds arising from the Additional Subordinated Loan.

"**Additional Cash Reserve Account**" means the Euro denominated account that will be established, following the delivery of an Additional Cash Reserve Trigger Event Notice in the name of the Issuer with the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Additional Cash Reserve Released Amount**" means, with reference to each Payment Date, an amount equal to the positive difference between (i) the balance of the Additional Cash Reserve Account three Business Days before such Payment Date, and (ii) the Additional Cash Reserve Required Amount with reference on such Payment Date.

"**Additional Cash Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to Euro 900,000,000.00 minus the cumulative offset amounts by the Debtors as of the end of the Collection Period preceding such Payment Date as reported in the Quarterly Servicer's Report, provided that the Additional Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

"**Additional Cash Reserve Required Ratings**" means:

(a) with respect to DBRS:

   (i) a rating at least equal to "BBH", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

   (ii) if the long-term COR is not currently maintained for the institution, a rating at least equal to "BBH", in respect of the institution's long-term senior unsecured debt rating;

(b) with respect to Moody's, a rating at least equal to "Ba1" in respect of long term deposit rating.

"**Additional Cash Reserve Trigger Event**" means, at any time, ISP ceasing to have any of the Additional Cash Reserve Required Ratings or any of such ratings has been withdrawn.

"**Additional Cash Reserve Trigger Event Notice**" means the notice in respect of an Additional Cash Reserve Trigger Event to be delivered promptly following the occurrence of such event, by the

Servicer to the Issuer in accordance with the Cash Allocation, Management and Payments Agreement.

"**Additional Criteria**" means any additional eligibility criteria of each Receivable included in any Subsequent Portfolio as listed in annex 1 of the relevant Purchase Notice.

"**Additional Return**" means:

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

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

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

plus, for the avoidance of doubt,

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

"**Additional Subordinated Loan**" means the subordinated loan that will be disbursed by the Subordinated Loan Provider in accordance with the terms and conditions of the Additional Subordinated Loan Agreement.

"**Additional Subordinated Loan Agreement**" means the subordinated loan agreement to be entered into following the delivery of an Additional Cash Reserve Trigger Event Notice.

"**Administrative Services Provider**" means ISP or any other person for the time being acting as Administrative Services Provider pursuant to the Corporate and Administrative Services Agreement.

"**Amortisation Period**" means the period starting from the first Payment Date (included) immediately following the Revolving Period End Date.

"**Amortisation Period Pre Enforcement Priority of Payment**" means the order of priority of payments set out in Condition 6.2 (*Amortisation Period Pre Enforcement Priority of Payments*).

"**Arranger**" means ISP.

"**Arrears Ratio**" means, at the end of each monthly reference period with reference to each Receivable, the ratio between (a) all amounts due and unpaid as Principal Instalment and/or Interest Instalment (excluding any default interest) in relation to the relevant Receivable, and (b) the amount of the instalment of the relevant Receivable which was due immediately prior to the end of that month.

"**Banca FinInt**" means BANCA FINANZIARIA INTERNAZIONALE S.P.A., *breviter* "BANCA FININT S.P.A.", a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "Fondo Interbancario di Tutela dei Depositi" and of the "*Fondo Nazionale di Garanzia*".

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

"**Benchmark Regulation**" means the Regulation (EU) No. 2016/1011, as the same may be amended, modified or supplemented from time to time.

"**Borsa Italiana**" means Borsa Italiana S.p.A.

"**Business Day**" means a day on which banks are generally open for business in Milan and Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

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

"**Calculation Date**" means the 4th (fourth) Business Day before each Payment Date, provided that the first Calculation Date will fall on 31 May 2021.

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

"**Cash Reserve**" means the reserve fund established by the Issuer on the Issue Date through the proceeds arising from the First Subordinated Loan.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT64 Q030 6909 4001 0000 0070 490), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Released Amount**" means, with reference to each Payment Date, an amount equal to the positive difference between (i) the balance of the Cash Reserve Account three Business Days before such Payment Date, and (ii) the Cash Reserve Required Amount with reference on such Payment Date.

"**Cash Reserve Required Amount**" means, with reference to each Payment Date during the Revolving Period, an amount equal to Euro 112,000,000 and, with reference to each Payment Date during the Amortisation Period, an amount equal to 1.7% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

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

"**Class A Notes**" or "**Senior Notes**" means the Euro 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052.

"**Class B Noteholders**" or "**Junior Noteholders**" means the persons who are, from time to time, the holders of the Class B Notes.

"**Class B Notes**" or "**Junior Notes**" means the Euro 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052.

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

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

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT28 M030 6909 4001 0000 0070 462).

"**Collections**" means all amounts collected and recovered by the Issuer through the Servicer in respect of the Receivables.

"**Collection Date**" means the last calendar day of January, April, July and October of each year.

"**Collection Period**" means each quarterly period commencing on (and excluding) a Collection Date and ending on (and including) the next succeeding Collection Date and, in the case of the first Collection Period, commencing on (and including) the First Effective Date and ending on (and including) the Collection Date falling on 30 April 2021.

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

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

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

"**Corporate Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT16 K030 6909 4000 0007 0281 176), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Corporate and Administrative Services Agreement**" means the corporate and administrative services agreement entered into on 12 November 2020 between the Issuer, ISP and Banca FinInt, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Corporate Services Provider**" means Banca Finanziaria Internazionale S.p.A. or any other person for the time being acting as pursuant to the Corporate and Administrative Services Agreement and its permitted successors and assignees from time to time.

"**Criteria**" means, collectively, the General Criteria, the Initial Portfolio Specific Criteria, the Subsequent Portfolios Specific Criteria and the Additional Criteria.

"**Critical Obligations Rating**" or "**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.

"**Cut-Off Date**" means:

(i) with reference to the Initial Portfolio, the Initial Cut-Off Date; and/or

(ii) with reference to the Subsequent Portfolios, the date indicated as Cut-Off Date in the relevant Purchase Notice.

"**Data Repository**" means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the Securitisation Regulation appointed in respect of the Securitisation.

"**DBRS**" means (i) for the purpose of identifying 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+
BB	Ba2	BB	BB

DBRS	*Moody's*	*S&P*	*Fitch*
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a Fitch long term public senior debt rating, a Moody's long term public senior debt rating and an S&P long term public senior debt rating (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtor**" means any natural person or legal entity that has entered into a Loan Agreement as principal debtor or guarantor or that is liable for the payment or repayment of amounts due in respect of a Loan or that has assumed the Debtor's obligation through an assumption of debt (*accollo*) or otherwise.

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

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

"**Defaulted Receivable**" means a Receivable deriving from a Loan (a) which at any time has been classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and/or (b) has, or at any time had, an Arrear Ratio (i) equal to or greater than 10, in case of Loans payable on a monthly basis, (ii) equal to or greater than 4, in case of Loans payable on a quarterly basis, (iii) equal to or greater than 2, in case of Loans payable on a semi-annual basis and (iv) greater than 1, in case of Loans payable on an annual basis.

"**Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, expressed as a percentage, obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the relevant Effective Date and the immediately preceding Collection Date; by (B) the Initial Principal Portfolio.

"**ECB Guidelines**" means the Guideline (EU) 2015/510 of the European Central Bank (ECB) of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) as subsequently amended and supplemented.

"**Effective Date**" means:

(i) with reference to the Initial Portfolio, the First Effective Date; and/or

(ii) with reference to the Subsequent Portfolios, the date indicated as Effective Date in the relevant Purchase Notice.

"**Eligible Institution**" means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) with respect to DBRS:

(i) at least "BBB", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

(ii) if the long-term COR is not currently maintained for the institution, at least "BBB", in respect of the institution's long-term senior unsecured debt rating, or

(iii) if there is no such public rating, at least "BBB" in respect of the greater of (a) the rating one notch below the institution's private long-term COR supplied by DBRS and (b) the private long-term senior unsecured debt rating of the institution supplied by DBRS; or

(iv) if neither the private long-term COR nor the private long-term senior unsecured debt rating of the institution is available, the DBRS Minimum Rating of a least BBB;

(b) with respect to Moody's:

(i) "Baa3" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long-term deposit rating by Moody's, "P-3" in respect of short term debt.

"**ESMA Investors Report**" means the report to be prepared by the Reporting Entity, pursuant to the Cash Allocation, Management and Payments Agreement.

"**Euribor**" means the month Euro-Zone Inter-bank offered rate administered by EMMI – European Money Markets Institute (or any other entity which takes over the administration of that rate) which appears on the display page designated Euribor 01 on Thomson Reuters, or such other page which may replace it in the future or any replacement Thomson Reuters page which displays that rate, (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month Euro-Zone Inter-bank offered rate administered by the European Money Markets Institute which appears on the display page designated Euribor 01 on Thomson Reuters will be applied) on the Interest Determination Date (the "**Screen Rate**" or, in the case of the First Interest Period, the "**Additional Screen Rate**" and, the relevant page which displays the Screen Rate or the Additional Screen Rate, the "**Screen Page**").

For a description of the Euribor or other information about such benchmark, please refer to the website of EMMI (or the other entity that will be appointed as a substitute for the purposes of the Euribor record).

If the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time, then the rate for any relevant Interest Period shall be the rate in effect for the immediately preceding Interest Period.

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

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

"**Expenses Account**" means the Euro denominated account established in the name of the Issuer with ISP (IBAN: IT41 R030 6909 4001 0000 0070 491), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**ExtraMOT**" means the multilateral trading facility managed by Borsa Italiana.

"**ExtraMOT PRO**" means the professional segment of ExtraMOT.

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

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

"**Final Maturity Date**" means the Payment Date falling in December 2052.

"**First Effective Date**" means 9 November 2020.

"**First Interest Period**" means the period starting from (and including) the Issue Date and ending on (but excluding) the First Payment Date.

"**First Payment Date**" means 4 June 2021.

"**First Subordinated Loan**" means the subordinated loan that will be disbursed, on or about the Issue Date, by the Subordinated Loan Provider in accordance with the terms and conditions of the First Subordinated Loan Agreement.

"**First Subordinated Loan Agreement**" means the subordinated loan agreement entered into on or about the Issue Date between the Subordinated Loan Provider, the Representative of the Noteholders and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**First Transfer Date**" means 12 November 2020.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**General Criteria**" means the eligibility criteria of the Receivables included in the Initial Portfolio and the Subsequent Portfolios listed in annex A-1 of the Master Receivables Purchase Agreement.

"**Initial Additional Cash Reserve**" means, following the delivery of an Additional Cash Reserve Trigger Event Notice, the reserve fund that will be established by the Issuer in the Additional Cash Reserve Account by applying the proceeds of the Additional Subordinated Loan for an amount equal to Euro 900,000,000.00.

"**Initial Cash Reserve**" means Euro 112,000,000.

"**Initial Cut-Off Date**" means 23 August 2020.

"**Initial Portfolio**" means the portfolio of Receivables purchased by the Issuer from the Originator on 12 November 2020 pursuant to the terms of the Master Receivables Purchase Agreement.

"**Initial Portfolio Purchase Price**" means, the purchase price for the Initial Portfolio paid by the Issuer to the Originator pursuant to the Master Receivables Purchase Agreement, being equal to Euro 10,095,048,177.24.

"**Initial Portfolio Specific Criteria**" means the eligibility criteria of the Receivables included in the Initial Portfolio listed in annex A-2 of the Master Receivables Purchase Agreement.

"**Initial Principal Portfolio**" means the Outstanding Principal of the Initial Portfolio as at the First Effective Date.

"**Inside Information and Significant Event Report**" means the report named as such to be prepared and delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Insolvency 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, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

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

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, in respect of each Loan Agreement, each monetary amount due periodically by the relevant Debtor pursuant to the relevant Loan Agreement, including a Principal Instalment and an Interest Instalment.

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

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

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

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

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the "**First Interest Period**" shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Interest Rate**" shall have the meaning ascribed to it in Condition 7.5 (*Rate of Interest*).

"**Investment Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT45 W030 6909 4001 0000 0070 488), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Investors Report**" means the report to be prepared and delivered on each Investors Report Date by the Calculation Agent, pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investors Report Date**" means the 10th Business Day following each Payment Date, and if such day is not a Business Day, the immediately following Business Day.

"**ISP**" means Intesa Sanpaolo S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 10,084,445,147.92 fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, Representative of the VAT Group "Intesa Sanpaolo" with VAT number 11991500015 (IT11991500015), enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**Issue Date**" means 21 December 2020.

"**Issue Price**" means 100% of the aggregate principal amount as at the Issue Date of the Notes.

"**Issuer**" means Giada Sec. S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 13134880155, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 32432.7 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law;

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

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Account during the immediately preceding Collection Period;

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

(iii) following the delivery of an Additional Cash Reserve Trigger Event Notice, all amounts transferred on the Additional Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Ninth* of the Revolving Period Pre Enforcement Priority of Payments and item *Tenth* of the Amortisation Period Pre Enforcement Priority of Payments (or, in the case of the first Payment Date following the opening of the relevant Account, all amounts transferred on the Additional Cash Reserve Account);

(iv) all amounts transferred on the Investment Account on the immediately preceding Payment Date in accordance with item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments;

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

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

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

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Investment Account on the Issue Date as issue price of the Notes in excess of the Initial Portfolio Purchase Price;

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

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

"**Issuer Disbursement Amount**" means (a) on Issue Date the amount of Euro 100,000.00 and (b) on the First Payment Date and on each Payment Date falling in June thereafter, the difference between (i) Euro 100,000.00 and (ii) any amount standing to the credit of the Expenses Account on the Collection Date immediately preceding such Payment Date.

"**Issuer Retention Amount**" means (a) on the Issue Date the amount of Euro 180,000.00 and (b) on the First Payment Date and on each Payment Date falling in June thereafter, the difference between (i) Euro 200,000.00 and (ii) any amount standing to the credit of the Corporate Account on the Collection Date immediately preceding such Payment Date.

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

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

"**Junior Notes Principal Payment Amount**" means, on each Calculation Date during the Amortisation Period, the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Junior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Junior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount less the Senior Notes Principal Payment Amount (if any) on such Payment Date.

"**Junior Notes Retained Amount**" means an amount equal to (a) Euro 100,000.00 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**Loan**" means each loan granted to the Debtors pursuant to the relevant Loan Agreements in force between the Originator and the relevant Debtor.

"**Loan Agreement**" means each loan agreement in force between the Originator and the relevant Debtor from which a Receivable arises.

"**Loan by Loan Report**" means the quarterly report setting out certain information about the Receivables requested by article 7(1) of the Securitisation Regulation, which shall be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Margin**" means 1.00% *per annum*.

"**Master Receivables Purchase Agreement**" means the master receivables purchase agreement entered into between the Issuer and the Originator on 12 November 2020, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Monthly Servicer's Report**" means the monthly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the 11^{th} calendar day of each month of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Monthly Servicer's Report Date will fall in December 2020.

"**Moody's**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, Moody's Investors Service España S.A., and (ii) in any other case, any entity of Moody's Investors Service, Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

"**Noteholders**" means, collectively, the Senior Noteholders and the Junior Noteholders.

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

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

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

"**Organisation of the Noteholders**" means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

"**Originator**" means ISP.

"**Other Issuer Creditors**" means collectively the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, the Subordinated Loan Provider, the Paying Agent, the Account Bank, the Underwriter and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

"**Pass-Through Condition**" means the condition which occurs when, prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Default Ratio is higher than 15%.

"**Paying Agent**" means ISP or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payment Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT22 X030 6909 4001 0000 0070 489), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means the First Payment Date and, thereafter, the 4th calendar day of March, June, September and December of each year or, if such day is not a Business Day, the immediately succeeding Business Day. The First Payment Date will be on the 4th June 2021.

"**Payments Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Performing Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Master Receivables Purchase Agreement and/or the relevant Purchase Notice which are not Defaulted Receivables as at such date.

"**Performing Outstanding Principal Portfolio**" means the Outstanding Principal of all Receivables contained in the Performing Portfolio.

"**Portfolios**" means, collectively, the Initial Portfolio and any Subsequent Portfolio from time to time purchased by the Issuer from the Originator, under the Master Receivables Purchase Agreement and the relevant Purchase Notice and "**Portfolio**" means each of them.

"**Post Enforcement Priority of Payments**" means the order of priority of payments set out in Condition 6.3 (*Post Enforcement Priority of Payments*).

"**Pre Enforcement Priority of Payments**" means the Revolving Period Pre Enforcement Priority of Payments and/or the Amortisation Period Pre Enforcement Priority of Payments, as the case may be.

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

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

"**Priority of Payments**" means the Revolving Period Pre Enforcement Priority of Payments and/or the Amortisation Period Pre Enforcement Priority of Payments and/or the Post Enforcement Priority of Payments, as the case may be.

"**Prospectus**" means this prospectus.

"**Purchase Conditions**" means the purchase conditions listed in annex E (*Condizioni di Cedibilità*) of the Master Receivables Purchase Agreement.

"**Purchase Notice**" means any purchase notice sent, or to be sent, by the Originator to the Issuer, the Servicer, the Calculation Agent and the Rating Agencies for the purchase of any Subsequent Portfolios, in accordance with the terms of the Master Receivables Purchase Agreement.

"**Purchase Prices**" means, collectively, the Initial Portfolio Purchase Price and the purchase prices of any Subsequent Portfolio that will be paid by the Issuer to the Originator, pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Notice.

"**Purchase Termination Notice**" means, following the occurrence of a Purchase Termination Event, the notice to be served by the Representative of the Noteholders to the Issuer, the Originator, the Rating Agencies and the Arranger in accordance with Condition 12.5 (*Purchase Termination Events*).

"**Purchase Termination Events**" means, during the Revolving Period, any of the following events:

(i) *Trigger Notice*: a Trigger Notice is sent to the Issuer by the Representative of the Noteholders;

(ii) *default*: ISP defaults in the performance or observance of any of its obligations under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement or any of the Transaction Documents to which it is a party and, in the motivated opinion of the Representative of the Noteholders (a) such default is materially prejudicial to the interests of the holders of the Senior Notes, and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iii) *breach of representations and warranties*: any of the representations and warranties given by ISP under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement or any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which, in the motivated opinion of the Representative of the Noteholders (a) such breach or false, incomplete or misrepresentation is materially prejudicial to the interests of the holders of the Senior Notes and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iv) *insolvency*:

(a) ISP becomes subject to any order issued by the competent authorities ordering the administrative compulsory liquidation (*liquidazione coatta amministrativa*) of the latter or its submission to other insolvency proceedings, or a resolution has been passed by ISP providing for its dissolution or seeking admission to one of the above proceedings; or

(b) ISP takes any action for the purpose of renegotiating its obligations relating to financial indebtedness or deferring its performance, concluding out-of-court agreements with its creditors (in any event to the extent that such agreements may prove to be materially detrimental to the interests of the holders of the Senior Notes or are unquestionably judged to be such by the Representative of the Noteholders), for the deferral of the performance of its obligations relating to financial indebtedness or the enforcement of guarantees given in order to ensure their performance;

(v) *validity of the agreements*: the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitral or administrative authority by anyone who has the right or an interest in it, on the basis of reasons to be considered well-founded according to the motivated assessment of the Representative of the Noteholders, on the basis of a legal opinion issued by a leading law firm in favour of the Representative of the Noteholders and ISP (to be disclosed also to the Rating Agencies) within 30 Business Days from the above mentioned dispute, which assesses that such circumstance substantially prejudices or may substantially prejudice the interests of the Noteholders;

(vi) *termination of the Servicer*: the appointment of ISP as Servicer is terminated by the Issuer in compliance with the terms and conditions of the Servicing Agreement;

(vii) *failure to credit the Cash Reserve Account*: on any Payment Date, an amount lower than the Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Cash Reserve Account;

(viii) *failure to credit the Additional Cash Reserve Account*: on any Payment Date, an amount lower than the Additional Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Additional Cash Reserve Account;

(ix) *Default Ratio*: the Default Ratio is higher than 8.50%;

(x) *Target Accumulation Amount ratio:* on any Payment Date following the First Payment Date, the ratio between the relevant Target Accumulation Amount and the Initial Principal Portfolio is higher than 37%;

(xi) *failure to exercise the Transfer Option*: the Originator has not sold any Subsequent Portfolio to the Issuer for three consecutive Collection Periods.

"**Quarterly Servicer's Report**" means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the 16th calendar day of February, May, August and November of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer's Report Date shall fall in May 2021.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT63 P030 6909 4000 0007 0265 170), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Quotaholders**" means, jointly, ISP and Stichting Svevo, in their capacity as quotaholders of the Issuer.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on 12 November 2020 between the Quotaholders and the Issuer as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Rating Agencies**" means DBRS and Moody's.

"**Receivables**" means any and all current, future or potential monetary claims which have arisen or will arise in connection with any Loan Agreements whose receivables have been transferred, during the Revolving Period, by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and/or the relevant Purchase Notice.

"**Reference Rate**" means Euribor or any such alternative rate determined according to Condition 7.16 (*Fallback Provisions*) which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities.

"**Regulatory Technical Standards**" means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Reporting Entity**" means ISP.

"**Representative of the Noteholders**" means Banca Finanziaria Internazionale S.p.A. or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Revolving Period**" means the period commencing on the First Transfer Date (included) and ending on the Revolving Period End Date.

"**Revolving Period End Date**" means the Payment Date falling in March 2023 (included) or, if earlier, the date (excluded) on which a Purchase Termination Notice has been served by the Representative of the Noteholders following the occurrence of a Purchase Termination Event.

"**Revolving Period Pre Enforcement Priority of Payment**" means the order of priority of payments set out in Condition 6.1 (*Revolving Period Pre Enforcement Priority of Payments*).

"**Rules of the Organisation of the Noteholders**" means the rules governing the Organisation of the Noteholders, attached to these Conditions.

"**Sanctions**" means any economic or financial sanctions (of a nature similar to sanctions directly issued by OFAC) or trade embargoes or related restrictive measures imposed by a Sanctioning Body each as amended, supplemented or substituted from time to time.

"**Securitisation**" means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

"**Securitisation Law**" means the Italian law No. 130 dated 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Regulation**" means the Regulation (EU) No. 2402 of 12 December 2017, as amended and supplemented from time to time.

"**Security Interest**" means:

(i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(ii) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(iii) any other type of preferential arrangement having a similar effect.

"**Segregated Assets**" means the Portfolios, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

"**Senior Notes Principal Payment Amount**" means, on each Calculation Date during the Amortisation Period, the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Senior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Senior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount on such Payment Date.

"**Servicer**" means ISP.

"**Servicing Agreement**" means the servicing agreement entered into on 12 November 2020 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Stichting Svevo**" means a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands, having its registered office at Barbara Strozzilaan, 101 1083 HN Amsterdam, The Netherlands, enrolment with the Dutch chamber of commerce under number 75249103, Italian fiscal code 97851670154.

"**Subordinated Loan Agreements**" means, collectively, the First Subordinated Loan Agreement and the Additional Subordinated Loan Agreement (if any).

"**Subordinated Loan Provider**" means ISP.

"**Subscription Agreement**" means the agreement for the subscription of the Notes entered into on or about the Issue Date between the Issuer, the Underwriter, the Originator, the Arranger and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subsequent Portfolio**" means any portfolio of Receivables transferred, during the Revolving Period, to the Issuer by the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Notice.

"**Subsequent Portfolio Transfer Date**" means the date on which each Subsequent Portfolio will be transferred by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Notice.

"**Subsequent Portfolios Specific Criteria**" means any eligibility criteria of the Receivables included in any Subsequent Portfolio selected among the eligibility criteria listed in annex A-3 of the Master Receivables Purchase Agreement and listed in annex 1 of the relevant Purchase Notice.

"**Subsidiary**" of any Italian company means any *società controllata* (subsidiary) and/or *società collegata* (affiliate company) of such company within the meaning of the article 2359 of the Italian Civil Code.

"**Target Accumulation Amount**" means, on each Calculation Date with respect to the immediately following Payment Date during the Revolving Period, an amount equal to the lesser of:

(A) the Issuer Available Funds net of all amounts payable on such Payment Date in priority to item *Eighth* of the Revolving Period Pre Enforcement Priority of Payment, and

(B) (i) an amount equal to Principal Instalments collected or recovered in the immediately preceding Collection Period, plus (ii) any proceeds during the immediately preceding Collection Period deriving from the sale, if any, of the Portfolios or of individual Receivables in accordance with the provisions of the Transaction Documents, plus (iii) any Purchase Price adjustments received during the immediately preceding Collection Period by the Issuer in accordance with the Master Receivables Purchase Agreement, plus (iv) the Target Accumulation Amount in excess of the amounts paid under item *Eighth* of the Revolving Period Pre Enforcement Priority of Payments on the immediately preceding Payment Date (if any).

"**Target Amortisation Amount**" means, on each Payment Date, an amount equal to the difference between:

(A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, to be reduced, until the Payment Date (included) on which the Senior Notes are redeemed in full, of an amount equal to Euro 31,359,058.11 (resulting from the difference between the Initial Portfolio Purchase Price and the Initial Principal Portfolio); and

(B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

"**TARGET System**" means the TARGET2 system.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET2 Day**" means any day on which the TARGET System is open.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

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

"**Temporary Website**" means the website complying with the requirements set out under article 7(2) of the Securitisation Regulation on which the information set out under article 7(1) of the Securitisation Regulation are uploaded with reference to the Securitisation (being as at the date of this Prospectus, https://editor.eurodw.eu) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

"**Three Month Euribor**" means the Euribor 3 month tenor.

"**Transaction Documents**" means, collectively, the Master Receivables Purchase Agreement, any Purchase Notice, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate and Administrative Services Agreement, the Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the First Subordinated Loan Agreement, the Additional Subordinated Loan Agreement (if any), the Quotaholders' Agreement, the Conditions, this Prospectus and any other document which may be entered into in order to perfect the Securitisation.

"**Transaction Party**" means any party to any of the Transaction Documents.

"**Transfer Dates**" means collectively the First Transfer Date and each Subsequent Portfolio Transfer Date.

"**Trigger Event**" means any of the events described in Condition 12.1 (*Trigger Events*).

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Condition 12.2 (*Delivery of a Trigger Notice*).

"**Underwriter**" means ISP.

"**Usury Law**" means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

"**UTP Receivable**" means a Receivable towards a Debtor classified as "*unlikely to pay*" in compliance with the applicable supervisory reports (*segnalazioni di vigilanza*).

"**VAT**" means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 12 November 2020 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2. *Interpretation*

2.2.1. *References in Condition*

Any reference in these Conditions to:

- "**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;

- a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;
- "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;
- a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2. *Transaction Documents and other agreements*

Any reference to a document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3. *Transaction parties*

A reference to any person defined as a "**Transaction Party**" in these Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

3. DENOMINATION, FORM AND TITLE

3.1. *Denomination*

The denomination of the Senior Notes will be Euro 100,000. The denomination of the Junior Notes will be Euro 100,000.

3.2. *Form*

The Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the 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 Holders. No physical documents of title will be issued in respect of the Senior Notes.

3.4. *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3.5. *The Rules*

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which shall constitute an integral and essential part of these Conditions.

4. STATUS, SEGREGATION AND RANKING

4.1. *Status*

The Notes constitute direct, secured and limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolios and pursuant to the exercise of the Issuer's Rights as further specified in Condition 9.2 (*Limited recourse obligations of the Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

4.2. *Segregation by law*

By virtue of the Securitisation Law, the Issuer's Rights, title and interest in and to the Portfolios and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation.

4.3. *Ranking and subordination*

4.3.1. In respect of the obligation of the Issuer to pay interest on the Notes and Additional Return (as applicable) during the Amortisation Period prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal up to the Target Amortisation Amount on the Notes during the Amortisation Period prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

In respect of the obligation of the Issuer, to pay interest on the Notes and Additional Return (as applicable) following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds net of any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

4.3.2. The Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4. *Obligations of Issuer only*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person, including the Originator, the Quotaholders or any Other Issuer Creditor. Furthermore, no person and none of such Transaction Parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

5. COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in or contemplated by any of the Transaction Documents:

5.1. *Negative pledge*

Create or permit to subsist any Security Interest whatsoever over the Portfolios or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.2. *Restrictions on activities*

5.2.1. engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2. have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3. at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4. become the owner of any real estate asset (including in the context of a foreclosure proceeding over the assets of the Debtors); or

5.2.5. become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

5.3. *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to any of its Quotaholders (or successor quotaholder(s)), or increase its capital, save as required by applicable law; or

5.4. *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5. *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

5.6. *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

5.7. *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolios, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8. *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Quota Capital Account or any bank account opened in relation to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9. *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10. *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity, or, in general, cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.11. *Further securitisations*

carry out any other securitisation transaction pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Senior Notes and the eligibility of the Senior Notes as eligible collateral pursuant to the ECB Guidelines, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

6. PRIORITY OF PAYMENTS

6.1. *Revolving Period Pre Enforcement Priority of Payments*

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

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

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

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, (i) firstly to pay to the Originator, any Purchase Price due following the transfer of any Subsequent Portfolio (if any) for an amount not higher than the Target Accumulation Amount and, (ii) secondly, to credit any residual amount following the payment under item (i) above, to the Investment Account for an amount not higher than the Target Accumulation Amount;

Ninth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to credit to the Additional Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Additional Cash Reserve Required Amount;

Tenth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Eleventh, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

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

6.2. *Amortisation Period Pre Enforcement Priority of Payments*

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

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

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

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, to pay to the Originator any Purchase Price unpaid during the Revolving Period;

Ninth, to pay, *pari passu* and *pro* rata, on any Payment Date, (i) before the occurrence of a Pass-Through Condition, the Senior Notes Principal Payment Amount on the Senior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Tenth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to credit to the

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

Eleventh, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Twelfth, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

Fifteenth, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

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

6.3. *Post Enforcement Priority of Payments*

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

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

Second, if the relevant Trigger Event is not one of those listed under Conditions 12.1.4 or 12.1.5 (*Trigger Events*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, (b) to credit the Issuer Disbursement Amount into the Expenses Account and (c) to credit the Issuer Retention Amount into the Corporate Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

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

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

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the First Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the First Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount;

Eighth, following the delivery of an Additional Cash Reserve Trigger Event Notice, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Additional Subordinated Loan Agreement (if any);

Ninth, to pay to the Subordinated Loan Provider, following the delivery of an Additional Cash Reserve Trigger Event Notice, any principal amount due and payable in respect of the Additional Subordinated Loan Agreement (if any) up to (but not in excess of) the Additional Cash Reserve Released Amount;

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

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

Twelfth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount; and

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

7. INTEREST

7.1. *Accrual of interest*

Each Note bears interest on its Principal Outstanding Amount from (and including) the Issue Date.

7.2. *Payment Dates and Interest Periods*

Interest on each Note will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling on 4 June 2021 in respect of the First Interest Period.

7.3. *Termination of interest accrual*

Each Note (or the portion of the Principal Outstanding Amount due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

7.4. *Calculation of interest*

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

7.5. *Rate of interest*

7.5.1. The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Three Month Euribor (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 1.00% *per annum* (the "**Margin**"), *provided that* the Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1.70% *per annum* and shall not be negative.

7.5.2. The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate equal to 0.50% per annum (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**").

7.6. *Determination of Interest Rate and calculation of Interest Payment Amounts*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

7.6.1. the Interest Rate applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the First Interest Period, beginning on and including the Issue Date);

7.6.2. the Euro amount (the "**Interest Payment Amount**") payable as interest on a Note in respect of the following Interest Period calculated by applying the relevant Interest Rate to the Principal Outstanding Amount of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary.

7.7. *Notification of the Interest Rate, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

7.7.1. the Interest Rate applicable for the relevant Interest Period;

7.7.2. the Interest Payment Amount for each Note for the relevant Interest Period; and

7.7.3. the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Reporting Entity, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, Monte Titoli, Euroclear, Clearstream and Borsa Italiana S.p.A. and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Monte Titoli*) on or as soon as possible after the relevant Interest Determination Date.

7.8. *Amendments to publications*

The Interest Rate and the Interest Payment Amount for each Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9. *Determination by the Representative of the Noteholders*

If the Issuer (or the Paying Agent on behalf of the Issuer) does not at any time for any reason determine (or cause to be determined) the Interest Rate or calculate the Interest Payment Amount for the Notes in accordance with this Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1. determine (or cause to be determined) the Interest Rate at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or (as the case may be)

7.9.2. determine (or cause to be determined) the Interest Payment Amount for each Note in the manner specified in Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*);

and any such determination shall be deemed to have been made by the Issuer.

7.10. *Unpaid interest with respect to the Notes*

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

7.11. *Additional Return*

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

7.12. *Calculation of the Additional Return*

7.12.1. The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Calculation Agent to calculate the Euro amount (the "**Additional Return Amount**") payable on each Junior Note in respect of such Interest Period.

7.12.2. The Additional Return Amount payable in respect of any Interest Period in respect of each Junior Note will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Additional Return on the Junior Notes in accordance with the applicable Priority of Payments.

7.13. *Publication of the Additional Return*

The Issuer will, on each Calculation Date, cause the determination of the Additional Return Amount in respect of each Junior Note to be notified forthwith by the Calculation Agent through the delivery of the Payments Report to, *inter alios*, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Reporting Entity and the Administrative Services Provider, and will cause notice of the Additional Return Amount in respect of each Junior Note to be given in accordance with Condition 16 (*Notices*).

7.14. *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

7.15. *Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Servicer has been appointed. If a new Paying Agent is appointed notice of its appointment will be published in accordance with Condition 16 (*Notices*).

7.16. *Fallback Provisions*

7.16.1. If the Issuer or the Calculation Agent determines at any time prior to, on or following any Interest Determination Date that a Benchmark Event has occurred, when any Senior Notes Interest Rate (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavors to appoint, prior to the next succeeding Interest Determination Date, an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Screen Page**") and an Adjustment Spread (if applicable) no later than 3 (three) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-**

off Date") for purposes of determining the Senior Notes Interest Rate for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7.16);

(ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Euro, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

(iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reference Rate in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided however that* if (A) this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), *then* the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Screen Page as at the last preceding Interest Determination Date. For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 7.16;

(iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Screen Page shall be the benchmark and the Screen Page in relation to the Senior Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7.16);

(v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula o methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a Senior Notes Interest Rate and Interest Payment Amount payable on the Senior Notes (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;

(vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Screen Page, the so called business day convention, the definition of "Business Day", the definition of "Interest Determination Date" and/or the definition of "Reference Rate", and the method for determining the fallback rate in relation to the Senior Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread (if any), which changes shall apply to the Senior Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7.16); and

(vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Paying Agent, the Representative of the Noteholders and the Noteholders in accordance with Condition 16 (*Notices*).

7.16.2. For the purpose of this Condition 7.16, the following definitions shall apply.

"**Adjustment Spread**" means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable).

"**Benchmark Event**" means:

(a) the Reference Rate has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(b) a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(e) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or

(f) it has or will become unlawful for the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Reference Rate (as applicable).

The change of the Reference Rate methodology does not constitute a Benchmark Event. In the event of a change in the formula and/or (mathematical or other) methodology used to measure the relevant benchmark, reference shall be made to the Reference Rate based on the formula and/or methodology as changed.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1. *Final redemption*

8.1.1. Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer shall redeem the Notes of each Class at their Principal Outstanding Amount, plus any accrued but unpaid interest and Additional Return (if any), on the Final Maturity Date.

8.1.2. The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Trigger Events and Purchase Termination Events*) and Condition 13 (*Enforcement*).

8.2. *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause:

8.2.1. the Senior Notes to be redeemed on such Payment Date in an amount equal to the Senior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2; and

8.2.2. the Junior Notes to be redeemed on such Payment Date in an amount equal to the Junior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2.

8.3. *Optional redemption*

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

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

8.3.2. having produced, prior to the notice referred to in Condition 8.3.1 above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

8.4. *Optional redemption for taxation reasons*

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

8.4.1. any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

8.4.2. any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation,

subject to the following:

8.4.3. 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 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4. that 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 increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

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

8.4.5. *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.5. *Calculation of Issuer Available Funds, Target Accumulation Amount, Target Amortisation Amount, Principal Payment Amount and Principal Outstanding Amount*

8.5.1. On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) during the Revolving Period, the Target Accumulation Amount on the next following Payment Date;

(c) during the Amortisation Period, the Target Amortisation Amount on the next following Payment Date;

(d) during the Amortisation Period, the Principal Payment Amount due on each Note of each Class on the next following Payment Date; and

(e) during the Revolving Period and the Amortisation Period, the Principal Outstanding Amount of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of each Class).

8.5.2. The principal amount redeemable in respect of each Note of each Class (the "**Principal Payment Amount**") on any Payment Date during the Amortisation Period shall be a *pro* *rata* share of the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) due in respect of such Class of Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) on such date by a fraction, the numerator of which is the then Principal Outstanding Amount of each Note of such Class and the denominator of which is the then Principal Outstanding Amount of all the Notes of the same Class, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Outstanding Amount of the relevant Note.

8.6. *Notice of calculation of Target Accumulation Amount, Target Amortisation Amount, Principal Payment Amount and Principal Outstanding Amount*

The Issuer will cause each calculation of the Target Accumulation Amount and the Target Amortisation Amount, Principal Payment Amount and Principal Outstanding Amount in relation to each Note, to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent and, for so long as the Senior Notes are admitted to trading on ExtraMOT PRO, Borsa Italiana S.p.A. and will cause notice of each calculation of a Target Accumulation Amount and a Target Amortisation Amount, Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be given in accordance with Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

8.7. *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date during the Amortisation Period, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.8. *Notice Irrevocable*

Any such notice as is referred to in Conditions 8.3 (*Optional redemption*), 8.4 (*Optional redemption for taxation reasons*) and 8.6 (*Notice of calculation of Target Accumulation Amount, Target Amortisation Amount, Principal Payment Amount and Principal Outstanding Amount*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes in the amount so published.

8.9. *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.10. *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1. *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents. In particular,

9.1.1. (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) is entitled, otherwise than as permitted by the Transaction Documents, to directly enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents;

9.1.2. no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition shall not prevent the Noteholders – in compliance with the Rules – from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which do not amount to the commencement or to the threat of commencement to initiating an Insolvency Event in relation to the Issuer;

9.1.3. until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless a Trigger Notice has been served or an Insolvency Event has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

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

9.2. *Limited recourse obligations of the Issuer*

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

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

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

9.2.3. if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolios and/or the other Issuer's Rights and Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolios and/or the other Issuer's Rights and Segregated Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

10. PAYMENTS

10.1. *Payments through Monte Titoli*

Payment of any amounts in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2. *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3. *Payments on Business Days*

The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4. *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that (for as long as the Senior Notes are admitted to trading on ExtraMOT PRO, and the rules of ExtraMOT so require) the Issuer will at all times maintain a paying agent with a Specified Office in Italy. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Condition 16 (*Notices*).

11. TAXATION

11.1. *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders, the Paying Agent, or other person (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2. *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or other person (as the case may be) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

11.3. *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4. *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

12. TRIGGER EVENTS AND PURCHASE TERMINATION EVENTS

12.1. *Trigger Events*

Each of the following events is a "**Trigger Event**":

12.1.1. *Non-payment*

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

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

12.1.2. *Breach of representations and warranties*

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

12.1.3. *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to 12.1.1 above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.4. *Insolvency of the Issuer*

(i) the Issuer becomes 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, 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 the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or such proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(iv) the Issuer becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business; or

12.1.5. *Winding up etc.*

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

12.1.6. *Unlawfulness*

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

12.2. *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 13 (*Enforcement*) the Representative of the Noteholders:

12.2.1. in the case of a Trigger Event under Conditions 12.1.1, 12.1.4 and 12.1.5 above, shall; and

12.2.2. in the case of a Trigger Event under Conditions 12.1.2, 12.1.3 and 12.1.6 above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 12.3 is met, shall,

deliver a written notice (the "**Trigger Notice**") to the Issuer.

12.3. *Conditions to delivery of a Trigger Notice*

Notwithstanding Condition 12.2.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4. *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Additional Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Outstanding Amount, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.3 (*Post Enforcement Priority of Payments*).

12.5. *Purchase Termination Events*

Pursuant to the Intercreditor Agreement, if, during the Revolving Period, any of the following events (each a "**Purchase Termination Event**") occurs:

(i) *Trigger Notice*: a Trigger Notice is sent to the Issuer by the Representative of the Noteholders;

(ii) *default*: ISP defaults in the performance or observance of any of its obligations under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the

Servicing Agreement or any of the Transaction Documents to which it is a party and, in the motivated opinion of the Representative of the Noteholders (a) such default is materially prejudicial to the interests of the holders of the Senior Notes, and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iii) *breach of representations and warranties*: any of the representations and warranties given by ISP under the Master Receivables Purchase Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement or any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which, in the motivated opinion of the Representative of the Noteholders (a) such breach or false, incomplete or misrepresentation is materially prejudicial to the interests of the holders of the Senior Notes and (ii) such default is not capable of remedy (in which case no notice requiring remedy will be required) or such default remains unremedied for ten days after the Representative of the Noteholders has given written notice thereof to ISP requiring the same to be remedied;

(iv) *insolvency*:

(a) ISP becomes subject to any order issued by the competent authorities ordering the administrative compulsory liquidation (*liquidazione coatta amministrativa*) of the latter or its submission to other insolvency proceedings, or a resolution has been passed by ISP providing for its dissolution or seeking admission to one of the above proceedings; or

(b) ISP takes any action for the purpose of renegotiating its obligations relating to financial indebtedness or deferring its performance, concluding out-of-court agreements with its creditors (in any event to the extent that such agreements may prove to be materially detrimental to the interests of the holders of the Senior Notes or are unquestionably judged to be such by the Representative of the Noteholders), for the deferral of the performance of its obligations relating to financial indebtedness or the enforcement of guarantees given in order to ensure their performance;

(v) *validity of the agreements*: the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitral or administrative authority by anyone who has the right or an interest in it, on the basis of reasons to be considered well-founded according to the motivated assessment of the Representative of the Noteholders, on the basis of a legal opinion issued by a leading law firm in favour of the Representative of the Noteholders and ISP (to be disclosed also to the Rating Agencies) within 30 Business Days from the above mentioned dispute, which assesses that such circumstance substantially prejudices or may substantially prejudice the interests of the Noteholders;

(vi) *termination of the Servicer*: the appointment of ISP as Servicer is terminated by the Issuer in compliance with the terms and conditions of the Servicing Agreement;

(vii) *failure to credit the Cash Reserve Account*: on any Payment Date, an amount lower than the Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Cash Reserve Account;

(viii) *failure to credit the Additional Cash Reserve Account*: on any Payment Date, an amount lower than the Additional Cash Reserve Required Amount applicable on such Payment Date under the applicable Priority of Payments has been credited on the Additional Cash Reserve Account;

(ix) *Default Ratio*: the Default Ratio is higher than 8.50%;

(x) *Target Accumulation Amount ratio:* on any Payment Date following the First Payment Date, the ratio between the relevant Target Accumulation Amount and the Initial Principal Portfolio is higher than 37%; and

(xi) *failure to exercise the Transfer Option*: the Originator has not sold any Subsequent Portfolio to the Issuer for three consecutive Collection Periods,

then, the Servicer shall serve a notice to the Representative of the Noteholders. Once the Representative of the Noteholders has received notice from the Servicer confirming that a Purchase Termination Event has occurred, it shall give notice to the Issuer, the Originator, the Rating Agencies and the Arranger specifying which Purchase Termination Event has occurred (the "**Purchase Termination Notice**").

Upon service of a Purchase Termination Notice no more purchases of Receivables shall take place under the Master Receivables Purchase Agreement.

13. ENFORCEMENT

13.1. *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2. *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1. to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2. if the Representative of the Noteholders is not of that opinion, such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3. *Sale of Portfolios*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolios or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and clause 7.2 of the Intercreditor Agreement.

14. THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1. *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2. *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. NOTICES

16.1. *Notices given through Monte Titoli*

Any notice regarding the Notes of each Class, as long as such Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2. *Notices in Italy*

As long as the Senior Notes are admitted to trading on ExtraMOT PRO, and the rules of ExtraMOT so require, any notice to Senior Noteholders shall also be published in accordance with the rules of such multilateral trading facility and in any other manner as required by the regulation applicable from time to time. In addition, any notice to the Senior Noteholders given by or on behalf of the Issuer shall also be published on the website https://www.securitisation-services.com/it (for the avoidance of doubt, such website does not constitute part of this Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in one of the manners referred to above.

16.3. *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default or bad faith) be binding on the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18. GOVERNING LAW AND JURISDICTION

18.1. *Governing Law of Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2. *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3. *Jurisdiction of courts in relation to the Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4. *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. **GENERAL**

1.1 The Organisation of the Noteholders is created concurrently with the issue by Giada Sec. S.r.l. (the "**Issuer**") of and subscription for the **Euro** 6,610,000,000 Class A Asset Backed Floating Rate Notes due December 2052 (the "**Class A Notes**" or the "**Senior Notes**") and the **Euro** 3,485,100,000 Class B Asset Backed Fixed Rate and Additional Return Notes due December 2052 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") and is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Additional Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to alter the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) to change this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

    (i) a specified date which falls after the conclusion of the Meeting; and

    (ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

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

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

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

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari* *aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Most Senior Class of Noteholders**" means, at any Payment Date, (i) the Senior Noteholders, and (ii) at any date following the date of full repayment of all the Senior Notes, the Junior Noteholders.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively.

"**Specified Office**" means (i) with respect to the Paying Agent (a) the office specified against its name in clause 20.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 15.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Transaction Party**" means any person who is a party to a Transaction Document.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events and Purchase Termination Events*).

"**Trigger Notice**" means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*).

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Paying Agent or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the Joint Regulation; or

(b) a certificate issued by the Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. **PURPOSE OF THE ORGANISATION**

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the Joint Regulation.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 Deemed Holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof in the case of a Voting Certificate issued by a Paying Agent and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Outstanding Amount of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place (being in the European Union),selected or approved by the Representative of the Noteholders.

6.4 Meetings via audio conference or teleconference

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may, also through its chairman office (if any), ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. NOTICE

7.1 Notice of meeting

At least 21 days' notice (exclusive of the day on which the relevant notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place (being in the European Union) of the Meeting, must be given to the relevant Noteholders, the Paying Agent and any other agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 **Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Joint Regulation and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 **Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 (*Notice*) are not complied with if the Holders of the Notes constituting the Principal Outstanding Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 **Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. **QUORUM**

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that

Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent. of the Principal Outstanding Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Outstanding Amount of the Notes so held or represented in such Class.

10. ADJOURNMENT FOR WANT OF QUORUM

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to Articles 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and not later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (being in the European Union). No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. **VOTING BY SHOW OF HANDS**

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Outstanding Amount of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each Euro 100,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he/she exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. VOTING BY PROXY

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. ORDINARY RESOLUTIONS

18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise or instruct the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 (*Trigger Events and Purchase Termination Events*);

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.1.11 terminate the appointment of the Originator in its capacity as Servicer;

19.1.12 direct the disposal of the Portfolios after the delivery of a Trigger Notice upon occurrence of a Trigger Event.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution of any Class of Noteholders to approve any matter (other than a Basic Terms Modification) shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Articles 18.2 (*Ordinary Resolution of a single Class*), 19.2 (*Basic Terms Modification*) and 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. **CHALLENGE TO RESOLUTIONS**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. **MINUTES**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Article 26 (*Individual actions and remedies*) shall not prejudice the right if any Noteholder, under Condition 9.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28 (*Appointment, removal and remuneration*), except for the appointment of the first Representative of the Noteholders which will be Banca Finanziaria Internazionale S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree No. 141 of 13 August 2010, as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue and subscription of the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three calendar months from the written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 **Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

The Representative of the Noteholders, save as expressly otherwise provided herein or in any other Transaction Document, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 Trigger Events

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 Remedy

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 Limited obligations

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 Specific limitations

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolios;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolios; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Paying Agent or any other person in respect of the Portfolios;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolios or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolios or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolios provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolios or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolios or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolios or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damage, claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a Trigger Notice pursuant to Condition 12.3.

31.3 Specific Permissions

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 Notes held by Issuer

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 Illegality

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any Transaction Party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such Transaction Party; or

32.8.3 as to such Transaction Party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 Auditors

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

33. MODIFICATIONS

33.1 Modification

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 (*Further securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Outstanding Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to notices and the relevant Transaction Documents.

35. INDEMNITY

Pursuant to the Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. LIABILITY

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolios. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

38. GOVERNING LAW

The Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated maturity and weighted average life of the Senior Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolios and a number of other relevant facts are unknown.

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

Calculations as to the expected maturity and average life of the Senior Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The following table shows the estimated weighted average life and the estimated maturity of the Senior Notes and was prepared based on the characteristics of the Receivables included in the Portfolios as at the relevant Effective Date and on additional assumptions, including the following:

(i) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(ii) the constant prepayment rate as per table below, has been applied to the Portfolios in homogeneous terms;

(iii) no Trigger Event occurs in respect of the Notes;

(iv) no optional redemption for taxation reasons pursuant to Condition 8.4 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(v) the weighted average life calculation incorporates a number of Receivables in payment holidays as described in the section "*The Portfolios*" and the terms of the Receivables will not be affected by any legal or contractual provision authorising borrowers to further suspend payment of interest and/or principal instalments;

(vi) no variation in the interest rates occurring compared to interest rates as of 21 December 2020;

(vii) no purchase/sale/indemnity/renegotiations on the Portfolios is made according to the Transaction Documents;

(viii) all the Receivables included in the Portfolios bearing a fixed rate as at the relevant Effective Date have been considered to bear such rate until their maturity date;

(ix) all the Receivables included in the Portfolios bearing a floating rate as at the relevant Effective Date have been considered to bear such rate until their maturity date;

(x) the fees and the costs payable under the Transaction Documents by the Issuer in connection with the Securitisation under the items from *First* to *Third* of the Revolving Period Pre-Enforcement Priority of Payments or under items from *First* to *Third* of the Amortisation Period Pre-Enforcement Priority of Payments have been included;

(xi) no positive or negative interest accrues on the accounts;

(xii) no Pass-Through Condition occurs;

(xiii) the Issue Date has been assumed to be 21 December 2020;

(xiv) no permitted variations of the Receivables in accordance with the servicing agreement occur; and

(xv) there will be five transfers of Subsequent Portfolios during the Revolving Period. The interest rate breakdown, the weighted average fixed rate, spread and tenor of such Subsequent Portfolios will replicate the Initial Portfolio.

The actual performance of the Receivables is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown below are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Constant prepayment rate (%)	**Senior Notes estimated weighted average life (years)**	**Estimated maturity (Payment Date falling on)**
0.00%	3.4	4 March 2025
5.00%	3.3	4 March 2025
10.00%	3.3	4 December 2024
15.00%	3.2	4 September 2024
20.00%	3.1	4 September 2024

The table above assumes that the Issuer will exercise its option to redeem the Senior Notes pursuant to Condition 8.3 (*Optional Redemption*).

Constant prepayment rate (%)	**Senior Notes estimated weighted average life (years)**	**Estimated maturity (Payment Date falling on)**
0.00%	3.4	4 September 2025

5.00%	3.3	4 June 2025
10.00%	3.3	4 June 2025
15.00%	3.2	4 March 2025
20.00%	3.1	4 March 2025

The table above assumes that the Issuer will not exercise its option to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption*) on the Clean Up Option Date.

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies, *inter alia*, to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the 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 claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**") and Italian Law Decree No. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduced certain amendments to the Securitisation Law to the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law.

In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;

2. payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law;

3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (*i.e.,* the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply; and

4. where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor.

5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so-called micro-companies, subject to certain conditions;

7. certain consequential changes are made to the Securitisation Law to reflect such new possibility;

8. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Amendments to the Securitisation Law for NPLs and UTPs securitisation transactions

By the Law Decree n. 50 of 24 April 2017 (containing urgent provisions on financial matters, initiatives in favour of territorial authorities, further actions for areas affected by seismic events and development measures) (the "**Decree 50/2017**"), converted with amendments by Law n. 96 of 21 June 2017, some changes and supplements have been made to the Securitisation Law in order to, mainly, be a more useful management tool of the non performing loans (the "**NPLs**") of leasing companies, the non performing loans secured by assets and the unlikely to pay debts (the "**UTPs**").

The above provisions apply to NPLs and UTPs securitisation transactions and are mainly aimed to:

(i) facilitate the NPLs trade of leasing companies and secured NPLs;

(ii) facilitate the trade of NPLs and UTPs owed to banks by companies that are in a situation of crisis.

Latest amendments to the Securitisation Law introduced by 2019 Budget Law

Law No. 145 of 30 December 2018 (the "**2019 Budget Law**"), as published in the Official Gazette No. 302 of 31 December 2018, provided, *inter alia*, for certain amendments to the Securitisation Law applicable as of 1 January 2019.

In particular, 2019 Budget Law introduced new measures to the Securitisation Law aiming at:

(i) further favouring the realization of securitisations through the purchase or subscription by the SPV of, inter alia, bonds or debt securities, by providing that where the notes issued in the context of the securitisation are to be purchased by qualified investors pursuant to article 100 of the Consolidated Financial Act, certain restrictions do not apply;

(ii) allowing SPVs to grant financings also in conjunction with and in addition to the transactions provided for under article 1, paragraphs 1 and 1-bis of the Secuitisation Law;

(iii) clarifying certain aspects of article 7, paragraph 1(a) of the Securitisation Law, on lending operations carried out by the SPV vis-à-vis the transferor;

(iv) extending the application of the Securitisation Law to securitisation transactions concerning the securitization of proceeds deriving from the ownership or other rights on real estates, registered movable properties; and

(v) introducing new measures allowing the borrowers of the SPV to segregate the claims and assets representing the guarantee for the financings received and/or to constitute a pledge over such claims and assets.

Further amendments to the Securitisation Law have been made by (i) Law Decree No. 34 of 30 April 2019 (*Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*), converted into law with amendments by Law No. 58 of 28 June 2019 (the "**Decreto Crescita**") and (ii) Law Decree No. 162 of 30 December 2019 (*Misure urgenti in materia di proroga di termini legislativi, di organizzazione delle pubbliche amministrazioni, nonché di innovazione tecnologica*) converted into law with amendments by Law No. 8 of 28 February 2020 (the "**Decreto Milleproroghe**").

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including, for the avoidance of doubt, any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's Accounts under the Securitisation and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 ("**Law 116/2014**") in order to include not only the relevant receivables but also (i) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (ii) the cash-flows deriving from the relevant receivables and such monetary rights and (iii) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to file any petition in the relevant insolvency proceeding and outside any distribution plan.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration of the transfer in the companies register for the place where the Issuer has its registered office, so avoiding the need for individual notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment *vis-à-vis* the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

    (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

    (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law 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.

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw back action according to article 67 of the

Bankruptcy Law. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

Notice of the sale of the Receivables comprised in the Initial Portfolio pursuant to the Master Receivables Purchase Agreement by the Originator to the Issuer was respectively published on the Official Gazette No. 139, on 26 November 2020 and registered with the Register of Enterprises of Treviso- Belluno on 1 December 2020.

Pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Notice, notice of the sale of the Receivables comprised in each Subsequent Portfolio by the Originator to the Issuer will be published on the Official Gazette and registered with the Register of Enterprises of Treviso - Belluno.

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (*Legge Delega*) conferring to the Government the powers to reform the Bankruptcy Law. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette and will enter into force as of 15 August 2020 except for certain amendments entered into force as of 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law 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 Prospectus.

The Issuer

Under the provisions of Article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (Articles from 2410 to 2420) are inapplicable to the Issuer. According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Attachment of Debtor's credits

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

Subrogation

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

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

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*).

Each commercial entrepreneur is not subject to insolvency proceedings pursuant to the Bankruptcy Law if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three financial years (or prior to the filing of a petition for bankruptcy or the start of the business) are not higher than Euro 300,000;

(b) its annual gross revenue over the last three financial years (or prior to the filing of a petition for bankruptcy or the start of the busines) 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

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 fulfil its obligations.

The declaration of bankruptcy 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 (*curatore fallimentare*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver (*curatore fallimentare*), and the creditors' claims have been approved, the sale of the borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. 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 so called "*automatic stay*").

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. state of insolvency and/or 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 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 restraining actions or enforcement proceedings on debtor's assets (the so called "automatic stay").

The pre-bankruptcy agreement (*concordato preventivo*) 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 (*decreto di omologazione*), 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 a relevant innovation to the pre-bankruptcy agreement procedure has been introduced by Law Decree number 83 of 22 June 2012 (as converted into law by Law number 134 of 7 August 2012, the "**Decreto Sviluppo 2012**"). Pursuant to the Decreto Sviluppo 2012, a debtor can file with the competent Court just a simple request for admission to the pre-bankruptcy agreement, provided that it shall file the proposal, the plan and other necessary documents within a term established by the judge and which shall be included between 60 and 120 days from the date of filing of the sole request. The Decreto Sviluppo 2012 has also provided that in the period included between the date of filing of the request and the date of the decree admission to the pre-bankruptcy agreement, the debtor may execute not only acts of ordinary management but also urgent acts of extraordinary management, provided that, in such case, it has been duly authorised by the Court.

Moreover, the Decreto Sviluppo 2012 has also introduced in the Bankruptcy Law a specific provision (article 186-*bis*) regarding the hypothesis in which the pre-bankruptcy agreement may provide for the continuation of the business activity, the sale or transfer of the active business-concern to one or more companies.

*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 in the context of a pre-bankruptcy agreement (182-*bis* agreement or *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 (to be made within (i) 120 days from the Court's approval (*omologazione*) in respect of any receivables due and payable on such a date, and (ii) in respect of any receivables not yet due and payable on the Court's approval date, within 120 days from their respective due date) 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 cannot obtain any pre-emption rights (except if it was so agreed); and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval (*omologazione*) 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 Italian law decree number 78 of 31 May 2010, 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 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.

Recent main changes in Italian bankruptcy, tax and civil procedure law

The Italian Parliament has adopted the Italian Law Decree 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 Italian Law 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; 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.

Restructuring arrangements in accordance with Law number 3 of 27 January 2012

Following the enactment of Italian Law number 3 of 27 January 2012 (as amended by Decree of the Italian Government number 179 of 18 October 2012 coordinated with the conversion Italian Law number 221 of 17 December 2012), a debtor who is neither subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors provided that (i) he/she has not been entered into any such restructuring arrangement in the last five years; (ii) the previous restructuring arrangements have not been annulled or revoked for reasons directly or indirectly ascribable to him/her; (iii) he/she has not provided a documentation suitable to reconstruct and figure out his/her patrimonial and economic situation.

Such law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over-indebtedness, being a situation recognisable when the "continuing imbalance between the debtor's obligations and his/her highly liquid assets" determines "the relevant difficulties of performing his/her obligations" or the "definitive non capability of duly performing such obligations".

A debtor in a state of over-indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement providing that, among others, those creditors not adhering to such arrangement and those creditors having security interests over the debtor's assets will be repaid in full.

Such draft arrangement must set out, among others, the revised terms for payments due to the creditors, the security interests which may be created to secure such payments and the conditions for the dismissal of the debtor's assets. If the debtor's assets and income are not sufficient to ensure the implementation of the draft arrangement, the draft arrangement must be endorsed by one or more third-parties who undertake to provide, also by way of security, additional assets or income.

Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those secured creditors not adhering to such arrangement for a period of up to one year since the court's certification ("*omologa*").

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order a hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

In order to be eligible for the court's certification, the agreement must be reached with a number of creditors representing at least 60% of the relevant claims.

Once the draft restructuring arrangement is reached with 60% of claims, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

Upon expiry of such term, the competent body will deliver the relevant report (including any challenge received and a feasibility assessment of the draft restructuring arrangement) to the competent judge who will be entitled, subject to appropriate final verification, to certify (*omologa*) the restructuring arrangement.

Once the restructuring arrangement has been certified, should the debtor be subject to bankruptcy afterwards (indeed, the debtor could become eligible for bankruptcy due to a modification of the size of the enterprise) the payments, agreements and, in general, any deed enacted under the certified restructuring agreement is not subject to claw back.

The competent body will be in charge of supervising the due performance of the obligations arising from the relevant restructuring arrangement. Such arrangement, however, may be terminated or declared null and void in specific circumstances provided for by applicable law.

Recent Amendment to Enforcement and Bankruptcy Proceedings

On June 30, 2016, the Italian Parliament approved Law No. 119 ("**Conversion Law**"), which converts law decree No. 59/2016, published on the Official Gazette No. 102, on May 3, 2016 introducing "*urgent provisions relating to the enforcement and insolvency proceedings, as well as in favour of investors of banks subject to winding up*" ("**Law Decree**"). The Conversion Law has been published on the Official

Gazette No. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorisation of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian Code of Civil Procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;

- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

- to optimize the overall functioning of the judicial offices with a progressive implementation of their computerisation – especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;

- to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;

- to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;

- to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

As described in paragraph "*Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law*" below, certain additional changes to the regime of the bankruptcy proceedings provided under the Bankrupcy Law (as defined below) may apply upon the implementation of the Delegated Legislation No. 155 of 2017 (as defined below).

Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganization proceedings in the context of over-indebted corporate entities (the "**Delegated Legislation**").

The Delegated Legislation is the result of a review of the Italian royal decree No. 267 of 16 March 1942 (hereinafter the "**Bankruptcy Law**") conducted by an experts' committee set up in 2015. Such review aims at introducing reform of insolvency legislation that is better suited to the current economic situation and consistent with the indications received from the European legislator.

The Delegated Legislation is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganization methods; in such a context, the declaration of bankruptcy (now defined as "*judicial liquidation*", "*liquidazione giudiziale*") is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity. Please note that it is likely that in the coming months this Delegated Legislation may be amended to correct certain aspects that, according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Delegated Legislation introduces the new "preemptive and assisted reorganisation procedures" further complementing in this way the regulation of the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under Article 182*bis* and certified plans under Article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so - called *extraordinary administration* proceedings has not been included in the scope of the Delegated Legislation and will likely require an *ad hoc* intervention.

The principal envisaged amendments to the current legal framework contained in the Delegated Legislation are as follows.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. Therefore in order to tackle such issues, the Delegated Legislation provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the Delegated Legislation introduces:

(a) a definition of "corporate group" by reference to the criteria of direction and coordination referred to in Articles 2497 et seq. and 2545 *septies* of the Italian Civil Code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to Article 2359 of Italian Civil Code;

(b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under Article 182*bis* of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of "center of main interests" of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors;

(c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any "distortion" effects;

(d) subordination of infra-group debt in situations described by Article 2467 of the Italian Civil Code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under Article 182*bis* of Bankruptcy Law;

(e) extension of the receiver's powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, *inter alia*, to report irregularities in the management of the solvent companies of the group (e.g. Article 2409 of the Italian Civil Code) and to request their bankruptcy in the event of insolvency.

Preemptive Proceedings

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the Delegated Legislation requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganization proceedings (the "**Preemptive Proceedings**") to induce the distressed company to tackle the crisis early on.

Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and tackle it on an early stage.

The Preemptive Proceedings are based on a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings - which are to be conducted in a confidential manner - provide for the following:

1. the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the "**Committee**") in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;

2. qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (such as by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

3. in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;

4. in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative entities of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;

5. during the proceedings, the debtor may apply to the relevant Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of Article 182 *sexies* the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

6. if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

- Incentives:

1. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under Article 182*bis* of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) there will no penalty for bankruptcy by fund distraction crimes and other bankruptcy offences when they have caused minor damage; (b) a mitigating circumstance with special effect for the other crimes and (c) a reduction of interest and penalties on tax debt;

2. for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report;

- Penalties:

for qualified public creditors: loss of their priority in payment over their debt in case of failure to report to the supervisory entities and the Committee the persisting default on obligations of a significant amount by the relevant insolvent debtor.

Debt restructuring agreements pursuant to Article 182bis of Bankruptcy Law and certified plans under Article 67(3)(d) Bankruptcy Law

The amendments introduced by the Delegated Legislation aim to encourage the use of debt restructuring agreements under Article 182*bis* of the Bankruptcy Law (the "**182*bis* Agreements**").

As for the certified plans under Article 67(3)(d) of the Bankruptcy Law (the "**Certified Plans**"), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182*bis* Agreements, the Delegated Legislation provides as follows:

(a) extended application of the cram down: possibility to apply the "cram down" model envisaged in the case of arrangements with banks and financial intermediaries under Article 182*septies* of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may bind all creditors belonging to a certain class to complying with agreements approved by at least 75% of creditors belonging to the relevant class provided that they have been informed of the opening of negotiations and have been enabled to participate to the resolution;

(b) reduction of the required quorum: reduction of the 60% quorum currently required by law for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the their plan as debts become due and (b) does not request protection from enforcement proceedings (see letter c) below);

(c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);

(d) extension to members with unlimited liability: extension of the effects of the agreement to members with unlimited liability.

As for the certified plans, the Law merely requires that they be in writing, bear certain date and the content is precisely determined.

Schemes of Arrangement

The Law provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to preserve business continuity and simplification of proceedings. More specifically, the Delegated Legislation provides as follows:

(a) marginalization of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which increases payments in favour of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;

(b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the "private" nature of the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (*Corte di Cassazione a Sezioni Unite*) that will not contribute to the success of the provision);

(c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote; furthermore, the Delegated Legislation calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then "control" and approve the relevant scheme of arrangement proposal;

(d) the definition of a scheme of arrangement in continuity and deferment of privileged claims: it is clarified that a scheme of arrangement in continuity refers to both mixed schemes of arrangements (continuity plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be postponed up to two years, provided that they are granted voting rights;

(e) super senior loans authorized by the court: super senior are confirmed during the proceedings and by way of execution of the plan; super senior loans are no longer permitted;

(f) mandatory classation of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);

(g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

(h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

(i) termination of the scheme arrangement by the receiver: the receiver has the power to require, following the request from a creditor, that the scheme of arrangement be terminated, inter alia, for non-performance (currently, such right is recognised only to creditors);

(j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in the presence of transactions impacting on the organization or financial structure of the company.

Judicial liquidation

Under the Delegated Legislation bankruptcy, is defined as "*judicial liquidation*", and aims at standardizing and simplifying the relevant proceedings which however becomes now residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Among the most important changes there are the following:

(a) *assignment of assets to creditors*: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Delegated Legislation are not very clear on this point); to this end, a body is established which certifies "the reasonable probability of satisfaction of the debts incurred in respect of each proceeding" and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction "in proportion to the probability of satisfaction of their credit"; the provision is presumably aiming at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a "settlement and central counterparty system operator" which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;

(b) *one type of proceedings*: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the sole exclusion of public entities;

(c) *efficiency of the proceedings*: a number of further actions are planned in order to reduce the duration and cost of the procedure and make more effective and transparent the receiver's activity as well as the process of determining the bankruptcy estate's liabilities.

Finally, the Delegated Legislation also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritizing business continuity and ensuring the competitiveness of asset sale auctions;

On 14 February 2019, the Legislative Decree No. 14 of 12 January 2019, enacting the above provisions set out under the Delegated Legislation, has been published in the Official Gazette of the Republic of Italy. Except for certain amendments related, among others, to corporate governance and directors' liability which entered into force on 16 March 2019, Legislative Decree No. 14 of 12 January 2019 should originally have entered into force as of 15 August 2020. However, due to a pandemic emergency caused by a new form of coronavirus, the reform, which should have entered into force during such epidemiological emergency, has been delayed to 1 September 2021 by Law Decree No. 20/2020.

Prospective Noteholders should be aware that, as at the date of this Prospectus, 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 Prospectus.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Senior Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Senior Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Senior Notes, some of which may be subject to special rules. The following description does not discuss the treatment of the Senior Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of the Securitisation Law, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Decree number 239**") and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014 ("**Decree 66/2014**"), payments of interest and other proceeds in respect of the Senior Notes:

(i) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Senior Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The *imposta sostitutiva* will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Senior Notes or in the transfer of the Senior Notes;

(ii) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Senior Notes are connected; as a consequence, interest and other proceeds in respect of Senior Notes will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

(iii) will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Senior Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 and Article 14-*bis* of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Senior Notes, to an Italian authorised financial intermediary and have opted for the so-called "*risparmio gestito regime*" according to Article 7 of Legislative Decree No. 461 of 21 November 1997 – the "Asset Management Option" and (iv), non Italian resident with no permanent establishment in Italy to which Senior Notes are effectively connected, provided that:

(a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996, as amended from time to time (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and

(b) the Senior Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("**SIM**") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and

(c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

(d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Senior Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Senior Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to an annual substitute tax levied at the rate of 26 per cent. (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Senior Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Senior Notes if the such 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, paragraph 100-114, of Law No. 232 of 11 December 2016 ("**Law No. 232**"), as amended and supplemented from time to time.

Interest and other proceeds accrued on the Senior Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Senior Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Senior Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "IRES"); or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "IRPEF") plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "IRAP").

If the investor is resident in Italy and is an open-ended or closed investment fund, a SICAF or a SICAV ("*Società di investimento a capitale variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Senior Notes are held by an authorised intermediary, interest and other proceeds accrued during the holding period on the Senior Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Italian resident pension funds are subject to 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year. Subject to certain conditions (including minimum holding period requirement) and limitations, interest relating to the Senior Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Senior 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 paragraph 100-114 of Law No. 232, as amended and supplemented from time to time.

Any positive difference between the nominal redeemable amount of the Senior Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

2. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Senior Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of the holders of the Senior Notes (and, in certain cases, depending on the status of the holders of the Senior Notes, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by the holders of the Senior Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Senior Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding the Senior Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Senior Notes would be subject to an *imposta sostitutiva* at the rate of 26 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Senior Notes not in connection with an entrepreneurial activity pursuant to all disposals on Senior Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Senior Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Senior Notes (the "***Risparmio***

Amministrato" regime). Such separate taxation of capital gains is permitted subject to: (i) the Senior Notes being deposited with Italian banks, società di intermediazione mobiliare (SIM) or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Senior Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Senior Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding the Senior Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the noteholder is not required to report capital gains realised in its annual tax declaration.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Senior Notes if the such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termin*e) that meets the requirements set forth in Article 1 paragraph 100-114 of Law No. 232, as amended and supplemented from time to time.

Any capital gains realised by an holder of the Senior Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by the holders of the Senior Notes who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Senior Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Senior 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 paragraph 100-114 of Law No. 232, as amended and supplemented from time to time.

The 26 per cent. imposta sostitutiva may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Senior Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected, if the Senior Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected, through the sale for consideration or redemption of the Senior Notes are exempt from taxation in Italy to the extent that the Senior Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Senior Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Senior Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Senior Notes with no permanent establishment in Italy to which the Senior Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Senior Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996, as amended from time to time (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Senior Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Senior Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. INHERITANCE AND GIFT TAXES

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.

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 from time to time, individuals non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the beneficial owners ("*titolari effettivi*") of such investments or financial activities.

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 ("**Stamp 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 Stamp Duty is levied at the rate of 0.2 per cent. and is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Senior Notes held (but in any case not exceeding Euro 14,000.00. This cap is not applied to individuals). The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an "*ente gestore*" (managing entity). Such "*ente gestore*", according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

6. WEALTH TAX ON SECURITIES DEPOSITED ABROAD

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986), holding the Senior Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the above mentioned Stamp Duty provided for by Article 13 of the tariff attached to the Stamp Duty Law does not apply.

This tax is calculated on the market value of the Senior Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Pursuant to the provisions of Article 134 of Law Decree No. 34/2020, as converted into law with amendments by Law No. 77 of 17 July 2020, the wealth tax cannot exceed Euro 14,000.00 for taxpayers different from individuals. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned Stamp Duty provided for by Article 13 of the tariff attached to the Stamp Duty Law does apply.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Underwriter has, pursuant to a subscription agreement entered into on or about the Issue Date between the Issuer, the Underwriter, the Arranger and the Representative of the Noteholders (the "**Subscription Agreement**"), agreed to subscribe and pay the Issuer for the Notes at their issue price of 100 per cent. of their respective principal amounts upon issue (the "**Issue Price**") and to appoint Banca Finanziaria Internazionale S.p.A. to act as the representative of the Noteholders (the "**Representative of the Noteholders**"), subject to the conditions set out therein.

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

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes, save as contained in this Prospectus or as approved for such purpose by the Issuer or the Underwriter 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, prospectus (including this Prospectus), 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 this Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard 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, 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;

(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 has, pursuant to the Subscription Agreement, represented, warranted and undertaken 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 has, pursuant to the Subscription Agreement, represented and agreed 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 has, pursuant to the Subscription Agreement, represented, warranted and undertaken 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 has, pursuant to the Subscription Agreement, represented, warranted and undertaken 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

No offer to public

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as defined in article 2, letter (e) of the Prospectus Regulation and in accordance with any applicable Italian laws and regulations.

Offer to "qualified investors"

Any offer of the Notes by the Underwriter to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act, CONSOB Regulation number 20307 of 15 February 2018, the Consolidated Banking Act and any other applicable laws and regulations.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Financial Law Consolidation Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Financial Law Consolidation Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Prospectus Regulation and the Financial Laws Consolidation Act.

General compliance

The Underwriter has, pursuant to the Subscription Agreement acknowledged that:

(a) no action has or will be taken by it which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations;

(b) the Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by it in accordance with Italian securities, tax and other applicable laws and regulations; and

(c) no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

France

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the Code monétaire et financier and Title I of Book II of the *Règlement Général de l'Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed 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 has, pursuant to the Subscription Agreement, also represented and agreed 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) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors; and

   (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*).

Prohibition of Sales to EEA Retail Investors

The Underwriter has, pursuant to the Subscription Agreement, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive 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

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 9 December 2020.

(2) As of the date of this Prospectus, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT. The Issuer does not have any intention to file any request for the listing or admission to trading of the Notes or any other market or multilateral trading facility, other than the ExtraMOT.

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

(4) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2019 that is material in the context of the issue of the Notes.

(5) Save as disclosed in section entitled "*The Issuer*" above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(6) Since 4 May 2000 (being 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 Portfolios, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan (MI), Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN code	*Common Code*

Class A Notes	IT0005429235	227810297
Class B Notes	IT0005429243	

(8) The Issuer's LEI number is 815600BAE8930FB0D987.

(9) Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

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

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under points (b) and (c) of the first subparagraph of article 7(1) of the Securitisation Regulation.

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

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

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Reporting Entity will prepare the ESMA Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the ESMA Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

(d) the Issuer will deliver to the Reporting Entity 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),

in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*").

(10) As long as the Senior Notes are admitted to trading on ExtraMOT PRO, copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Prospectus at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi n. 8, 20121 Milan (MI), Italy and also on the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) and/or the Data Repository (if appointed) at any time after the Issue Date:

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the financial statements of the Issuer approved from time to time;

(iii) the following agreements:

- Master Receivables Purchase Agreement;
- Servicing Agreement;
- Warranty and Indemnity Agreement;
- Intercreditor Agreement;
- Cash Allocation, Management and Payments Agreement;
- First Subordinated Loan Agreement;
- Additional Subordinated Loan Agreement (if any);
- Mandate Agreement;

- the Quotaholders Agreement;
- the Corporate and Administrative Services Agreement; and
- this Prospectus.

As soon as the Data Repository is appointed, the documents listed above will be made available also on such Data Repository.

(11) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 415,000.00 (excluding fees due to the Servicer and auditors appointed for the Issuer's balance sheet and Quarterly Servicer's Report audit).

(12) The total expenses payable in connection with the admission of the Senior Notes to trading on ExtraMOT PRO amount to approximately Euro 2,500.00 and will be borne by Intesa Sanpaolo S.p.A..

(13) So far as the Issuer is aware, there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Notes that are material to the issue of the Notes.

(14) The Notes will be issued at the Issue Price of 100% of the aggregate principal amount of the Notes as at the Issue Date; consequently, the yield on the Notes will be represented by the interest accruing thereon as specified in Condition 7 (*Interest*).

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited financial statements of the Issuer for the financial years ended on 31 December 2018 and 31 December 2019, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Paying Agent.

Copies of documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Issuer at https://www.securitisation-services.com/it/reports/operazione/giada-sec-s-r-l-1 (for the avoidance of doubt, such websites does not constitute part of this Prospectus).

Issuer

GIADA SEC. S.R.L.

Via V. Alfieri, 1

31015 Conegliano (TV)

Italy

Originator, Servicer, Subordinated Loan Provider, Account Bank,
Paying Agent, Administrative Services Provider, Arranger and Underwriter

INTESA SANPAOLO S.P.A.

Piazza San Carlo, 156

10121 Turin

Italy

Representative of the Noteholders, Calculation Agent and Corporate Services Provider

BANCA FINANZIARIA INTERNAZIONALE S.P.A.

Via V. Alfieri, 1

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Italy

Legal advisers to the Arranger

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