PROSPECTUS DATED 17 March 2023

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

VALSABBINA SME PLATFORM II SRL

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

€ 96,000,000 Class A Asset Backed Partly Paid Notes due October 2037
€ 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037

Issue Price: 100 per cent.

This Prospectus contains information relating to the issue by Valsabbina SME Platform II S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of the € 96,000,000 Class A Asset Backed Partly Paid Notes due October 2037 (the "**Class A Notes**" or the "**Senior Notes**") and the € 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037 (the "**Class B Notes**" or the "**Mezzanine Notes**"). In connection with the issue of the Senior Notes and the Mezzanine Notes, the Issuer will also issue the € 11,000,000 Class C Asset Backed Partly Paid Notes due October 2037 (the "**Class C Notes**" or the "**Junior Notes**" and, together with the Senior Notes and the Mezzanine Notes, the "**Notes**").

This document constitutes a *Prospetto Informativo* for all Notes for the purposes of Article 2, sub-section 3 of the Securitisation Law. This Prospectus constitutes also the admission document of the Senior Notes and the Mezzanine 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 Notes will be issued on 17 March 2023 (the "**Issue Date**"). 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.

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

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections made in respect of the Receivables arising out of the Loan Agreements to Small and Medium Enterprise debtors (the "**Debtors**") and originated by Banca Valsabbina S.C.p.A. (the "**Originator**"). The Issuer has purchased the Initial Portfolio on 9 February 2023 and, subject to certain terms and conditions set forth under the Transfer Agreement, may purchase from the Originator Further Portfolios during the Revolving Period.

By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections will be segregated from all other assets of the Issuer (including any other receivable purchased by the Issuer pursuant to the Securitisation Law in the context of any Further Securitisation). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

Interest in respect of the Senior Notes, the Mezzanine Notes and the Junior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The Senior Notes and the Mezzanine Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of (a) EURIBOR (except in respect of the Initial Interest Period where an interpolated interest rate based on 3 (three) and 6 (six) month deposits in Euro will be substituted for the EURIBOR); and (b) a margin equal to (i) in respect of the Senior Notes, 1.70 (one//70) per cent. *per annum*, (ii) in respect of the Mezzanine Notes, 6 (six) per cent. *per annum*. For the avoidance of any doubt, the EURIBOR in respect of any Interest Period may be a negative rate. However, in the event that respect of any Interest Period the EURIBOR results lower than 0 (zero), the applicable EURIBOR shall be deemed to be 0 (zero).

The Junior Notes will bear fixed interest on their Principal Amount Outstanding from and including the Issue Date at the rate equal to 10 (ten) per cent *per annum* plus the Additional Return (if any).

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

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 Representative of the Noteholders, any of the Other Issuer Creditors or the Arrangers. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) Article 83 *bis* of the Financial Laws Consolidated Act and (ii) Regulation 13 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

The Notes will not be assigned a rating. The Notes will be subscribed by the Underwriters, subject to the terms and conditions of the Subscription Agreements.

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

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

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS-Securitisation**") within the meaning of Article 18 of Regulation (EU) No. 2402 of 12 December 2017 (the "**EU Securitisation Regulation**"). Consequently, the Securitisation meets, as at the Issue Date, the requirements of Articles 19 to 22 of the EU Securitisation Regulation (the "**STS Requirements**") and will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future.

Compliance with the STS Requirements is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2014/65/EU) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

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

Arrangers

BANCA VALSABBINA S.C.P.A. **BANCA FINANZIARIA INTERNAZIONALE S.P.A.**

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RESPONSIBILITY STATEMENTS

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

The Issuer accepts responsibility for the information contained in this Prospectus other than for the information on the sections for which other parties take responsibility as set out below. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

Banca Valsabbina has provided the information contained in this Prospectus under the sections entitled "The Aggregate Portfolio", "Banca Valsabbina" and "Collection Policies" and any other information contained in this Prospectus relating to itself, the Receivables, the Loan Agreements, the Loans, and the Debtors and, together with the Issuer, accepts responsibility for the information contained in those sections. To the best of the knowledge and belief of Banca Valsabbina (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.

*Bank of New York Mellon SA/NV – Milan Branch ("**BNYM**") has provided the information contained in this Prospectus under the section entitled "Bank of New York Mellon SA/NV – Milan Branch" and any other information contained in this Prospectus relating to itself. To the best of the knowledge and belief of BNYM (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

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

Representations about the Notes

No person has been authorised to give any information or to make any representation not contained in this 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 Arrangers, the Representative of the Noteholders, the Issuer, the Sole Quotaholder or Banca Valsabbina (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall in any circumstances constitute a representation or create an implication that there has not been any change or any event reasonably likely to involve any change in the condition (financial or otherwise) of the Issuer, Banca Valsabbina 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.

Limited recourse

The Notes constitute direct, secured, limited recourse obligations of the Issuer. By virtue of the operation of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any

costs, fees and expenses in relation to the Securitisation. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

Other business relations with the Originator

Each of the Arrangers and their affiliates may, from time to time, enter into other business relations with the Originator including, but not limited to, the provision of lending and advisory services.

U.S. Risk Retention Rules

*The Notes issued on the Issue Date may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes), will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.*

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

Selling Restrictions

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, the Senior Notes Underwriters and the Mezzanine Notes Underwriters to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and this Prospectus may not be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

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

The Notes may not be offered or sold directly or indirectly, and neither this 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.

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

No action has or will be taken which would allow an offering to the public (or an "offerta al pubblico") of the Notes in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Notes may not be offered, sold or delivered and neither this 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.

Neither this Prospectus nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or an invitation or offer by the Issuer, Banca Valsabbina (in any capacity) or the Arrangers 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.

*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 and Sale*".*

PRIIPs / EEA Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU; (ii) a customer within the meaning of Directive 2002/92/EC, as amended and replaced by Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a Qualified Investor. Consequently, no key information document required by Regulation (EU) 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

PRIIPS / UK Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

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

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

Benchmark Regulation (Regulation (EU) 2016/1011)

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

STS Regulation

On 12 December 2017, the European Parliament adopted Regulation (EU) 2017/2402 (i.e. the Securitisation Regulation) which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace certain provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("STS-Securitisations").

Interpretation

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

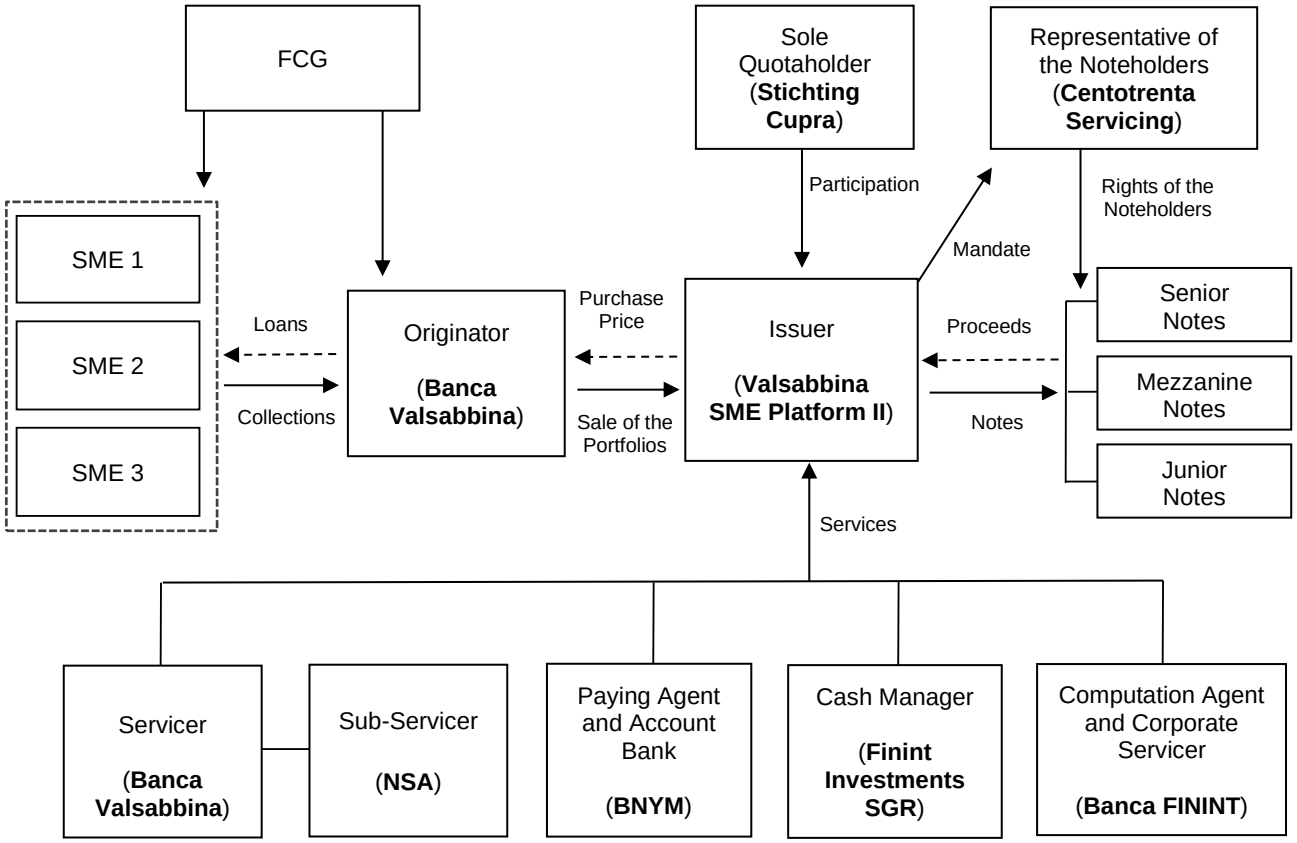
All references in this Prospectus to "Euro", "EUR", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended and integrated from time to time.

The language of this 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.

TRANSACTION OVERVIEW

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

1. TRANSACTION DIAGRAM



2. THE PRINCIPAL PARTIES

Issuer	VALSABBINA SME PLATFORM II. The issued quota capital of the Issuer is equal to €10,000 and is fully held by the Sole Quotaholder.
Originator	BANCA VALSABBINA.
Servicer	BANCA VALSABBINA. The Servicer will act as such pursuant to the Servicing Agreement.
Sub-Servicer	NSA. The Sub-Servicer will act as such pursuant to the Sub-Servicing Agreement.
Back-Up Servicer	CR ASTI. The Back-Up Servicer will act as such pursuant to the Back-Up Servicing Agreement.
Back-Up Sub-Servicer	GARANZIA ETICA. The Back-Up Sub-Servicer will act as

	such pursuant to the Back-Up Sub-Servicing Agreement.
Reporting Entity	BANCA VALSABBINA. The Reporting Entity has been designated as such under the Intercreditor Agreement. The Reporting Entity will act as such pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation.
Computation Agent	BANCA FININT. The Computation Agent will act as such pursuant to the Agency Agreement.
Account Bank	BNYM. The Account Bank will act as such pursuant to the Agency Agreement.
Paying Agent	BNYM. The Paying Agent will act as such pursuant to the Agency Agreement.
Cash Manager	FININT INVESTMENTS SGR. The Cash Manager will act as such pursuant to the Agency Agreement.
Representative of the Noteholders	CENTOTRENTA SERVICING. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Terms and Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other Transaction Documents.
Corporate Servicer	BANCA FININT. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Sole Quotaholder	STICHTING CUPRA.
Stichting Corporate Services Provider	WILMINGTON TRUST SP SERVICES (LONDON) LIMITED. The Stichting Corporate Services Provider will act as such pursuant to the Stichting Corporate Services Agreement.
Arrangers	BANCA FININT and BANCA VALSABBINA.
Senior Notes Underwriters	BANCA VALSABBINA and DUOMO. The Senior Notes Underwriters will act as such pursuant to the Senior Notes Subscription Agreement.
Mezzanine Notes Underwriters	BANCA VALSABBINA, BANCA FININT and BANCA CAPASSO. The Mezzanine Notes Underwriters will act as such pursuant to the Mezzanine Notes Subscription Agreement.
Junior Notes Underwriters	BANCA VALSABBINA, AZ RAIF APA and AZ ELTIF DL II. The Junior Notes Underwriters will act as such pursuant to the Junior Notes Subscription Agreement.

3. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following classes:
Senior Notes	€ 96,000,000 Class A Asset Backed Partly Paid Notes

	due October 2037;
Mezzanine Notes	€ 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037;
Junior Notes	€ 11,000,000 Class C Asset Backed Partly Paid Notes due October 2037.
Partly paid Notes	The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full Nominal Amount of the Notes of each Class will be issued. Subject to the Terms and Conditions, the Subscription Agreements and the terms of the other Transaction Documents, on the Issue Date the Underwriters will pay the Initial Instalments of the subscription price of each Class of Notes in order to fund, *inter alia*, the purchase of the Initial Portfolio from the Originator pursuant to the Transfer Agreement.
Issue Date	The Notes will be issued on the Issue Date.
Issue Price	On the Issue Date the Notes of each Class will be issued at 100 per cent. of their principal amount.
Use of Proceeds	The net proceeds from the issue of the Notes will be applied by the Issuer, on the Issue Date, to: (i) *First*, pay to the Originator the Purchase Price of the Initial Portfolio pursuant to the Transfer Agreement; (ii) *Second*, credit the Initial Cash Reserve Amount into the Cash Reserve Account; (iii) *Third*, credit the Retention Amount into the Expense Account; and (iv) *Fourth*, credit the Payments Account with an amount equal to the Initial Expenses Amount. After the payments set out in paragraphs (i), (ii), (iii) and (iv) above, any remaining amount will be credited to the Payments Account.
Interest on the Senior Notes	The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of: (a) EURIBOR (except in respect of the Initial Interest Period where an interpolated interest rate based on 3 (three) and 6 (six) month deposits in Euro will be substituted for the EURIBOR); and (b) a margin equal to 1.70 per cent. *per annum*. For the avoidance of any doubt, the EURIBOR in respect of any Interest Period may be a negative rate. However, in the event that in respect of any Interest Period the EURIBOR results lower than 0 (zero), the applicable EURIBOR shall be deemed to be 0 (zero).

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Senior Notes will be due on the Payment Date falling in July 2023 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Commitment Fee

Under the Senior Notes Subscription Agreement, the Issuer has undertaken to pay to Duomo the Commitment Fee.

Interest on the Mezzanine Notes

The Mezzanine Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of:

(a) EURIBOR (except in respect of the Initial Interest Period where an interpolated interest rate based on 3 (three) and 6 (six) month deposits in Euro will be substituted for the EURIBOR); and

(b) a margin equal to 6 per cent. per annum.

For the avoidance of any doubt, the EURIBOR in respect of any Interest Period may be a negative rate. However, in the event that in respect of any Interest Period the EURIBOR results lower than 0 (zero), the applicable EURIBOR shall be deemed to be 0 (zero).

Interest in respect of the Mezzanine Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Mezzanine Notes will be due on the Payment Date falling in July 2023 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Alternative Benchmark Rate

As provided in Condition 7.7 (*Interest - Fallback Provisions*), the Representative of the Noteholders, upon instructions and with the prior express consent of the Noteholders, may request the Issuer to agree to amend the EURIBOR and make such other related or consequential amendments as are necessary or advisable in order to facilitate such change.

Interest on the Junior Notes

The Junior Notes will bear fixed interest on their Principal Amount Outstanding from and including the Issue Date at 10 per cent *per annum* plus the Additional Return (if any) in accordance with the applicable Priority of Payments.

Interest in respect of the Junior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Junior Notes will be due on the Payment

	Date falling in July 2023 in respect of the period from (and including) the Issue Date to (but excluding) such date.
Form and Denomination	The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The Notes will be accepted for clearance by Euronext Securities Milan 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 entry in accordance with the provisions of (i) Article 83 *bis* of the Financial Laws Consolidated Act and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes. The denomination of the Senior Notes, the Mezzanine Notes and the Junior Notes will be Euro 100,000 and, thereafter, additional increments and integral multiples of Euro 1,000.
Status and Ranking	In respect of the obligations of the Issuer to pay interest and Additional Return and to repay principal on the Notes, subject to the provisions of the relevant Priority of Payments, the Notes of each Class will rank at all times as set out in Condition 6 (*Priority of Payments*). As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders.
Initial Instalment	On the Issue Date, the full Nominal Amount of the Notes will be issued and the Underwriters will pay the relevant Initial Instalments in accordance with the Terms and Conditions and the terms of the Subscription Agreements in order to fund, *inter alia*, the purchase of the Initial Portfolio.
Incremental Instalment	Subject to and in accordance with the Terms and Conditions, the terms of the Subscription Agreements and the other Transaction Documents, and, in particular, the condition precedents, procedure and cut-off times set out therein, during the Revolving Period, on any Incremental Instalment Date, the Noteholders will pay *pro rata* the relevant Incremental Instalment on each Class of Notes as notified by the Issuer, in order to fund, *inter alia*, the purchase of the relevant Further Portfolio, provided that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing.
Withholding on the Notes	As at the date of this Prospectus, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional

amount(s) to any holder of the Notes on account of such withholding or deduction.

Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on any Payment Date, in accordance with the provisions of the Terms and Conditions, in each case if and to the extent that, on the relevant Payment Date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments.

Optional Redemption

Unless previously redeemed in full, on any Payment Date falling after the Quarterly Servicer's Report Date on which the aggregate of the Outstanding Principal of the Aggregate Portfolio is equal to or less than 10% of the sum of the Outstanding Principal of the relevant Receivables as at the relevant Valuation Date, the Issuer, having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their respective Principal Amount Outstanding, together with interest accrued thereon, up to the date fixed for redemption, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), provided that:

(a) no Trigger Event has occurred on or prior to the relevant Payment Date; and

(b) the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and the Mezzanine Notes and any amount required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with the Senior Notes and the Mezzanine Notes.

The Issuer may obtain the necessary funds in order to effect the above optional redemption of the Notes, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), through the sale of the Aggregate Portfolio subject to the terms and conditions of the Intercreditor Agreement. The relevant sale proceeds shall form part of the Issuer Available Funds.

Following the exercise by the Originator of the option to repurchase the Aggregate Portfolio pursuant to the terms

of the Intercreditor Agreement, the Issuer shall exercise the optional redemption.

Optional Redemption of the Junior Noteholders

Unless previously redeemed in full, on any Payment Date falling after January 2028, the Issuer (upon request of the Junior Noteholders), having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the other Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part) and the Mezzanine Notes (in whole but not in part) at their Principal Amount Outstanding, together with interest accrued thereon, up to the date fixed for redemption, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), provided that the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and the Mezzanine Notes and any amount required to be paid under the Priority of Payments in priority to or pari passu with the Senior Notes and the Mezzanine Notes.

The Issuer may obtain the necessary funds in order to effect the above optional redemption of the Notes, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), through the sale of the Aggregate Portfolio subject to the terms and conditions of the Intercreditor Agreement. The relevant sale proceeds shall form part of the Issuer Available Funds.

Following the exercise by the Originator of the option to repurchase the Aggregate Portfolio pursuant to the terms of the Intercreditor Agreement, the Issuer shall exercise the optional redemption.

Redemption for Taxation

If the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

(a) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the "**Affected Class**"), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts

payable to the Issuer in respect of the Aggregate Portfolio would be subject to withholding or deduction) (hereinafter, the "**Tax Event**"); and

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

then the Issuer may, on such Payment Date, and on any Payment Date thereafter, at its option having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their respective Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to, and including, the relevant Payment Date, in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*).

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders), direct the Issuer to dispose of the Aggregate Portfolio, or any part thereof, to finance the early redemption of the Notes in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), subject to the terms and conditions of the Intercreditor Agreement.

Source of Payments of the Notes

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections made in respect of the Receivables arising out of the Loan Agreements, purchased from time to time by the Issuer from the Originator pursuant to the Transfer Agreement and/or the relevant Transfer Deed.

Segregation of the Aggregate Portfolio

By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections will be segregated from all the other assets of the Issuer (including any other receivable purchased by the Issuer pursuant to the Securitisation Law in the context of any Further Securitisation). Therefore, any cash-flow deriving

therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

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

Limited recourse 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:

(a) *Claim limited to the Issuer Available Funds*

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

(b) *Sums to the Noteholders*

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

(c) *No further claim against the Issuer*

upon the Representative of the Noteholders giving notice in accordance with Condition 16 (*Notices*) that, on the basis of the information

provided by the Servicer, there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Notes and the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

Non Petition

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

(a) *No enforcement of the Security*

is entitled, save as expressly permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;

(b) *No right against the Issuer*

shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;

(c) *No cause or initiate an Insolvency Event in relation to the Issuer*

shall be entitled, both before and following the delivery of a Trigger Notice, until the date falling two years and one day after the date on which all the Notes and any other notes issued in the context of any other securitisation carried out by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

(d) *No action not in compliance with the Priority of Payments*

shall be entitled, both before and following the delivery of a Trigger Notice, to take or join in the taking of any corporate action, legal proceeding or other procedure or step which would result in the Priority of Payments not being complied with.

Final Maturity Date

Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid in full at their respective Principal Amount Outstanding (together with interest accrued and unpaid thereon) on the Final Maturity Date.

Cancellation Date

The Notes shall be cancelled on the Cancellation Date and on such date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

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, for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders which has been appointed by the Senior Notes Underwriters, the Mezzanine Notes Underwriters and the Junior Notes Underwriters on or about the Issue Date, subject to and in accordance with the provisions of the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

Listing and admission to trading

Application has been made to list the Senior Notes and the Mezzanine Notes on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT managed by Borsa Italiana.

No Rating

The Notes will not be assigned any credit rating as at the Issue Date.

STS-Securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised (STS) securitisation within the meaning of Article 18 of the EU Securitisation Regulation ("**STS-Securitisation**"). Consequently, the Securitisation meets, as at the Issue Date, the requirements of Articles 19 to 22 of the EU Securitisation Regulation and will be notified by the Originator to be

	included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation at any point in time in the future. The investors in the Notes can verify the current status of the Securitisation on ESMA's website from time to time. None of the Issuer, the Noteholders, the Arrangers or any other party to the Transaction Documents makes any representation or accepts any liability in that respect. The STS Notification in respect of the Securitisation will be publicly available on the following ESMA website: https://www.esma.europa.eu/policy-activities/securitisation /simple-transparent-and-standardised-sts-securitisation.
Governing Law	The Notes will be governed by Italian law.
Purchase of the Notes	The Issuer may not purchase any Notes at any time.
Selling restrictions	The sale of the Notes and the distribution of information in respect thereof is subject to certain restrictions.

4. ACCOUNTS

Collection Account	The Issuer has established with the Account Bank the Collection Account, into which the Servicer shall transfer on a periodical basis all the amounts received or recovered in respect of the Aggregate Portfolio.
Payments Account	The Issuer has established with the Account Bank the Payments Account, into which all the amounts due to the Issuer under any of the Transaction Documents (other than the Collections) will be paid.
Cash Reserve Account	The Issuer has established with the Account Bank the Cash Reserve Account, for the deposit on the Issue Date of the Initial Cash Reserve Amount and, thereafter, on each Payment Date until the Senior Notes and the Mezzanine Notes have been repaid in full, of the Required Cash Reserve Amount in accordance with the applicable Priority of Payments and on each Incremental Instalment Date the relevant Cash Reserve Increase Amount.
Securities Account	After the Issue Date the Issuer (with the written consent of the Servicer) may open with the Account Bank (or with any other Eligible Institution) a securities investments account, in accordance with the provisions of the Agency Agreement. The Securities Account (if any) shall be managed and operated in accordance with the provisions of the Agency Agreement.
Expense Account	The Issuer has established with Banca FININT the Expense Account, into which, on the Issue Date, the Retention Amount will be credited.

During each Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses.

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit such an amount as will bring the balance of the Expense Account equal to, but not in excess of, the Retention Amount, in accordance with the relevant Priority of Payments.

Quota Capital Account — The Issuer has established with Banca FININT the Quota Capital Account for the deposit of the Issuer's quota capital.

Eligible Accounts — The Eligible Accounts shall be maintained at all times with an Eligible Institution.

5. CREDIT STRUCTURE

Aggregate Portfolio — The Initial Portfolio comprises, and any Further Portfolio will comprise Receivables arising out of performing (*in bonis*) commercial loans granted by the Originator to Small and Medium Enterprises and with the benefit of the State guarantee provided by Italian law No. 662 of 23 December 1996, as amended and supplemented from time to time.

Pool selection criteria — All the Receivables comprised in the Aggregate Portfolio will be selected on the basis of certain eligibility criteria set out under the Transfer Agreement.

Purchase Conditions — In addition, the Receivables which will be comprised in any Further Portfolio shall satisfy the Purchase Conditions.

Issuer Available Funds — The Issuer Available Funds means, in respect of any Payment Date, the aggregate amounts of:

(a) any Collection and all amounts received or recovered by the Issuer or on behalf of the Issuer in accordance with the terms of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement and the Intercreditor Agreement, or from any party to the Transaction Documents during the Collection Period immediately preceding the relevant Payment Date (including but not limited to, for the avoidance of any doubt, all amounts (i) recovered from the FCG Guarantee or recovered from the Debtors, (ii) received from the sale, if any, of the Aggregate Portfolio (in whole or in part) together with any proceeds deriving from the enforcement of the Issuer's Rights, and (iii) received by the Issuer under Articles 3 (*Prestito a ricorso limitato e altri diritti*), 4 (*Opzione di riacquisto*) and 5 (*Obblighi di indennizzo dell'Originator*) of the Warranty and Indemnity Agreement;

(b) all amounts of interest accrued and paid on the Collection Account, the Payments Account and the Cash Reserve Account (if any) during the Collection Period immediately preceding the relevant Payment Date;

(c) all amounts deriving from the Eligible Investments (if any) made under the terms of the Agency Agreement due to be paid on the Eligible Investments Maturity Date immediately prior to the relevant Payment Date; and

(d) any and all other amounts standing to the credit of the Collection Account, the Payments Account (excluding any amount paid as Initial Instalment and/or Incremental Instalment in accordance with the Subscription Agreements and including the Mezzanine Coupon Reserve Amount) and the Cash Reserve Account following the payments required to be made from such accounts on the immediately preceding Payment Date.

Purchase Termination Events

Pursuant to the Intercreditor Agreement, the occurrence of any of the following events during the Revolving Period shall constitute a Purchase Termination Event:

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

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

(ii) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party - other than the payment obligations under (i) above - and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 (thirty)

days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders; or

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

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect in any material respect which is materially prejudicial to the interest of the Senior Noteholders in the opinion of the Representative of the Noteholders when made or repeated and, only in the event of violation of the representation and warranty provided for under schedule 1, point (5) letter (t) (*Concentrazione*) of the Warranty and Indemnity Agreement, such violation is not remedied through the Limited Credit Loan granted under Article 3 (*Prestito a Ricorso Limitato*) or through the exercise of the Option under Article 4 (*Opzione di Riacquisto*) of the Warranty and Indemnity Agreement; or

(c) *Insolvency of the Originator:*

(i) 30 (thirty) days have elapsed since an application is made for the commencement of an *amministrazione straordinaria* or *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings or preparatory or early intervention measures pursuant to the Directive 2014/59/EU (as implemented from time to time) against the Originator in any jurisdiction and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant (unless the Originator has provided the Representative of the Noteholders with a legal opinion or other adequate comfort confirming that such application is manifestly without grounds), provided that in the 30 (thirty) days period following the date of the relevant application, the Originator shall not be entitled to deliver any Offer to the Issuer for the transfer of any Further Portfolio pursuant to the Transfer Agreement; or

(ii) the Originator becomes subject to any *amministrazione straordinaria, liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

(iii) the Originator takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors (to the extent such out of court settlements may be materially prejudicial to the interests of the Senior Noteholders) for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment; or

(d) *Winding up of the Originator:*

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator; or

(e) *Breach of ratios*:

(i) the Cumulative Gross Default Ratio, as determined by the Servicer with reference to the immediately preceding Collection Period as at the relevant Offer Date, is equal to or has exceeded 9.5%; or

(ii) the amount credited into the Expense Account is lower than the Retention Amount as of the immediately preceding Payment Date and, starting from 2 November 2023, the Cash Reserve Amount is lower than the Required Cash Reserve Amount as of the immediately preceding Payment Date; or

(iii) the Void Guarantee Ratio exceeds as at the end of the relevant Collection Period, 4% (four per cent.); or

(iv) the Collateralisation Condition is not satisfied; or

(f) *Termination of Banca Valsabbina's appointment as Servicer:*

the Issuer has terminated the appointment of Banca Valsabbina as Servicer following the occurrence of a Servicer Termination Event; or

(g) *Termination of NSA's appointment as Sub-Servicer*:

the Servicer has terminated the appointment of NSA as Sub-Servicer following the occurrence of a Sub-Servicer Termination Event, or

(h) *Service of a Trigger Notice:*

the Representative of the Noteholders has served a Trigger Notice on to the Issuer, or

(i) *Change of Law:*

a change of law has definitively occurred that (in the sole opinion of the Representative of the Noteholders) is materially prejudicial to or has a material negative impact on the interest of the Noteholders in respect of the Notes; or

(j) *Failure to transfer Further Portfolios*

for 2 (two) consecutive Offer Dates, the Originator has not offered any Further Portfolio to the Issuer; or

(k) *Material Adverse Change*

any change (foreseeable or unforeseeable) has occurred, in the national or international financial, political or economic conditions, exchange rates or exchange controls or, in general, any other event falling within the scope of the notion of "force majeure" as it is understood in the international financial markets practice, which, at the sole discretion of the Representative of the Noteholders (having consulted the Noteholders) could cause the funding of the Incremental Instalments from the Noteholders seriously prejudicial to themselves; or

(l) *Payments on the Senior Notes*

the repayment of principal on the Senior Notes on the immediately preceding Payment Date has been lower than the Senior Notes Redemption Amount relating to such Payment Date.

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

After the service of a Purchase Termination Notice, the Revolving Period will be terminated, the Issuer shall

refrain from purchasing any Further Portfolio and, until the earlier of (i) the delivery of a Trigger Notice, (ii) the date of redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), (iii) the date of optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), or (iv) the Final Maturity Date, the Pre-Enforcement Priority of Payments shall continue to be applied.

Trigger Events

Condition 13.1 (*Trigger Events - Trigger Events*) provides the following Trigger Events:

(a) *Non-payment:* the Issuer defaults in the payment of:

(i) (1) the Interest Amount payable on the Senior Notes as at the relevant Payment Date; or

(2) before the occurrence of a First Performance Event, the Interest Amount payable on the Mezzanine Notes for two consecutive Payment Dates; or

(3) in case there are sufficient Issuer Available Funds in accordance with the applicable Priority of Payments, the amount of principal due and payable on the Senior Notes and/or the Mezzanine Notes on the relevant Payment Date (as set out in the relevant Payments Report),

and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(ii) any amount due to the Other Issuer Creditors under items *First* and *Second* of the Priority of Payments and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (a) above) which is in the Representative of the Noteholders' sole and absolute opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders

having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 (thirty) days will be given); or

(c) *Breach of Representations and Warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within 15 (fifteen) days after the Representative of the Noteholders has served notice requiring remedy; or

(d) *Insolvency of the Issuer:* an Insolvency Event occurs in respect of the Issuer; or

(e) *Unlawfulness for the Issuer*: it is or will become unlawful (in any respect deemed to be material by the Representative of the Noteholders) 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.

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

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

(2) in the case of a Trigger Event under (b) and (c) above, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall; and/or

(3) in the case of a Trigger Event under (d) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall,

serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Notes of each Class will be due and payable at their respective Principal Amount Outstanding and the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement

Priority of Payments and pursuant to the terms of the Transaction Documents, as required by Article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders), or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, dispose of the Aggregate Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement. It is understood that no provisions in the Terms and Conditions or the other Transaction Documents shall require the automatic liquidation of the Aggregate Portfolio pursuant to Article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

Pre-Enforcement Priority of Payments

Prior to the service of a Trigger Notice, a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

(b) to credit to the Expense Account such an amount equal to the lower of (1) the Retention Amount, and (2) any Expenses paid during the immediately preceding Interest Period;

(ii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof,

(a) the remuneration due to the Representative of the Noteholders and any indemnity, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the

Transaction Documents;

(b) any amounts due and payable on such Payment Date on account of remuneration, fees or reimbursement of expenses to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Servicer, the Back-Up Servicer, the Sub-Servicer and the Back-Up Sub-Servicer (but excluding any amount to be paid under item *Sixth* and *Sixteenth* below); and

(c) any other documented costs, fees and expenses or other amounts related to this Securitisation due to persons who are not parties to the Intercreditor Agreement;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (i) all amounts of interest due and payable on the Senior Notes, and (ii) any amount due as Commitment Fee to Duomo;

(iv) *Fourth*, to pay, prior to the occurrence of a First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Mezzanine Notes;

(v) *Fifth*, to pay the Required Cash Reserve Amount into the Cash Reserve Account;

(vi) *Sixth*, to pay to the Servicer any amounts due and payable pursuant to Article 8.1, paragraph (b), of the Servicing Agreement (i.e. fees due to the Servicer in respect of the activities carried out in relation to the Defaulted Receivables);

(vii) *Seventh*, during the Revolving Period to pay, in whole or in part, to the Originator any amount due as Purchase Price (if any) for any Further Portfolio purchased in accordance with the provisions of the Transfer Agreement at the Transfer Date immediately preceding such Payment Date up to the Principal Collection Amount, provided that the Purchase Price of the relevant Further Portfolio in excess of the Principal Collection Amount shall be financed using the Incremental Instalment on each Class of the Notes;

(viii) *Eighth,* to pay, prior to the occurrence of a First Performance Event, any principal amount on the Senior Notes up to the Senior Notes Redemption

Amount;

(ix) *Ninth,* to pay, prior to the occurrence of a First Performance Event, any principal amount on the Mezzanine Notes up to the Mezzanine Notes Redemption Amount;

(x) *Tenth*, to pay, prior to the occurrence of a First Performance Event all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(xi) *Eleventh*, to pay, prior to the occurrence of a First Performance Event any principal amount on the Junior Notes up to the Junior Notes Redemption Amount, provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100.000;

(xii) *Twelfth,* to pay or withhold the Mezzanine Notes Coupon Reserve Amount into the Payments Account, prior to the occurrence of a First Performance Event;

(xiii) *Thirteenth*, to pay:

(a) after the occurrence of a First Performance Event, any principal amount on the Senior Notes up to Senior Notes Redemption Amount; or

(b) after the occurrence of a Second Performance Event, any Principal Amount Outstanding on the Senior Notes until the redemption in full of the Senior Notes;

(xiv) *Fourteenth*, to pay, after the occurrence of a First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Mezzanine Notes;

(xv) *Fifteenth*, to pay, after the occurrence of a First Performance Event, any principal amount of the Mezzanine Notes up to the Mezzanine Notes Redemption Amount;

(xvi) *Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to Banca Valsabbina and the Other Issuer Creditors any indemnities and other amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xvii) *Seventeenth*, to pay, after the occurrence of a

First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(xviii) *Eighteenth,* to pay: (a) after the occurrence of a First Performance Event, any principal amount of the Junior Notes up to the Junior Notes Redemption Amount; or (b) subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay any principal amount on the Junior Notes, provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100,000;

(xix) *Nineteenth,* to pay or withhold the Mezzanine Notes Coupon Reserve Amount into the Payments Account, after the occurrence of a First Performance Event;

(xx) *Twentieth*, to pay *pari passu* and *pro rata* according to the respective amounts thereof, the Additional Return to the Junior Noteholders;

(xxi) *Twentyfirst*, subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due in respect of the Junior Notes.

The Issuer shall, if necessary, make the payments set out under items *First,* paragraph (a), and *Second,* paragraph (c), above also on any day during an Interest Period using the amounts standing to the credit of any Account in accordance with the provisions of the Agency Agreement.

Post-Enforcement Priority of Payments

Following the delivery of a Trigger Notice pursuant to Condition 13 (*Trigger Events*), or in the event of redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), or optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), or on the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

(a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any due and payable Expenses (to the extent that amounts standing to the credit of the Expense Account have been insufficient

to pay such costs during the immediately preceding Interest Period), and

(b) unless an Insolvency Event has occurred in respect to the Issuer, to credit to the Expense Account such an amount equal to the lower of (1) the Retention Amount, and (2) any Expenses paid during the immediately preceding Interest Period;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof,

(a) any amounts due and payable on account of remuneration, fees or reimbursement of expenses on such Payment Date to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Servicer, the Back-Up Servicer, the Sub-Servicer and the Back-Up Sub-Servicer (but excluding any amount to be paid under item *Fourth* and *Tenth* below); and

(b) unless an Insolvency Event has occurred in respect to the Issuer, any other documented costs, fees and expenses or other amounts due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iv) *Fourth*, to pay to the Servicer any amounts due and payable pursuant to Article 8.1, paragraph (b), of the Servicing Agreement (i.e. fees due to the Servicer in respect of the activities carried out in relation to the Defaulted Receivables);

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (i) all amounts of interest due and payable on the Senior Notes, and (ii) any amount due as Commitment Fee to Duomo;

(vi) *Sixth*, to pay any Principal Amount Outstanding on the Senior Notes, until the redemption in full of

the Senior Notes;

(vii) *Seventh*, to pay all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Mezzanine Notes;

(viii) *Eighth,* to pay any principal amount due on the Mezzanine Notes;

(ix) *Ninth,* to pay all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(x) *Tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to Banca Valsabbina and the Other Issuer Creditors any indemnities and other amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(xi) *Eleventh*, subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay any principal amount on the Junior Notes provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100,000;

(xii) *Twelfth,* to pay the Additional Return to the Junior Noteholders;

(xiii) *Thirteenth*, subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due in respect of the Junior Notes.

Unless an Insolvency Event has occurred in respect to the Issuer, the Issuer shall, if necessary, make the payments set out under items *First,* paragraph (a), and *Second,* paragraph (c), above on any day during an Interest Period using the amounts standing to the credit of any Account in accordance with the provisions of the Agency Agreement.

6. REPORTS

Monthly Servicer's Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on each Monthly Servicer's Report Date, the Monthly Servicer's Report setting out certain information in relation to the performance of the Receivables and the Loans during the preceding Monthly Collection Period.

Quarterly Servicer's Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on each Quarterly Servicer's Report Date, the Quarterly Servicer's Report setting out

	certain information in relation to the performance of the Receivables and the Loans during the preceding Quarterly Collection Period.
Transparency Loan Report	Under the Servicing Agreement, the Servicer has undertaken to prepare and submit to the Reporting Entity, on a quarterly basis by no later than the Transparency Report Date, the Transparency Loan Report setting out certain information agreed with the Noteholders and in compliance with Article 7(1)(a) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.
Sub-Servicer Report	Under the Sub-Servicing Agreement, the Sub-Servicer shall prepare, on each Sub-Servicer Report Date, the Sub-Servicer Report.
Account Bank Report	Under the Agency Agreement, the Account Bank has undertaken to prepare, on each Account Bank Report Date, the Account Bank Report setting out information concerning, *inter alia*, the transfers and the balances relating to the Eligible Accounts.
Securities Account Report	Under the Agency Agreement, in the event that a Securities Account is opened, the Account Bank (in the event that the Securities Account has been opened with the Account Bank) has undertaken to prepare, on each Account Bank Report Date the Securities Account Report setting out the relevant Eligible Investments made during the preceding Collection Period pursuant to the Agency Agreement. In the event that a Securities Account is opened with an entity other than the Account Bank, such entity shall prepare the Securities Account Report.
Paying Agent Report	Under the Agency Agreement, the Paying Agent has undertaken to prepare, no later than the first day of each Interest Period, the Paying Agent Report setting out certain information in respect of certain calculations to be made on the Notes.
Cash Manager Report	Under the Agency Agreement, in the event that a Securities Account will be opened by the Issuer, the Cash Manager has undertaken to prepare, on or prior to each Cash Manager Report Date, the Cash Manager Report setting out certain information on the investments made during the preceding Collection Period.
Payments Report	Under the Agency Agreement, the Computation Agent has undertaken to prepare, on or prior to each Calculation Date, the Payments Report setting out*, inter alia,* the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the applicable Priority of Payments.
Transparency Investors' Report	Under the Agency Agreement:

(a) the Computation Agent has undertaken to prepare and submit to the Reporting Entity the Annex 12 Report (setting out all the information with respect to the Notes, required to comply with Article 7(1)(e) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards); and

(b) the Servicer has undertaken to prepare and submit to the Reporting Entity the Annex 14 Report (setting out all the information with respect to the Notes required to comply with Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and to be provided to the Designated Repository).

Such reports shall be prepared (i) by no later than the Transparency Report Date with reference ot the Annex 12 Report and (ii) in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation) has occurred, without delay with reference to the Annex 14 Report, it being understood that on each Transparency Report Date the Annex 14 Report shall indicate whether an inside information or a significant event has occurred or not.

Investors' Report

Under the Agency Agreement, the Computation Agent has undertaken to prepare, on or prior to each Investors' Report Date, the Investors' Report setting out certain information with respect to the Notes.

Incremental Instalment Request

Under the Agency Agreement, the Computation Agent has undertaken to cooperate with the Issuer in preparing on the Incremental Request Date the Incremental Instalment Request in the form attached to the Subscription Agreements.

Material Net Economic Interest in the Securitisation

Under the terms of the Subscription Agreements, Banca Valsabbina, in its capacity as Originator, has undertaken to the Underwriters, the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest in the Securitisation of not less than 5 (five) per cent., in accordance with option (a) of Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards;

(b) not change the manner in which such material net economic interest is held, unless expressly permitted by Article 6(3) of the EU Securitisation

Regulation and the applicable Regulatory Technical Standards;

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

(d) notify to the Noteholders, through the Investors' Report, any change to the manner in which the material net economic interest set out above is held, to the extent this is permitted under any applicable regulation; and

(e) comply with the disclosure obligations imposed on originators under Articles 7(1)(a) (making information available on loan by loan basis, including amortisation plans), 7(1)(e)(i) (making information available on loan by loan basis), and 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the EU Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with Article 6(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

7. TRANSACTION DOCUMENTS

Transfer Agreement

Pursuant to the Transfer Agreement, the Originator (a) has assigned and transferred to the Issuer all of its rights, title and interest in and to the Initial Portfolio and (b) may assign and transfer to the Issuer all of its rights, title and interest in and to any Further Portfolio during the Revolving Period and up to the end thereof, in accordance with the Securitisation Law and subject to the terms and conditions of the Transfer Agreement.

Repurchase Agreement

Pursuant to the Repurchase Agreement, the Originator has repurchased the Repurchased Receivable from the Issuer, subject to the terms and conditions set out thereunder.

Warranty and Indemnity Agreement

Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Aggregate Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain

liabilities of the Issuer incurred in connection with the purchase and ownership of the Aggregate Portfolio.

Servicing Agreement

Pursuant to the Servicing Agreement, the Servicer has agreed to administer service, collect and recover amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" (entity responsible for the collection of the assigned receivables and the cash and payment services) pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Prospectus pursuant to Article 2, paragraph 3(c) and Article 2, paragraph 6 *bis* of the Securitisation Law.

Back-Up Servicing Agreement

Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer has been appointed and has agreed to act as Successor Servicer in the event the appointment of the Servicer is terminated.

Sub-Servicing Agreement

Pursuant to the Sub-Servicing Agreement, the Servicer, with the consent of the Issuer, has appointed the Sub-Servicer as its sub-delegate in relation to certain operational activities relating to the management, administration and recovery of the Receivables comprised in the Aggregate Portfolio and the request, maintenance and enforcement of the FCG Guarantee, in accordance with the terms and conditions of the Sub-Servicing Agreement.

Back-Up Sub-Servicing Agreement

Pursuant to the Back-Up Sub-Servicing Agreement, the Back-Up Sub-Servicer has been appointed and has agreed to act as Successor Sub-Servicer in the event the appointment of the Sub-Servicer is terminated.

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the Issuer and the Other Issuer Creditors have agreed, *inter alia*, to apply the Issuer Available Funds on each Payment Date in accordance with the applicable Priority of Payments, the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio and the circumstances in which the Issuer may dispose of the Aggregate Portfolio.

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

Under the Intercreditor Agreement, all the parties thereto

	have acknowledged and accepted that, for the purpose of compliance with Article 20(7) of the EU Securitisation Regulation, (a) any disposal of the Aggregate Portfolio and/or the Receivables is permitted only in limited circumstances provided for in the Transaction Documents, and (b) none of such circumstances constitutes an active portfolio management of the Aggregate Portfolio. Further, pursuant to the Intercreditor Agreement, the Issuer, the Originator and the Servicer have undertaken that in no event the Aggregate Portfolio shall be managed in order to allow an active management on a discretionary basis as set forth in Article 20(7) of the EU Securitisation Regulation.
Agency Agreement	Pursuant to the Agency Agreement, the Servicer, the Computation Agent, the Account Bank, the Paying Agent and the Cash Manager have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling, investment and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts. Pursuant to the *terms* of the Agency Agreement, amounts standing from time to time to the credit of the Eligible Accounts may be invested in Eligible Investments.
Corporate Services Agreement	Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain administrative and corporate services, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables and with other regulatory requirements imposed on the Issuer.
Stichting Corporate Services Agreement	Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide certain corporate administrative services to the Sole Quotaholder.
Senior Notes Subscription Agreement	Pursuant to the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Senior Notes and the Senior Notes Underwriters have agreed to subscribe for such Senior Notes, subject to the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the Noteholders.
Mezzanine Notes Subscription Agreement	Pursuant to the Mezzanine Notes Subscription Agreement, the Issuer has agreed to issue the Mezzanine Notes and the Mezzanine Notes Underwriters have agreed to subscribe for such Mezzanine Notes, subject to

	the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the Noteholders.
Junior Notes Subscription Agreement	Pursuant to the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Junior Notes and the Junior Notes Underwriters have agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the Noteholders.
Master Definitions Agreement	Pursuant to the Master Definitions Agreement, the Issuer and the Other Issuer Creditors have agreed on the definitions of certain terms used in the Transaction Documents and the relevant principles of interpretation.

RISK FACTORS

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

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons. While the various structural elements described in this 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 that the holders of any Class receive payment of interest or repayment of principal from the Issuer on the Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

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

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

RISK FACTORS RELATED TO THE ISSUER

Securitisation Law

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

Issuer's ability to meet its obligations under the Notes

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

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

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

No independent investigation in relation to the Receivables

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

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

Commingling Risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer or the Sub-Servicer, the Collections held by the Servicer are lost or frozen. In 2013 and 2014, the Securitisation Law has been amended so as to clarify, *inter alia*, that, should any insolvency procedure be opened against the relevant servicer as account-holder, any positive balance standing to the credit of the relevant bank account/s, as well as any amounts credited to such account/s during such procedure, shall be immediately returned to the Issuer regardless the ordinary procedural rules about the filing of claims and distribution of payments out of the insolvency estate.

However, such risk is mitigated through the obligation of the Servicer or the Sub-Servicer under the Servicing Agreement and the Sub-Servicing Agreement to transfer any Collections held by the Servicer or the Sub-Servicer to the Collection Account on a periodical basis.

Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the Scheduled Instalment Dates. This risk is mitigated, in respect of the Senior Notes, through the establishment of a cash reserve into the Cash Reserve Account.

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

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

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

Credit Risk on the Originator and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer and the Sub-Servicer to service the Aggregate Portfolio and to recover the amounts relating to Defaulted Receivables (if any). In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations

under the Warranty and Indemnity Agreement in respect of the Aggregate Portfolio. The performance by such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

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

The Originator faces significant competition from a large number of banks throughout Italy and abroad. The deregulation of the banking industry in Italy and throughout the European Union has intensified competition in both deposit-taking and lending activities, contributing to a progressive narrowing of spreads between deposit and loan rates. In addition, as with all European banks, the introduction of the EMU may eliminate markets in which the Originator has a comparative advantage and provide significantly more competition in other areas, such as electronic banking.

Claims of unsecured creditors of the Issuer

By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections will be segregated from all the other assets of the Issuer (including any other receivable purchased by the Issuer pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. Amounts deriving from the Aggregate Portfolio will not be available to any other creditor 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.

Under Italian law, *prima facie*, 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 the Other Issuer Creditors would have the right to claim in respect of the Receivables, even in the event of bankruptcy of the Issuer.

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any Further Securitisation because (a) the corporate object of the Issuer, as contained in its by-laws (*statuto*) is very limited and (b) under the Terms and Conditions, the Issuer has undertaken to the Noteholders, *inter alia*, not to engage in any activity whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide and envisage that the Issuer will engage. Therefore, the Issuer must comply with certain covenants provided for by the Terms and Conditions which contain restrictions on the activities which the Issuer may carry out (including incurring further substantial debt), with the result that the Issuer may only carry out limited transactions in connection with the Securitisation and, subject to the satisfaction of Condition 5.2 (*Covenants - Further Securitisations*), Further Securitisations. Accordingly, the Issuer is less likely to have creditors who would claim against it other than the ones related to the Further Securitisations, if any, the Noteholders and the Other Issuer Creditors (all of whom have agreed to non-petition provisions contained in the Transaction Documents) 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 Expense Account, into which the Retention Amount shall be credited on the Issue Date and refilled on each Payment Date 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 Collection Period.

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

The Issuer may carry out Further Securitisations in addition to the Securitisation described in this Prospectus in accordance with Condition 5.2 (*Covenants -Further Securitisations*).

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

RISK FACTORS RELATED TO THE NOTES

Suitability

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

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

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

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

Source of Payments to Noteholders

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

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

Limited Recourse Nature of the Notes

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

Yield and Prepayment Considerations

The yield to maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of repayment of principal on the Loans (including prepayments and proceeds deriving from the enforcement of the Guarantee and those from the enforcement of a Loan) and on the actual date (if any) of exercise of the Optional Redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*). Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Loans.

The rates of prepayment, delinquency and default of Loans cannot be predicted and are influenced by a wide variety of economic, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions and certain existing Italian legislation which simplifies the refinancing of loans and any future legislation which may be enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments, delinquency and default that the Loan will experience. The yield to maturity of the Notes will also depend on the actual date (if any) of exercise of the optional redemption provided for by Condition 8 (*Redemption, Purchase and Cancellation*). Such yield may be adversely affected by higher or lower than anticipated rates of payment, delinquency and default of the Receivables.

Subordination

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, subject to the provisions of the relevant Priority of Payments, the Notes of each Class rank as set out in Condition 6 (*Priority of Payments*).

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders and then (to the extent that the Mezzanine Notes have not been redeemed) by the Mezzanine Noteholders as described above.

As long as the Notes are outstanding, the Most Senior Class of Noteholders shall be entitled to determine the remedies to be exercised in connection with the outstanding Notes.

Limited Enforcement Rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders to the extent provided by the Transaction Documents. The Terms and Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to bring individual actions against the Issuer.

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

Risks relating to certain potential conflict of interests

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

Without limiting the generality of the foregoing, under the Securitisation (i) Banca Valsabbina, will act as Arranger, Originator, Servicer, Reporting Entity, Senior Notes Underwriter, Mezzanine Notes Underwriter and Junior Notes Underwriter, (ii) BNYM will act as Paying Agent and Account Bank, (iii) Banca Finint will act as Arranger, Corporate Servicer, Computation Agent and Mezzanine Notes Underwriter. Furthermore, the Sole Director of the Issuer is also an employee of Banca Finint

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

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

The Representative of the Noteholders

The Terms and Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretion of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Class of Notes ranking highest in the order of priority then outstanding.

Limited Secondary Market

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

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

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

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

Changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed

securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arrangers or any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various types of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Originator, the Arrangers or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors in the Notes who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by the Basel Committee on Banking Supervision (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to the certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019, including securitisations established prior to the date where further securities are issued on or after 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originator, the Servicer, the Sub-Servicer, the Back-Up Servicer, the Back-Up Sub-Servicer, the Reporting Entity, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Cash Manager, the Paying Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Sole Quotaholder, the Underwriters or the Arrangers or any other party to the Transaction Documents

makes any representation to any prospective investor regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. For further details, see the risk factors entitled "*The EU Securitisation Regulation and the STS framework*", "*Investors' compliance with the due diligence requirements under the Securitisation Regulation*" and "*Disclosure requirements CRA Regulation and EU Securitisation Regulation*" below.

The EU Securitisation Regulation and the STS framework

On 12 December 2017, the European Parliament adopted Regulation (EU) 2017/2402 (the "**EU Securitisation Regulation**") which applies from 1 January 2019. The EU Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to Article 32 of Directive (EU) 2016/2341. Secondly, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("**STS-Securitisations**").

The general framework established by the EU Securitisation Regulation

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. 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 Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the securitisation transaction described in this Prospectus are subject to the requirements of the EU Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, including with regard to the risk retention requirements under Article 6 of the EU Securitisation Regulation and transparency obligations imposed under Article 7 of the EU Securitisation Regulation. 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.

With respect to the commitment of the Originator to retain a material net economic interest in the Securitisation in accordance with option set out in Article 6, paragraph 3(a) of the EU Securitisation Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Article 7 of the EU Securitisation Regulation, please refer to the sections entitled "*Subscription and Sale - Regulatory Disclosure and Retention Undertaking*" and "*General Information - Transparency Requirements*".

The STS framework established by the EU Securitisation Regulation

The EU Securitisation Regulation applies to the fullest extent to the Notes. The Securitisation is intended to qualify as a STS-Securitisation within the meaning of Article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the EU Securitisation Regulation and it has been notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation.

No assurance can be provided that the EU Securitisation does or continues to qualify as an STS-Securitisation under the Securitisation Regulation at any point in time in the future.

Non-compliance with the status of an STS-Securitisation may result in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Investors' compliance with due diligence requirements under the EU Securitisation Regulation

Investors should be aware of the due diligence requirements under Article 5 of the EU 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 EU Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

(a) that institutional investor has verified that:

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

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

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

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

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

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

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

Aspects of the requirements and what is or will be required to demonstrate compliance to national

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

Disclosure requirements under CRA Regulation and EU Securitisation Regulation

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 (**SFIs**). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the CRA Regulation, came into force on 26 January 2015. These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation no. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to Article 8b of the CRA Regulation by that date. In the press release ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the EU Securitisation Regulation. Accordingly, pursuant to the obligations set forth in Article 7(2) of the EU Securitisation Regulation, the originator, sponsor and securitisation special purpose entity (**SSPE**) of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the EU Securitisation Regulation will in turn disclose information on securitisation transactions to the public. With the application of these provisions, the disclosure requirements of the CRA Regulation concerning SFI's are also addressed.

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

Bank Recovery and Resolution Directive

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

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

The Bank Recovery and Resolution Directive applies, *inter alia*, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

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

The main resolution tools referred to in the BRRD are (a) the sale of business tool, (b) the bridge institution

tool, (c) the asset separation tool and (d) the bail-in tool, which can be applied individually or in any combination by the relevant resolution authority.

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

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

Liquidity Coverage Ratio And High Quality Liquid Assets

Further to the introduction of the Liquidity Coverage Ratio ("**LCR**") under the CRR, a delegated act has been adopted in October 2014 and published in the Official Journal of the European Union in January 2015 (the "**Delegated Act**"). The Delegated Act sets out rules governing what assets can be considered as high quality liquid assets ("**HQLA**") and how the expected cash outflows and inflows are to be calculated under stressed conditions. HQLA are assets that can be sold on private markets with no loss or little loss of value, even in stressed conditions.

The Delegated Act applied from 1 October 2015, under a phase-in approach before it became binding from 1 January 2018. This progressive implementation of the LCR was meant to allow credit institutions sufficient time to build up their liquidity buffers, whilst preventing a disruption of the flow of credit to the real economy during the transitional period.

With specific reference to securitisation transaction, the Delegated Act - recognizing the good liquidity performance of certain securitisations and in order to ensure consistency across financial sectors - identifies certain criteria to be complied with by securitisation instruments to be eligible as level 2B assets for credit institutions' liquidity buffers.

As the criteria for asset-backed securities to qualify as level 2B assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR regulation generally and the criteria applicable to level 2B assets in particular, it is not certain whether the Senior Notes qualify as level 2B assets for the purposes of the LCR and the Issuer makes no representation whether such criteria are met by such Notes.

In general, 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 in their particular circumstances and in light of, *inter alia*, this specific matter, based upon their own judgment and upon advice from their own advisers as they may deem necessary and/or by seeking guidance from their relevant national regulator.

No predictions can be made as to the precise effect of such matter on any investor or otherwise and neither the Issuer nor any other transaction party gives a representation to any investor that the information described in this Prospectus is sufficient in all circumstances for such purposes.

U.S. Risk Retention requirements

The credit risk retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities including asset backed securities backed by auto-loans, such as the Loan Receivables on 24 December 2016. The U.S. Risk Retention Rules generally require the "sponsor" of a "securitisation

transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

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

Prior to any Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Originator that it is a Risk Retention U.S. Person and obtain the written consent of the Originator, which will be monitoring the level of Notes purchased by, or for the account or benefit of, Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. There can be no assurance that the requirement to obtain the Originator's written consent to the purchase of any Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

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

None of the Issuer, the Originator, the Servicer, the Arrangers, the Underwriters, the Representative of the Noteholders or any other party to the Transaction Documents, or any of their respective affiliates, makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and by the CRD IV in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Volcker Rule

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the

Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the Volcker Rule.

The Volcker Rule generally prohibits "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring" a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the ICA) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

Not all investment vehicles or funds, however, fall within the definition of a "covered fund" for the purposes of the Volcker Rule. For example, for most non-U.S. banking entities, a non-U.S. issuer that offers its securities only to non-U.S. persons may be considered not to be a "covered fund. Additionally, the Issuer should not be a "covered fund" for the purposes of the regulations adopted to implement Section 619 of the Volcker Rule, and also should be able to qualify for the "Loan Securitization Exclusion" provided under Section 10(c)(8) of the Volcker Rule, although there may be additional exclusions or exemptions available to the Issuer. However, if the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer and this could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements. "Ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund. Amendments to the Volcker Rule provide that ownership interests do not include certain senior loans or senior debt interests with specified characteristics.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arrangers or any other party to the Transaction Documents makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

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

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" ("**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any notes linked to a Benchmark, such as the Senior Notes given that they are linked to the EURIBOR.

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

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies.

The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of Benchmarks and (ii) ban the use of Benchmarks of unauthorised administrators. The Benchmarks Regulation entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for "critical" benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016.

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

Any of the international, national or other reforms (or proposals for reform) or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

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

Furthermore, pursuant to the Terms and Conditions in certain circumstances, EURIBOR may be amended if an Alternative Base Rate is determined in accordance with Condition 7.7 (*Fallback Provisions*). In this respect, please see the section entitled "*Terms and Conditions of the Notes*".

RISK FACTORS RELATED TO THE UNDERLYING ASSETS

Right to future Receivables

Under the Transfer Agreement, the Originator has transferred to the Issuer also the claims relating to the FCG Guarantee, any prepayment fees (if any) and any indemnities payable upon early repayment of the

Loans or termination of the Loan Agreements. If the Originator is or becomes insolvent, the court may treat the above claims as "future receivables". The Issuer's claims to any future receivables that have not yet arisen at the time of the Originator's admission to the relevant insolvency proceeding might not be effective and enforceable against the insolvency receiver of the Originator.

The recovery of amounts due in relation to the Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Aggregate Portfolio which in Italy can take a considerable amount of time depending on the type of action required and where such action is taken and on several other factors, including the following: (i) proceedings in certain courts involved in the enforcement of the Loans and other Guarantees may take longer than the national average; (ii) obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years and (iii) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and whether or not the relevant Debtor raises a defence or counterclaim to the proceedings.

Insolvency proceedings of the Debtors

The Loans have been entered into with Debtors which are commercial companies or commercial entrepreneurs (*imprenditore che esercita un'attività commerciale*) and, as such, may be subject to bankruptcy proceedings (*procedure concorsuali*) or judicial liquidation (*liquidazione giudiziale*) under the Italian Bankruptcy Law being, *inter alia*, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*).

Bankruptcy procedure applies to commercial entrepreneurs which are in a state of insolvency. An entrepreneur which is a "state of financial distress" (which may not be a state of insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*). Such agreement may provide for the restructuring of debts and terms for the satisfaction of creditors, the assignment of **t**he debtor's assets, the division of creditors in classes and the different treatments for creditors belonging to different classes. Furthermore, pursuant to Article 182-*bis* of the Royal Decree 267 and Article 57 of the New Bankruptcy Code, an entrepreneur in a state of financial distress can enter into a debt restructuring agreement with its creditors representing at least 60 per cent. of the debtor's debts, together with, *inter alia*, a report of an expert in relation to the feasibility of said agreement, particularly with respect to the regular payments of the debts to the creditors who have not entered into the agreement.

With respect to such insolvency proceedings, due to their complexity, the time involved and the possibility for challenges and appeals by the Debtors and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of the outstanding amounts due under the Loans or that such proceedings would be concluded before the stated maturity of the Senior Notes and the Mezzanine Notes.

For further details see the following paragraph entitled "*Prepayments under Loan Agreements*" of this section entitled "*Risk Factors*".

Loans' Performance

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

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

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

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

Law No. 302 of 3 August 1998 and Law No. 80 of May 2005 allowed notaries and certain lawyers and accountants to conduct certain stages of the foreclosure procedures in place of the courts, aiming to reduce the length of foreclosure proceedings.

Suspension of payments under the Conventions

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

The suspension applied on the following conditions:

(a) SME had to be under temporary financial difficulties, but with an economic and financial situation which could guarantee the business continuity;

(b) as at 30 September 2008, the SME's positions were classified by the bank as performing (*in bonis*);

(c) at the time of the request of the suspension, (i) the SME had no positions classified as restructured (*ristrutturate*) and non performing (*in sofferenza*) and (ii) no enforcement procedures were commenced;

(d) at the time of the request of the suspension, (i) the instalments had to be timely paid or (ii) in case of late payments, the relevant instalment had not been outstanding for more than 180 days from the date of such request.

The Italian Banking Association communication dated 1 July 2010 extended until 31 January 2011 the available period to file a request of suspension.

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

On 16 February 2011 the Italian Banking Association, the Office of the Prime Minister and the Economy and Finance Ministry entered into a further convention (the "***Accordo per il Credito alle PMI***"), providing for, *inter alia*:

(a) a six-month extension (until 31 July 2011) of the available period to file a request of suspension of payments under the *Avviso Comune*;

(b) the possibility for SME that have already requested a suspension of payments under the *Avviso Comune* to request:

  (i) an extension of the duration of the loans for a maximum period equal to the residual duration of the relevant amortisation plan; and

  (ii) to execute with the relevant banks certain hedging agreements in order to convert a floating rate into a fixed rate or to fix a cap to floating rate of interest.

Finally, on 28 February 2012 the Economy and Finance Ministry, the Economic Development Ministry, the Italian Banking Association ("**ABI**") and the main trade associations representing enterprises entered into a new convention (the "***Nuove Misure per il Credito alle PMI***" and, together with the *Avviso Comune*, the

"**Conventions**") providing for facilities measures to be granted to SME which, at the time of the request of the suspension, have no positions classified as non-performing (*sofferenze*), delinquent batches (*partite incagliate*), restructured exposures (*esposizioni ristrutturate*) or exposures outstanding for more than 90 days (*esposizioni scadute/sconfinanti*) and no enforcement procedures pending (performing enterprises (*imprese in bonis*)).

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

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

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

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

(b) the possibility for SME that have not already requested a suspension of payments under the *Accordo per il Credito alle PMI* to request an extension of the duration of the loans for a maximum period equal to the residual duration of the relevant amortisation plan.

On 1 July 2013, ABI and the associations of the representative of the companies entered into a further convention which provides for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the suspension under the convention of 28 February 2012. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for SMEs that have not already requested a suspension under the convention of 28 February 2012 to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans. Any requests under item (i) and (ii) above to be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension as at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

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

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

On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date.

On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention which provides for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which were outstanding as at the date of the convention and did not benefit from the suspension or extension of the duration in the 24-month period prior to the date of the request of suspension, except for the easing of terms generally applying by operation of law. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date

of the request; and (ii) the possibility for SMEs that have not requested a suspension or an extension of loans in the 24-month period prior to the request, except for the easing of terms generally applying by operation of law, to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. As further condition, in order to benefit either from the suspension or the extension of duration, SMEs shall have, as at the date of the request, no positions which could be classified as unlikely to pay ("*inadempienze probabili*") and restructured ("*ristrutturate*"). Any request under the item (i) and (ii) above was to be submitted by 31 December 2018, without prejudice to the rights of the parties to withdraw by the 31 December of each year.

On 15 November 2018, ABI and the associations of the representative of the companies signed a new further convention (the "**2019 SMEs Convention**") which provides for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long term loans which are outstanding as at the date of the convention and did not benefit from the suspension or extension of the duration in the 24-month period prior to the date of the request of suspension, except for the easing of terms generally applying by operation of law. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the request; and (ii) the possibility for SMEs that have not requested a suspension or an extension of loans in the 24-month period prior to the request, except for the easing of terms generally applying by operation of law, to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans. Any requests under item (i) and (ii) above to be submitted by 31 December 2020.

In addition, on 6 March 2020, ABI and the associations of the representative of the companies signed an addendum to the the 2019 SMEs Convention (the "**Addendum**"), according to which, inter alia, the initiatives provided under (i) and (ii) above set out in the 2019 SMEs Convention have been extended to loans outstanding as at 31 January 2020 granted in favour of companies damaged by the Covid-19 outbreak. The Addendum provides that all other conditions set out under the 2019 SMEs Convention are not modified.

Prospective Noteholders should note that under the Warranty and Indemnity Agreement, Banca Valsabbina has represented and warranted that as at the Valuation Date of the relevant Portfolio there are no Debtors who benefit of the suspension of payments of instalments also pursuant to:

(i) the common announcement subscribed on 3 August 2009 by the Ministry of Economy and Finance and the Italian Banking Association ("*Avviso Comune*"), as subsequently amended and supplemented;

(ii) the agreement subscribed on 28 February 2012 by the Economy and Finance Ministry, the Economic Development Ministry, the main trade associations representing enterprises and the Italian Banking Association ("*Nuove Misure per il Credito alle Piccole e Medie Imprese*"), as subsequently amended and supplemented; and

(iii) the 2019 SMEs Convention, as subsequently amended and supplemented.

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

Following the Covid-19 outbreak in Italy, certain measures have been adopted, aimed at sustaining income of employees, self-employed, self-employed professionals, small and medium-sized enterprises, including suspension of instalments payment. Indeed, starting from March 2020, the Italian Government has adopted a series of measures, also through the Law Decree No. 18 of 17 March 2020, as amended and supplemented from time to time (the "**Cura Italia Law Decree**"). The Cura Italia Law Decree has introduced certain measures in favour of small and medium-sized enterprises and specific economic sectors including measures aimed at grating moratorium, rescheduling or suspension of payments.

The Cura Italia Decree has also reduced the requirements for access to the State guarantee and has increased the intervention of the Guarantee Fund for SMEs ("*Fondo di Garanzia per le PMI*") itself.

Furthermore, the Law Decree No. 23 of 8 April 2020 ("**Liquidity Law Decree**") as converted with modifications by Law No. 40 of 5 June 2020, has provided for the granting of additional form of guarantee through SACE Simest, a company of the *Cassa Depositi e Prestiti Group* and has implemented the provision contained in Article 49 of the Cura Italia Decree. The Liquidity Law Decree makes further exceptions to the Guarantee Fund's ordinary rules, which will apply until 31 December 2020, simplifying the bureaucratic procedures to access to the Guarantee Fund and increasing its financial capacity to generate liquidity. Among the measures introduced by the Liquidity Law Decree, the duration of the Guarantee Fund is automatically extended for SMEs in agreement with the relevant bank to suspend payments pursuant to the provisions of article 13, paragraph 1, letter f) of the Liquidity Law Decree ("*moratoria*").

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

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

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

Prospective Noteholders should also note that under the Servicing Agreement and the Sub-Servicing Agreement, the Servicer and the Sub-Servicer have undertaken to adhere, in the name and on behalf of the Issuer, to Settlement Agreements exclusively within the terms and limits provided for therein in respect of, *inter alia*, settlements, renegotiations and suspensions.

Risks relating to Ukraine crisis

In February 2022, Russia launched a military assault on Ukraine. The assault started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic in the days prior to the military assault. The situation in Eastern Europe has led to significant volatility in the global credit markets and on the global economy. Such conflict between Russia and Ukraine has the potential to escalate further, resulting in elevated geopolitical instability, trade restrictions, disruptions to global supply chains, increases in energy prices with flow-on global inflationary impacts, and a potential adverse impact on markets and a downturn in the global economy.

RISK FACTORS RELATED TO TAX MATTERS

Tax Treatment of the Issuer

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

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

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

As confirmed by the tax authority (Ruling No. 222 issued by *Agenzia delle Entrate* on 5 December 2003), the interest accrued on the Accounts will be subject to withholding tax on account of corporate income tax. As of the date of this Prospectus, such withholding tax is levied at the rate of 26 per cent. and is to be imposed at the time of payment.

Withholding Tax under the Notes

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

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

U.S. Foreign Account Tax Compliance Withholding

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

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

The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015.

Since the FATCA regulations are complex and uncertain in some respects, in particular with respect to the

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

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, the Arrangers or any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

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

GENERAL RISK FACTORS

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 Royal Decree 267 or Article 166 of the New Bankruptcy Code, as the case may be, but only in the event that the adjudication of bankruptcy of the Originator is made within three months from the securitisation transaction or, in cases where paragraph 1 of Article 67 of the Royal Decree 267 or Article 166 of the New Bankruptcy Code (as the case may be) applies, within six months from the securitisation transaction.

Interest Rate Risk

The Receivables include interest payments calculated at interest rates and interest periods which are different from the interest rates and interest periods applicable to interest in respect of the Senior Notes or the Mezzanine Notes.

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Senior Notes and the Mezzanine Notes primarily from the payments relating to the Collections. However the interest component in respect of such payments may have no correlation to the EURIBOR rate from time to time applicable in respect of the Senior Notes or the Mezzanine Notes.

The interest rate risk in respect of the Senior Notes and the Mezzanine Notes would consist in the basis risk (i.e. the risk represented by the mismatch between the floating rate payable on the Senior Notes or the Mezzanine Notes and the floating rate payable in respect of the Loans).

Prospective Noteholders should also note that the composition of the Aggregate Portfolio and the cash flows that shall derive therefrom have been appropriately evaluated and, notwithstanding the above, the Receivables have the characteristics that would demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

In this respect, please see paragraph "*Changes or uncertainty relating to Euribor may affect the value or payment of interest under the Senior Notes*" above.

Historical Information

The historical financial and other information set out in the sections headed *"Banca Valsabbina"* and *"The*

Aggregate Portfolio", including in respect of the default rates, represents the historical experience of Banca Valsabbina, which accepts responsibility for the fairness and accuracy of these sections. However, there can be no assurance that the future experience and performance of Banca Valsabbina as Originator will be similar to the experience shown in this Prospectus.

Servicing of the Aggregate Portfolio

The Receivables comprised in the Aggregate Portfolio have been serviced by Banca Valsabbina in its capacity as Servicer starting from the relevant Transfer Date pursuant to the Servicing Agreement. Previously, the Receivables comprised in the Aggregate Portfolio were always serviced by Banca Valsabbina in its capacity as owner of the Receivables comprised in the Aggregate Portfolio.

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

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

Rights of Set-off (*compensazione*) and Other Rights of the Debtors

Under general principles of Italian law, the borrowers are entitled to exercise rights of set-off in respect of amounts due under any Loan Agreement against any amounts payable by the originator to the relevant borrower.

The assignment of receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice in the Official Gazette and (ii) the date of its registration in the competent companies' register. Consequently, Debtors may exercise a right of set off against the Issuer on the basis of claims against the Originator and/or the Issuer which have arisen before both the publication of the notice in the Official Gazette and the registration in the competent companies register have been completed.

In addition, on 24 December 2013, Decree No. 145 came into force providing that "*from the date of the publication of the notice of the assignment in the Official Gazette or from the date certain at law on which the purchase price has been paid, even in part, (…) in derogation from any other provisions, the relevant assigned debtors may not set-off the receivables purchased by the securitisation company with such debtors' receivables vis-à-vis the assignor arisen after such date.*".

The transfer of the Initial Portfolio from Banca Valsabbina to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 10 February 2023 and (ii) published in the Official Gazette No.20, Part II, of 16 February 2023.

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

Italian Usury Law

Italian law No. 108 of 7 March 1996 (as amended and supplemented from time to time, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the threshold rates – *tassi soglia* - (the "**Usury Rates**") set every three months by a Decree issued by the Italian Treasury (the last such Decree having been issued on 26 September 2020 and published in the Official Gazette of 30 September 2020 No. 242 and being applicable for the quarterly period from October to December). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into

account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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

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

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

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

The Italian Supreme Court, under decision No. 350/2013, as recently confirmed by decision No. 23192/17, has clarified that the default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rates. Such interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates.

Prospective Noteholders should note that whilst the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses, claims, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the relevant Loans as a result of the application of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Senior Notes may

be adversely affected as a result of a Loan being found to be in contravention with the Usury Law, thus allowing the relevant borrower to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such Loan.

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

Compounding of Interest (*Anatocismo*)

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

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

According to a ruling of the Tribunal of Bari dated 29 October 2008 the amortisation plans known as "French amortisation plans" (applied to certain type of loans in Italy, such as the Loan Agreements) are not valid, being in breach of Articles 1283 and 1284 of the Italian Civil Code. The rationale behind such ruling seems to be, *inter alia*, that the French amortisation plans would *per se* lead to apply to the relevant loan an interest rate higher than the interest rate contractually agreed between the lender and the borrower and, therefore, to increase the cost of the financing for the borrower. According to such ruling, banks which use in their loans the French amortisation plan would be in breach of Article 1283 and 1284 as the relevant rate of interest and the cost of the financing would not be clearly indicated in the relevant loan agreement. As a result, the relevant contractual interest rate may be challenged by the relevant borrower and the legal interest rate may apply.

It should be noted that paragraph 2 of Article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Law No. 147 of 27 December 2013. In particular, such Law (become effective on 1 January 2014), seems to remove the possibility for compounding of interest.

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

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the

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

Concentration of roles in Banca Valsabbina

Under the terms of the Transaction Documents Banca Valsabbina has performed and will perform multiple roles in the context of the Securitisation, such as, *inter alia*, the Originator and the Servicer. The concentration of such roles in one entity may, in the event of insolvency of Banca Valsabbina, adversely impact the structure of the Securitisation and the Issuer's ability to meet its obligations under the Notes. Prospective Noteholders should note, however, that such risk is mitigated by the provisions of the Transaction Documents, which already provide and regulate the terms and conditions of the replacement of the different Issuer's counterparts in the context of the Securitisation.

Change of Law

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

Projections, forecasts and estimates

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

Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this 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 in this Prospectus to reflect events or circumstances occurring after the date of this Prospectus.

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 of any Class may occur for other reasons. 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.

THE AGGREGATE PORTFOLIO

Introduction

The Aggregate Portfolio is comprised of the Initial Portfolio and all the Further Portfolios purchased from time to time by the Issuer under the Transfer Agreement during the Revolving Period. The Aggregate Portfolio consists of receivables arising out of commercial loans granted by the Originator to small and medium enterprises and with the benefit of the State guarantee provided by Italian law No. 662 of 23 December 1996, as amended and supplemented from time to time.

The Receivables included, or to be included, in the Aggregate Portfolio do not, and will 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, swaps or other derivatives instruments or synthetic securities.

Eligibility criteria for the Aggregate Portfolio

All the Receivables comprised in the Initial Portfolio and in any Further Portfolio purchased and to be purchased have been selected and will be selected on the basis of (a) certain common criteria listed in schedule 2 to the Transfer Agreement (the "**Common Criteria**"), and (b) certain further specific criteria listed in schedule 3 to the Transfer Agreement (the "**Specific Criteria**" and, together with the Common Criteria, the "**Criteria**").

Common Criteria

All the Receivables comprised in the Initial Portfolio and in any Further Portfolio purchased and to be purchased by the Issuer from Banca Valsabbina pursuant to the Transfer Agreement arise from Loans which, as at the relevant Valuation Date (save as otherwise specified), met or will meet the following Common Criteria:

(a) they were disbursed in accordance with loan agreements governed by Italian law and there are no obligations for further disbursement:

(b) they were disbursed by Banca Valsabbina, as the sole lender;

(c) do not derive from the splitting of other loans;

(d) in respect of which the main debtors (also following an assumption (*accollo*) of the relevant commercial Loan):

1. are, as at the relevant Valuation Date:

   (i) entities with registered office in the Republic of Italy; or

   (ii) small and medium enterprises that may benefit of the FCG Guarantee (*Fondo di Garanzia*); or

   (iii) enterprises in the form of sole proprietorships, general partnerships, limited partnerships, limited liability companies, joint-stock companies or limited liability cooperatives, having registered office in Italy and which fall under the definition of Small and Medium-Sized Enterprises (SMEs) in accordance with Recommendation 2003/361/EC of the European Commission of 6 May 2003, that entered the relevant loan within the context of their business and/or professional activity; or

   (iv) companies established by at least 2 years;

2. are not, as at the relevant Valuation Date:

   (i) public entities or other similar entities, entities with public participation, banks or financial companies, ecclesiastical or religious bodies, institutions or organisations for assistance and charity or other no-profit entities; or

   (ii) persons who, including as co-owners of the relevant Loan, have been or, on the

relevant Valuation Date, were employees or bank representatives (pursuant to Article 136 of the Consolidated Banking Act) of the Originator;

(e) are denominated in Euro and the relevant Loan agreements do not contain provisions allowing conversion into any other currency;

(f) in respect of which the Loan agreements provide for repayment through the payment of monthly instalments;

(g) in respect of which the amount originally granted to the debtor pursuant to the relevant Loan agreement is lower than or equal to Euro 800,000.00;

(h) whose residual debt in principal pursuant to the relevant Loan agreement:

(i) does not exceed Euro 800,000.00; and

(i) is not lower than Euro 50,000.00;

(i) in respect of which at least one instalment is past due and has been paid by the relevant debtor;

(j) have not been stipulated or entered into (as indicated in the relevant Loan agreement) pursuant to any law or regulation which provides the granting of:

(i) financial facilitations (so-called "subsidized Loans" (*finanziamenti agevolati*));

(ii) public contributions of any kind;

(iii) other facilitations or reductions in favour of the relative debtors, or any other guarantors with regard to capital and/or interests;

(k) in respect of which the relevant debtor is not benefiting of the suspension of the payment of the instalments pursuant to any applicable law or any agreements entered into between the relevant debtor and the Bank;

(l) whose amortisation plan is "French" (by which is meant that amortisation method under which all the instalments include a capital component fixed at the time of disbursement and increasing over time and a variable interest component, as it can be seen at the date of conclusion of the Loan or, if it exists, of the last agreement relating to the amortisation system);

(m) are not Loans classifiable as "in default" within the meaning of Article 178(1) of Regulation (EU) 575/2013, as amended, unlikely to pay ("*inadempienze probabili*") or non performing ("*sofferenze*") in accordance with the Bank of Italy Supervisory Regulations;

(n) are Loans in respect of which no Instalment is due and unpaid;

(o) in respect of which the relevant Loan agreement provides for repayment by the relevant debtor by means of

(i) a direct debit on a current account held by the relevant debtor and opened with Banca Valsabbina; or

(ii) a pre-authorised direct debit (i.e. "Sepa Direct Debit") on a bank account held by the relevant debtor with a credit institution other than Banca Valsabbina;

(p) are not Loans secured by a mortgage;

(q) are not Loans granted to debtors whose activity is in:

(i) one of the following sectors identified by the following ATECO codes:

(1) 46.18.92 AGENTS AND REPRESENTATIVES FOR WATCHES, PRECIOUS OBJECTS AND METALS;

(2) 47.77.00 RETAIL TRADE IN WATCHES, JEWELRY AND SILVERWARE ARTICLES;

(3) 47.78.36 RETAIL TRADE IN TRINKETS AND COSTUME JEWELRY (INCLUDING SOUVENIR ITEMS AND ITEMS FOR ADVERTISING PROMOTION);

(4) ATECO F CONSTRUCTIONS (INCLUDING THE CONSTRUCTION OF BUILDINGS, CIVIL ENGINEERING AND SPECIALIZED CONSTRUCTION WORK;

(5) 46.77 WHOLESALE TRADE OF WASTE AND SCRAP;

(6) 01.15 CULTIVATION OF TOBACCO;

(7) 12.00 TOBACCO INDUSTRY;

(8) 46.35 WHOLESALE TRADE OF TOBACCO PRODUCTS;

(9) 47.26 RETAIL TRADE OF TOBACCO PRODUCTS IN SPECIALISED ACTIVITIES;

(10) 47.78.94 RETAIL TRADE IN ADULT ITEMS (SEXY SHOP);

(11) 25.40 MANUFACTURING OF WEAPONS AND AMMUNITIONS;

(12) 33.11.03 REPAIR AND MAINTENANCE OF WEAPONS, WEAPON SYSTEMS AND AMMUNITIONS;

(13) 68.10 BUYING AND SELLING OF REAL ESTATE CARRIED OUT ON OWN REAL ESTATE;

(14) 68.20 RENTAL AND MANAGEMENT OF REAL ESTATE OWNED OR IN LEASING;

(15) 68.31 REAL ESTATE BROKERAGE ACTIVITIES;

(16) 68.32 MANAGEMENT OF REAL ESTATE ON BEHALF OF THIRD PARTIES;

(17) 92.00 ACTIVITIES CONCERNING LOTTERIES, GAMBLING, CASINOS;

(18) 94.00 ACTIVITIES OF ECONOMIC ORGANIZATIONS, OF EMPLOYERS AND PROFESSIONAL; and

(iv) other sectors not admitted to the *"fondo di garanzia*" established with Mediocredito Centrale S.p.A. pursuant to Law No. 662 of 23 December 1996, in accordance with the applicable laws and regulations;

(r) are Loans with duration not exceeding 6 years and pre-amortisation period not exceeding 12 months (as indicated in the relevant Loan Agreement);

(s) are Loans secured by a guarantee of the FCG Guarantee for at least 60% of the relevant principal residual debt;

(t) are Loans whose interest rate is floating (based on 3 month Euribor), whose spread in the pre-amortization period is not lower than 5.00%, and whose spread in the amortization period is not lower than 4.25%;

(u) are Loans whose purpose (as stated in the relevant Loan Agreement) is not the subrogation ("*surroga*"), consolidation or renegotiation of other loans.

(v) are not Loans whose guarantee of the Fondo Centrale di Garanzia falls within the scope of the reinsurances and/or counter-guarantees; and

(w) the relevant Loan Agreements from which the Receivables included in Further Portfolios arise do not provide the possibility, for the relevant Debtor, to change the interest rate from floating to fixed.

The Initial Portfolio

The information relating to the Initial Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Initial Portfolio as at 31 January 2023 (the "**Initial Valuation Date**"). As at the date of this Prospectus, no material changes in respect of the Initial Portfolio have occurred after the Initial Valuation Date.

The Receivables comprised in the Initial Portfolio arise from Loans which, as at the Initial Valuation Date, met the Common Criteria set out above, as well as the following Specific Criteria:

(a) have been disbursed between 27 December 2022 and 17 January 2023 (included);

(b) whose residual debt in principal pursuant to the relevant Loan agreements:

(i) does not exceed Euro 800,000.00; and

(ii) is not lower than Euro 50,000.00;

(c) are Loans in relation to which all the instalments have been duly paid;

(d) have been fully disbursed within 17 January 2023 (included) and in relation to which the relevant debtor cannot request further disbursements;

(e) whose interest rate is floating (as stated in the relevant loan agreement).

Further Portfolios

All the Receivables comprised in any Further Portfolio purchased by the Issuer from Banca Valsabbina pursuant to the Transfer Agreement arise from Loans which, as at the relevant Valuation Date (save as otherwise specified), will meet the Common Criteria set out above and the following Specific Criteria:

(a) have been disbursed between [___] and [___];

(b) whose residual debt in principal pursuant to the relevant Loan agreement:

- does not exceed Euro [___]; and

- is not lower than Euro [___];

(c) in respect of which all the istalments have been duly paid;

(d) have been fully disbursed within [___] (included) and in relation to which the relevant debtor cannot request further disbursements;

(e) whose interest rate is floating (as stated in the relevant Loan Agreement).

Are excluded from the assignment the receivables deriving from the Loans whose "*codice rapporto*" (i.e. the number code composed by the "*codice forma tecnica*", "*codice filiale*" and "*numero identificativo rapporto*", as indicated in the notices relating to the relevant Loan agreement sent by the Bank to each debtor) is one of the following:

[___]

Purchase Conditions

The following condition shall be satisfied in relation to each Further Portfolio:

(a) Debtors shall not have an Origination BV Rating equal to "10", "C+", "C" or "D".

The following conditions shall be satisfied in relation to the Aggregate Portfolio (including such new Further Portfolio object of the relevant Offer, the Initial Portfolio, each Further Portfolio transferred to the Issuer on the preceding Transfer Dates):

(i) starting from the transfer occurring in March 2023 with reference to the relevant Valuation Date:

(1) the Weighted FCG Guaranteed Portfolio Percentage of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date) shall be equal to or higher than 75%;

(2) the Aggregate Portfolio weighted average interest margin of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date) shall be greater or equal than 6.25 per cent;

(ii) starting from the transfer occurring in July 2023, with reference to the relevant Valuation Date:

(1) the Outstanding Credit of the Receivables owed by a single Debtor included in the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date) as at the relevant Valuation Date is lower than 2% of the Outstanding Credit of all the Receivables comprised in the Aggregate Portfolio as at the such date (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date);

(2) the number of Loans included in the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date) of which the Original Balance is equal to 800,000 shall be up to 7;

(3) each Industrial Sector with the following ATECO codes shall not represent more than 5% of the Outstanding Credit of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date): 90.01; 90.02; 90.03; 90.04; 79.11; 55.1;

(4) the Industrial Sector with the ATECO codes 56.1 shall not represent more than 10% of the Outstanding Credit of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date);

(5) the Outstanding Credit of the Loans originally granted to Debtors with Origination BV Rating comprised between 7 (included) and 9 (included) shall not represent more than 15% of the Outstanding Credit of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date);

(6) the Outstanding Credit of the Loans originally granted to Debtors with Origination BV Rating 9 shall not represent more than 3% of the Outstanding Credit of the Aggregate Portfolio (including, for the avoidance of any doubt, the relevant Further Portfolio to be purchased on the relevant Transfer Date).

Registration and Publication of the Transfer of the Initial Portfolio

The transfer of the Initial Portfolio from Banca Valsabbina to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 10 February 2023 and (ii) published in the Official Gazette No. 20, Part II, of 16 February 2023.

Other features of the Aggregate Portfolio

Under the Warranty and Indemnity Agreement, in respect of the Initial Portfolio the Originator has represented and warranted, and in respect of each Further Portfolio, the Originator will represent and warrant, that:

(a) (*Currency*) all Receivables are denominated in Euro and no Loan Agreement contains provisions which allow for the conversion of the relevant Loan into another currency;

(b) (*Rate of interest of the Loans*) the interest rates applicable on the relevant Valuation Date and indicated in the List of Receivables alongside each Loan Agreement are true and correct and, without prejudice to the provisions under the Usury Law, the criteria on the basis of which such interest rates are calculated are not subject to reductions or variations other than the ones connected to the floating rate of interest;

(c) (*Ownership of the Receivables*) as at the relevant Valuation Date, as at the Conclusion Date and as at the relevant Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of its knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any priviledge or other charge arising from the applicable mandatory law) nor is currently, in the opinion of the Originator, in another condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables (article 20(6) of the EU Securitisation Regulation), and is freely transferable to the Issuer. The Originator is the current beneficiary of all the Guarantees;

(d) (*Repayment method*) all of the Loans provide for a repayment through the payment of monthly instalments with a "French" amortisation plan method (meaning that amortisation method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and increasing over the loan life time and a floating interest rate component, as calculated as at the date of granting of the loan or at the date in which the latest agreement (if any) relating to the amortisation plan is reached) and the repayment of the Notes is not structured in such a way as to be predominantly dependent on the sale of the assets securing the Receivables (Article 20(8) and 20(13) of the EU Securitisation Regulation and related Regulatory Technical Standards);

(e) (*Ordinary business of the Originator and underwriting standards*) the Receivables have been originated by the Originator in the ordinary course of its business pursuant to underwriting standards that are no less stringent than those that the Originator applied at the time of origination to similar exposures that are not securitised (article 20(10) of the EU Securitisation Regulation and related Regulatory Technical Standards);

(f) (*Expertise of the Originator*) the Originator represents that it meets the requirement of experience in originating and underwriting exposures of a similar nature to the Receivables for more than 5 (five) years (Article 20(10) of the EU Securitisation Regulation and related Regulatory Technical Standards);

(g) (*Bindingness and enforceability*) as at the relevant Valuation Date, as at the Conclusion Date and as at the relevant Transfer Date, the Receivables comprised in the relevant Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, their guarantors (Article 20(8) EU Securitisation Regulation and related Regulatory Technical Standards);

(h) (*Type of Receivables*) as at the relevant Valuation Date, as at the Conclusion Date and as at the relevant Transfer Date, the Portfolio does not comprise:

(i) any transferable security, as defined in point (44) of Article 4(1) of Directive 2014/65/EU (Article 20(8) of the EU Securitisation Regulation and related Regulatory Technical Standards);

(ii) any securitisation positions (article 20(9) of the EU Securitisation Regulation and related Regulatory Technical Standards); nor

(iii) any derivatives (article 21(2) of the EU Securitisation Regulation and related EBA Guidelines on STS Criteria);

(i) (*Credit assessment of the Debtors*) as at the Valuation Date, the relevant Portfolio does not include Receivables in default within the meaning of Article 178, paragraph 1, of Regulation (EU) no. 575/2013 or exposures to a credit-impaired debtor or guarantor who, to the best of the Originator's knowledge (article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria):

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard

to his non-performing exposures within three years prior to the Transfer Date, except if: (A) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Transfer Date; and (B) the information provided by the Originator to the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1), of the EU Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; or

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or in the absence of such public credit registry, in another credit registry available to the Originator or the original lender; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which are not securitised.

(j) (*Homogeneity*) as at the relevant Valuation Date and as at the relevant Transfer Date, the Receivables comprised in the relevant Portfolio are homogeneous in terms of asset type (article 20(8) of the EU Securitisation Regulation and the related Regulatory Technical Standards), taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that:

(i) the Receivables have been originated by the Originator, as lender, in accordance with underwriting standards which apply similar approaches to the assessment of credit risk associated with the Receivables;

(ii) the Receivables are and have been serviced by the Originator according to similar servicing procedures;

(iii) the Receivables arise from loans to small and medium enterprises (as defined under European Commission's recommendation 2003/361/CE dated 6 May 2003 and Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 on the homogeneity of the underlying exposures in securitisation (the "**Regulatory Technical Standards on Homogeneity**")) and, therefore, shall fall within the asset types "*credit facilities, including loans and leases, provided to any type of enterprise or corporation*" set out under Article 1 (*Homogeneity of underlying exposures*), lett. (a)(iv) of the Regulatory Technical Standards on Homogeneity; and

(iv) within such category "*credit facilities, including loans and leases, provided to any type of enterprise or corporation*", the Receivables satisfy:

(1) the homogeneity factor set out under Article 2 (*Homogeneity factors*), paragraph 3, letter (a), point (i) of the Regulatory Technical Standards on Homogeneity, since the Debtors are small and medium enterprises (as defined under European Commission's recommendation 2003/361/CE dated 6 May 2003 and the Regulatory Technical Standards on Homogeneity);

(2) the homogeneity factor set out under Article 2 (*Homogeneity factors*), paragraph 3, letter (b), point (ii) of the Regulatory Technical Standards on Homogeneity, since the Debtors have their registered office or residence (as the case may be) in the Republic of Italy;

(k) (*Payment for at least one instalment*) as at the relevant Valuation Date and as at the relevant Transfer Date, with reference to each Receivable, the relevant Debtor has made the payment for at least one Instalment (article 20(12) of the EU Securitisation Regulation and related Regulatory Technical Standards);

(l) (*Risk weight and capital requirement for spread risk*) as at the relevant Valuation Date and as at

the relevant Transfer Date, the Receivables comprised in the Aggregate Portfolio comply with all applicable requirements under Article 243(2) of Regulation (EU) 575/2013, as amended by Regulation (EU) 2401/2017, and Article 178 of Regulation (EU) 35/2015, relating to the risk weight and capital requirement for spread risk.

Description of the Initial Portfolio

The following tables set out details of the Initial Portfolio derived from information provided by Banca Valsabbina as Originator and Servicer on behalf of the Issuer of the Receivables comprised in the Initial Portfolio. The information in the following tables reflects the position as at the Valuation Date, unless otherwise specified.

TABLE 1 – PORTFOLIO SUMMARY

Number of Loans	3.00	
Outstanding Balance	310,187.47	
Mortgage portfolio	-	0.00%
Non-Mortgage portfolio	310,187.47	100.00%
Floating rate Outstanding Balance	310,187.47	100.00%
Fixed rate Outstanding Balance	-	0.00%
Floating rate portfolio weighted average spread (current)	5.90%	
Floating rate portfolio weighted average rate	8.00%	
Weighted average seasoning (years)	0.04	
Weighted average residual life (years)	5.89	

TABLE 2 – BREAKDOWN BY CLASS OF ORIGINAL BALANCE

Class of Original Loan Amount	Number of Loans	%	Outstanding Balance	%
01) 0,000 - 20,000	0	0.00%	-	0.00%
02) 20,000 - 50,000	1	33.33%	50,124.30	16.16%
03) 50,000 - 75,000	0	0.00%	-	0.00%
04) 75,000 - 100,000	1	33.33%	100,248.61	32.32%
05) 100,000 - 300,000	1	33.33%	159,814.56	51.52%
06) 300,000 - 500,000	0	0.00%	-	0.00%
07) 500,000 – 1,000,000	0	0.00%	-	0.00%
08) 1,000,000 – 3,000,000	0	0.00%	-	0.00%
	3	**100.00%**	**310,187.47**	**100.00%**

TABLE 3 – BREAKDOWN BY CLASS OF OUTSTANDING BALANCE

Class of Outstanding Balance	Number of Loans	%	Outstanding Balance	%
01) 0,000 - 20,000	0	0.00%	-	0.00%
02) 20,000 - 50,000	0	0.00%	-	0.00%
03) 50,000 - 75,000	1	33.33%	50,124.30	16.16%
04) 75,000 - 100,000	0	0.00%	-	0.00%
05) 100,000 - 300,000	2	66.67%	260,063.17	83.84%
06) 300,000 - 500,000	0	0.00%	-	0.00%
07) 500,000 – 1,000,000	0	0.00%	-	0.00%
08) 1,000,000 – 3,000,000	0	0.00%	-	0.00%
			-	
	3	**100.00%**	**310,187.47**	**100.00%**

TABLE 4 – BREAKDOWN BY TYPE OF DEBTOR (SAE CODE)

SAE Code	Number of Loans	%	Outstanding Balance	%
430	3	100%	310,187.47	100%
	3	**100%**	**310,187.47**	**100%**

TABLE 5 – BREAKDOWN BY ATECO CLASSIFICATION

ATECO Sector	Number of Loans	%	Outstanding Balance	%
Agriculture, forestry and fishing	0	0.00%	-	0.00%
Mining and quarrying	0	0.00%	-	0.00%
Manufacturing	0	0.00%	-	0.00%
Electricity, gas, steam and air conditioning supply	0	0.00%	-	0.00%
Water supply; sewerage; waste managment and remediation activities	0	0.00%	-	0.00%
Construction	0	0.00%	-	0.00%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2	66.67%	150,372.91	48.48%
Transporting and storage	0	0.00%	-	0.00%
Accommodation and food service activities	0	0.00%	-	0.00%
Information and communication	0	0.00%	-	0.00%
Financial and insurance activities	0	0.00%	-	0.00%
Real estate activities	0	0.00%	-	0.00%
Professional, scientific and technical activities	1	33.33%	159,814.56	51.52%
Administrative and support service activities	0	0.00%	-	0.00%
Public administration and defence; compulsory social security	0	0.00%	-	0.00%
Education	0	0.00%	-	0.00%
Health and social care	0	0.00%	-	0.00%
Arts, entertainment and recreation	0	0.00%	-	0.00%
Other services activities	0	0.00%	-	0.00%
Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use	0	0.00%	-	0.00%
Activities of extraterritorial organisations and bodies	0	0.00%	-	0.00%
	3	**100%**	**310,187.47**	**100%**

TABLE 6 – BREAKDOWN BY TYPE OF LOAN

Type of Loan	Number of Loans	%	Outstanding Balance	%
Mortgage	0	0.00%	-	0.00%
Non Mortgage	3	100.00%	310,187.47	100.00%
	3	**100.00%**	**310,187.47**	**100.00%**

TABLE 7 – BREAKDOWN BY PAYMENT FREQUENCY

Payment Frequency	Number of Loans	%	Outstanding Balance	%
Annually	0	0.00%	-	0.00%
Bi-monthly	0	0.00%	-	0.00%
Monthly	3	100.00%	310,187.47	100.00%
Quarterly	0	0.00%	-	0.00%
Semi Annually	0	0.00%	-	0.00%
	3	**100%**	**310,187.47**	**100%**

TABLE 8 – BREAKDOWN BY INTEREST RATE TYPE

Interest Rate Type	Number of Loans	%	Outstanding Balance	%
Fixed	-	0.00%	-	-
Floating	3	100.00%	310,187.47	100%
	3	**100%**	**310,187.47**	**100%**

TABLE 9 – BREAKDOWN BY CLASS OF CURRENT SPREAD (FLOATING RATE LOANS)

Interest Rate	Number of Loans	%	Outstanding Balance	%
01) 0%-1.00%	-	0.00%	-	0.00%
02) 1.00%-1.50%	-	0.00%	-	0.00%
03) 1.50%-2.00%	-	0.00%	-	0.00%
04) 2.00%-2.50%	-	0.00%	-	0.00%
05) 2.50%-3.00%	-	0.00%	-	0.00%
06) 3.00%-3.50%	-	0.00%	-	0.00%
07) 3.50%-4.00%	-	0.00%	-	0.00%
08) 4.00%-4.50%	-	0.00%	-	0.00%
09) 4.50%-5.00%	1	33.33%	159,814.56	51.52%
10) Over 5.00%	2	66.67%	150,372.91	48.48%
	3	**100%**	**310,187.47**	**100%**

TABLE 10 – BREAKDOWN BY FUNDING YEAR

Funding Year	Number of Loans	%	Outstanding Balance	%
2022	0	0.00%	-	0.00%
2023	3	100.00%	310,187.47	100.00%
	3	**100%**	**310,187.47**	**100%**

TABLE 11 - BREAKDOWN BY ORIGINAL LIFE

Original Life (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 2	-	0.00%	-	0.00%
02) 2 - 4	-	0.00%	-	0.00%
03) 4 - 6	3	100.00%	310,187.47	100.00%
04) 6 - 8	-	0.00%	-	0.00%
05) 8 - 10	-	0.00%	-	0.00%
06) 10 - 12	-	0.00%	-	0.00%
	3	**100%**	**310,187.47**	**100%**

TABLE 12- BREAKDOWN BY SEASONING

Seasoning (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 1	3	100%	310,187	100%
02) 1 - 2	0	0%	-	0%
03) 2 - 3	0	0%	-	0%
04) 3 - 4	0	0%	-	0%
05) 4 - 5	0	0%	-	0%
06) 5 - 6	0	0%	-	0%
07) 6 - 7	0	0%	-	0%
	3	**100%**	**310,187**	**100%**

TABLE 13 - BREAKDOWN BY RESIDUAL LIFE

Residual Life (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 2	-	0.00%	-	0.00%
02) 2 - 4	-	0.00%	-	0.00%
03) 4 - 6	3	100.00%	310,187.47	100.00%
04) 6 - 8	-	0.00%	-	0.00%
05) 8 - 10	-	0.00%	-	0.00%
06) 10 - 12	-	0.00%	-	0.00%
	3	**100%**	**310,187.47**	**100%**

TABLE 14 - BREAKDOWN BY REGION OF BORROWER

Macro Region	Region	Number of Loans	%	Outstanding Balance	%
01_Northern Italy	Lombardia	3	100%	310,187.47	100.00%
		3	**100%**	**310,187.47**	**100%**

Capacity to produce funds

In light of the above and subject to the risks set out in the section entitled "*Risk Factors*", the Receivables should have characteristics that demonstrate capacity to produce funds to service any payments due under the Senior Notes and the Mezzanine Notes.

Pool Audit

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

BANCA VALSABBINA

1. Historical notes

Banca Valsabbina is the parent company of the "Banca Valsabbina Banking Group".

On the 5th of June, 1898, the Cassa Cooperativa di Credito Valsabbina, Società anonima cooperativa a responsabilità limitata e con capitale illimitato (anonymous limited liability cooperative company with unlimited capital) was incorporated.

Subsequently, by resolution of the extraordinary shareholders' meeting of the 26th of June 1949, the Bank was named Banca Cooperativa Valsabbina – Società cooperativa a responsabilità limitata (limited liability cooperative company). The current name of Banca Valsabbina, Società cooperativa per azioni (cooperative stock company) was introduced by a resolution of the extraordinary shareholders' meeting held on the 14th May 2005.

For years, the Bank has supported the growth of the economy of Valle Sabbia (BS). During the last fifty years, the network of branches has gradually spread towards Garda Lake, the city of Brescia and throughout its province, excluding Valle Camonica.

The expansion into the province of Trento dates back to year 2000. With the merger by incorporation of the ex Cassa Rurale di Storo (TN), resolved by a large majority by the respective shareholders' meetings, four branches were added to Banca Valsabbina's network.

Upon conclusion of the "2007-2009 Territorial Development Plan", the Bank network consisted of 54 branches and 4 treasury offices.

In 2010, the Bank carefully evaluated new possible growth opportunities through external lines, compatible with a development model and Banca Valsabbina's dimension. As part of these evaluations, it was established to purchase the majority share in Credito Veronese, at the time equating to 69.75% of the share capital, from the Cassa di Risparmio di Ferrara Group.

Banca Valsabbina acquired the control of Credito Veronese on the 26th of April 2011.

This was an important step in order to carry on the growth plan in the area bordering its traditional base, Brescia. On the 26th of April 2011, the Bank of Italy registered Banca Valsabbina in the List of Banking Groups under no. 5116.9 with communication no. 0478537/11 made on the third of June 2010.

In December 2012, in order to obtain relevant cost saving and improve efficiency, Credito Veronese has been merged by incorporation with Banca Valsabbina.

The Bank's Board of Directors approved, in April 2015, a review of the 2014-2016 Business Plan, made necessary by the change in the operating and legislative context for the banking system and in particular for co-operative banks.

In this context, the project for a gradual geographic expansion by internal lines takes on specific importance, by means of the opening of new branches, both east and west of Brescia, exporting the current business model of the Bank in this way into new and tangentially neighbouring areas.

In September 2016 the purchase of 7 branches from Hypo Alpe Adria Bank was announced, 2 in Brescia, Bergamo, Verona, Vicenza, Schio (VI) and Modena, together with an EUR 150 million performing loan portfolio.

In the last years, the network of branches has been rationalized through consolidations and new openings: the Bank opened a new branch in Milan in March 2017, followed by an opening in Padova in December 2017, and then Treviso (2018), Bologna (2018), Reggio Emilia (2019), Turin (2019), the second branch in Milan (2020), Parma (2021), the third branch in Milan (2022), Asti (2022) and Pavia (January 2023).

Now Banca Valsabbina's network consists in 70 branches.

The 2019-2021 Strategic Plan aims at a further improvement of credit quality, commercial efficacy and

operating efficiency, notwithstanding the Bank's commitment to finding innovative solutions targeted to its clients and territory.

The table below provides some data of the Bank's growth over time, with specific regards to recent years (figures stated in Euros):

Year	No. Shereholders	Quantity of shares	Equity	Deposits	Loans
1980	1,194	884,283	5,876,842	51,008,393	28,564,727
1990	2,603	3,141,775	25,868,757	171,379,051	115,878,934
1995	3,423	3,208,519	31,803,701	324,129,826	226,945,694
2000	10,169	15,410,442	143,775,745	748,963,787	828,247,973
2005	19,087	25,566,905	265,211,273	1,772,486,503	1,623,412,367
2010	31,420	26,516,169	298,673,996	2,765,830,264	2,823,361,370
2011	34,171	35,534,212	382,149,016	2,689,599,248	2,771,138,891
2012	36,574	35,796,827	382,769,421	3,137,815,141	3,090,821,410
2013	38,194	35,796,827	381,614,316	3,184,574,114	2,982,169,938
2014	39,532	35,796,827	391,960,003	3,254,741,527	2,960,577,817
2015	40,129	35,796,827	387,867,703	3,124,905,760	2,780,430,973
2016	39,234	35,516,827	386,928,668	3,153,741,895	2,762,450,205
2017	38,519	35,516,827	381,969,184	3,160,758,070	2,946,099,906
2018	39,119	35,516,827	325,414,488	3,243,078,997	3,068,126,837
2019	39,719	35,516,827	346,237,476	3,829,808,065	3,136,303,668
2020	39,999	35,516,827	368,519,239	4,300,553,384	3,414,682,709
2021	39,912	35,516,827	383,572,456	4,833,999,180	3,720,809,900

2. Group ownership and structure

2.1 Major shareholdings

Banca Valsabbina is the parent company of the Banca Valsabbina Banking Group, which since April 26, 2011 has been registered under no. 5116.9 on the List of Banking Groups and, as such, exercises powers of management and coordination and issues provisions to Group members for the execution of instructions given by the Supervisory Board.

Banca Valsabbina Group consists of Banca Valsabbina S.C.p.A. and the following real estate debt collection company: Valsabbina Real Estate S.r.l. *con unico socio* which is the operative instrument supporting the Bank's debt collection activities, with the aim of better protecting credits connected with mortgages, acquiring assets provided as guarantee and subsequent re-listing on the market, thereby avoiding any negative speculation often seen in these kind of auctions:

Company names	Office	% investment share	% votes available
A. Exclusive subsidiaries			
1. Valsabbina Real Estate S.R.L.	Brescia	100.00%	100.00%

2.2 Main shareholders

At the date of 31 December 2021, Banca Valsabbina has about 39,912 shareholders. The Bank's shareholders are almost entirely clients and benefit from particularly advantageous conditions on products and services.

The appreciation for the Bank's services and trust in its activities is shown by a significant increase in the share base over the last few years (there were 19,087 shareholders in 2005 and 39,912 in 2021).

Banca Valsabbina takes the form of a cooperative company and has characteristics typical of "mutual

banks" (*banche popolari*) as established by the Consolidated Banking Act. Therefore, no single shareholder can hold more than 1% of share capital. This prohibition does not apply to collective investment schemes in securities, for which the limits established by the regulation of each apply.

In accordance with Article 30 of the Consolidated Banking Act and on the basis of the provisions of the company's articles of association under Article 25, each shareholder may express just one vote in the shareholders' meeting, regardless of the number of shares it holds.

As of the date of this document, no party has control of Banca Valsabbina and any shareholder agreement is in place between shareholders concerning the exercise of voting rights.

3. Organisational structure

3.1 The organisation chart and human resources

The bank's organisation chart as of the 31st of December 2021 is reported below with the trend of recent years:

Breakdown of staff according to classification

	2021	%	2020	%	2019	%	2018	2019
Managers	11	1.46%	10	1.45%	9	1.40%	7	1.17%
3rd and 4° level executives	206	27.39%	168	24.38%	151	23.41%	136	22.87%
1 st and 2° level executives	206	27.39%	183	26.56%	160	24.81%	121	20.30%
Remaning staff	329	43.76%	328	47.61%	325	50.39%	332	55.70%
of which								
supply	16	2.32%	10	1.45%	11	1.71%	11	1.85%
TOTAL	752	100%	689	100%	645	100%	596	100%

The chart below reports the members of the Board of Directors, the Board of Auditors and the General Management:

Board of Directors	Board of Auditors	Management
Chairman	Chairmain	**General Manager**
Mr. Renato Barbieri	Mr. Mauro Giorgio Vivenzi	Mr. Marco Bonetti
Deputy Chairmain	**Statutory Auditors**	**Deputy General Manager (Vicario)**
Mr. Alberto Pelizzari	Mr. Bruno Garzoni	Mr. Hermes Bianchetti
	Mr. Filippo Mazzari	
Directors	Ms. Donatella Dorici	**Deputy General Manager**
Mr. Adriano Baso	Mr. Federico Pozzi	Mr. Antonio Beneduce
Mr. Aldo Ebenestelli		
Ms. Eliana Fiori	**Alternative Auditors**	
Ms. Nadia Pandini	Mr. Riccardo Arpino	

Mr. Flavio Gnecchi Mr. Enrico Gnutti Mr. Pier Andreino Niboli Mr. Luciano Veronesi	Ms. Patrizia Apostoli	

As at the end of 2021, the staff of Banca Valsabbina S.C.p.A. was composed of 752 employees, and therefore an increase of 63 resources over last year's headcount.

4. Income and equity trend

The 2021 economic figures highlight an increase in the net interest income and in the net commission, of respectively the 20.75% and 16.28%.

It is confirmed the strong capital adequacy as shown by the Tier 1 Capital Ratio phased in and fully loaded at, respectively, 15.32% and 14.11% and the Total Capital Ratio phased in and fully loaded at, respectively, 16.64% and 15.45%.

The own funds amount, as of 31 December 2021, 421,692,000 Euro made up of 388,247,000 Euro of Common Equity Tier 1 (CET 1) and 33,445,000 Euro of Tier 2 Capital.

Main economic figures (in € '000s)	31/12/2021	31/12/2020	%
Net interest income	100,460	83,200	20.75%
Net commission	45,447	39,084	16.28%
Dividends and proceeds from trading and other	32,796	30,156	8.75%
Net banking income	**178,703**	**152,440**	17.23%
Net result of financial operations	156,582	124,011	26.26%
Operating costs	(106,186)	(89,891)	18.13%
Period profit	39,186	24,339	61.00%

5. Confirmations under the EU Securitisation Regulation

For the purpose of Articles 20(1), 20(10) and 21(8) of the EU Securitisation Regulation, Banca Valsabbina, in its capacity as Originator and Servicer, confirms that:

(a) it is a credit institution (as defined in Article 4, paragraph 1, point (1) of the CRR) with its "home Member State" (as that term is defined in Article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to Article 4, paragraph 1, point (43) of the CRR) in the Republic of Italy;

(b) at least 2 (two) of the members of its management body have relevant professional experience in the origination and the servicing of exposures similar to the Receivables, at a personal level, of at least 5 (five) years;

(c) the senior staff of the Originator, other than members of the management body, who are responsible for managing the Originator's originating of exposures similar to the Receivables, have relevant professional experience in the origination of exposures of a similar nature to the Receivables, at a personal level, of at least 5 (five) years; and

(d) the senior staff of the Servicer, other than members of the management body, who are responsible for managing the Servicer's servicing of exposures similar to the Receivables, have relevant professional experience in the servicing of exposures of a similar nature to the Receivables, at a personal level, of at least 5 (five) years.

COLLECTION POLICIES

1. The disbursement process

The loan disbursement process adopted by Banca Valsabbina, described below, takes place in the following stages:

- *Presentation of application and data acquisition*
- *Loan proceedings*
- *Resolution*
- *Disbursement*

1.1 Presentation of application and data acquisition

Generally speaking, it is the relationship managers (Branch Managers) who have the responsibility of instructing the loan file.

The effective purpose for which the loan is requested must be carefully ascertained and clearly shown in the loan proposal, as it is an element of primary importance and therefore essential to assessing the credit risk.

All information that may help identify the legal and/or economic connections of parties requesting the loan must be acquired.

Each loan application must be prepared complete with all suitable documentation on income, financial, technical and equity matters, according to the nature and level of complexity of the position and the entity of the risk, with the methods laid out in the specific reference legislation.

Following presentation of the loan application by a customer, the branch requests the documentation needed for proceedings to begin.

1.2 Loan proceedings

The documentation to be acquired may vary depending on whether the party concerned is already a customer of the Bank, in which case the information already available needs merely to be updated or supplemented, or a new customer.

The necessary procedures vary depending on the level analysing the loan application, which could be:

- Branch;
- Area manager;
- Loan Department;
- Upper levels (General Management, Loans Committee, Board of Directors).

External verifications are performed in order to assess the juridical status of the client, of the guarantors and of their respective goods; moreover, they are aimed to assess the corporate and sectorial history of the client and its guarantors.

Internal verifications are performed evaluating data coming from the historical analysis of client's data and from the Credit Rating System.

The Electronic Loan Procedure (Pratica di Fido Elettronica) used for the collection of the necessary information identifies a checklist of necessary documents, which has to be followed by the branch operator.

Moreover, a qualitative questionnaire has to be filled in by the corporate clients, in order to transmit the bank qualitative information about the borrower.

1.3 **Resolution**

Below is the table identifying the basic competences of resolution levels for the various different bodies appointed to grant loans effective at the date of this document.

Autonomous

Powers of attorney concerning the granting of loans

(Figures given in € '000s)

BODIES MAKING THE DECISIONS	**LOAN POWERS Maximum amount granted (range)**
Loans Committee	1,900-5,500
General Manager	900-2,600
Loans Department's Manager, Co-Manager, Deputy Manager	500-1,400
Head of Credit Analysis (Responsabile Settore Analisi e Istruttoria Fidi)	400-1,000
Loans Department Senior Analyst	240-600
Area Managers	200-450
Branch Managers (QD4)	50-120
Branch Managers (QD3)	35-70

For amounts exceeding Euro 5,500,000 the deliberating Body is the Board of Directors.

For customers who already have facilities granted within the powers of attorney of the Board of Directors and who belong to economic groups, only for requests to increase the amount, the body making the decision is the General Manger and the Deputy General Manager (jointly signed), within the limits below:

BODIES MAKING THE DECISIONS	**LOAN POWERS Maximum amount granted (range)**
General Management (Joint signature of the General Manager and Deputy General Manager)	For loans granted to customers who already have facilities and who belong to economic groups: 50% of the powers assigned to the General Manager, namely: 450-1,300

Concerning methods established for determining the value of the property in the loan application, in April 2006 external independent expert appraisal (with an *in loco* inspection) was made compulsory for mortgage loans requested by private individuals or by legal entities above 500,000 Euro.

Since July 2007 for loans below 500,000 Euro a desk appraisal performed by an affiliated professional is necessary (except for loans granted in relation to construction progress, which require external *in loco* appraisal since September 2008).

Since March 2012 the 500,000 Euro threshold was lowered to 400,000 Euro.

Since September 2012 non-residential mortgage loans below 400,000 Euro require an external independent expert appraisal as well.

Currently, an updated appraisal of the real estate property is always requested, as part of the

evaluation process.

1.4 Disbursement

After the resolution according to which the loan is granted, the files will be transmitted to the Special Loans Sector.

During this stage, the applicable conditions and documentation available are further verified, The verification may result in a request for clarifications, further investigations, a review of the resolution and sometimes - in the most extreme cases - the revocation of the loan.

Once the contract has been executed and the required formalities have been completed in compliance with the loan resolution, the amount is disbursed by the Special Loans Department to an account held by the borrower. Disbursement therefore takes place after completion of the formalities described above.

2. Loan management

2.1 Collection of instalments

The disbursment of the loan provides for the opening of a bank account in the name of the borrower at a branch of Banca Valsabbina and the individual installments will be paid by automatically debiting the bank account.

Payment of instalments can be made by Sepa Direct Debit too.

2.2 Monitoring and credit management procedures

2.2 1 Introduction

The Bank carefully monitors the loans in order to identify all positions showing negative elements and which may deteriorate over time, representing a potential loss.

Monitoring is the activity necessary for the detection and timely management of altered risk phenomena, through an aware, shared assessment of the critical issues detected, to avoid and/or limit situations of significant deterioration of the loans portfolio.

This activity takes place in the following stages:

- measurement of the level of risk;
- detection of abnormal positions;
- evaluation of the causes of anomalies and search for possible solutions.

In order to effectively monitor the loans, all existing legal and/or economic relations must be taken in consideration, along with the overall exposure of the individual borrower and any group of connected customers, as well as the technical forms used and guarantees in place.

The Branch Managers are responsible for ensuring the operative correctness of the accounts assigned to them in compliance with current provisions of law, operative regulations issued and autonomous powers of attorney granted within the bank.

In relation to the progressive critical issues assigned, the Loans Control Service assesses, requests and coordinates with the customer relations manager to determine the most appropriate activities aimed, in the short/medium-term, at overcoming difficulties and restoring loans to a performing status; by contrast, for lack of suitable economic-equity elements, it takes all action suitable to duly classifying the underlying loans to its own item and preparing the forms of protection necessary to better monitor the risk and effectively recover amounts outstanding.

The Bank continuously monitors the positions to promptly detect any negative event that

may represent "risk events" that must be communicated to maintain the guarantee.

2.2.2 **Risk assessment indexes**

The Bank makes use of the Credit Rating System (C.R.S.), a management procedure provided by the outsourcer Cedacri, to assign a rating to each customer.

The primary objective of the application consists of the definition of a system of rating classes, aimed at assigning a probability of insolvency to each customer (PD – Probability of default), thereby enabling the bank to group its loans portfolio into homogeneous risk classes.

The term "Credit Rating System" (or CRS) is used to refer to an integrated system that evaluates the credit rating of the customer, fully analysing, in an integrated manner, all information useful to assessing this.

Customers are classified by means of the preventative identification of risk classes with the same probabilities of insolvency, on the basis of the following information:

- objective information concerning:
  1. the customer's relationship with the bank;
  2. the customer's performance towardsthe system (Bank of Italy CR, CRA: risk centre association);
  3. the company financial statements.
- sector-related information.

The rating is of a predictive nature and the more the data and information recorded on file is complete, correct and timely, the more it is reliable: it can therefore be said that the purpose of the rating is not merely to "photograph" the probability of customer insolvency within a given time frame, but also that of monitoring the evolution over time, both on an individual level and in terms of the segment of origin.

CRS is not an Internal Rating Based Model in accordance with the credit risk regulatory framework.

3. Debt collection

Non-performing positions are managed by the Legal and Disputes Service, which is appointed to carry out all activities necessary to ensure an effective, timely collection of the loan both legally - to this end appointing external professionals and following the set-up and structure of the relevant procedures - and by means of out of court settlements - maintaining direct relations with the debtors that have been transferred to non-performing status.

The Legal Department consists of a Manager (a professionally qualified lawyer with ten years of legal experience, also outside the bank sector) and full-time lawyers (some qualified to work professionally).

The Legal department also provides consulting services to the Credit Control Service on specific with regards to the servicing of non-defaulted loans.

3.1 Allocation to non-performing account and general managerial aspects

The Regulator identifies as non-performing, all parties in a state of insolvency, even if not legally ascertained, or those in basically equivalent situations, regardless of any loss forecasts prepared by the business.

This is, therefore, regardless of whether or not any guarantees (collateral or personal) exist backing the loans. Allocation of a loan to non-performing status implies an assessment by the

Bank of an overall customer financial position and cannot automatically ensue from a mere delay by the latter in paying the debt.

The most significant cases are given below:

- legally ascertained state of insolvency: bankruptcy, agreements with creditors, compulsory administrative liquidation, etc.;

- situations involving serious difficulties and such as to cause the Bank to take action to force collection.

Classification of loans as non-performing implies prior assessment of the customers' overall financial position, which must show both a specific state of default and a lack of solvency, such as to suggest the objective lasting impossibility of fulfilling the relevant obligations.

Transfer to non-performing status is arranged, in accordance with autonomous powers of attorney, by the Board of Directors, by the General Manager or by the Credit Control Service, depending on the amount.

Non-performing loans are legally managed by the Bank, which avails itself of a network of external lawyers or of debt collection agencies.

The accounting aspects of non-performing positions are managed, in accordance with and on the basis of the indications provided by the Legal Department, by the Bank's Administration, which takes care of all of the accounting activities required in the passage of a loan to the status of ‘non performing’.

The status of the individual collection procedures is promptly and directly reported to the Legal and Disputes Service, which guides, coordinates and controls collection activities; the above also takes place by means of a computer management software, and which enables constant dialogue, through a web interface, between the internal structure and external legal advisors.

The software is aimed at becoming increasingly the "single container" of each all information flows relating to the non-performing loans, containing, in a sort of electronic file that can be consulted by all parties involved in the process (Service employees, Service Manager, control departments, Management, staff of the Board of Directors, external lawyers, etc.), documents relating to correspondence, bank documentation and any guarantees acquired, mortgage surveys, chamber of commerce certificates, protests any commercial data, statements of account, property appraisals, legal deeds and provisions, which are gradually added by the employees and external lawyers.

3.2 **General collection strategies and activities: (1) Out of court settlements**

Out-of-court collection is aimed to achieve a settlement of the balance due by the debtor and guarantors, or rather the signing of a repayment plan to extinguish the loan.

Where possible, the Bank privileges reaching agreements with debtors and/or guarantors, given the relatively lengthy terms of enforcement proceedings, the incidence of the costs and expenses involved in enforcement proceedings (even if covered by a careful legal expense limitation policy) and the risk of seeing the assets awarded at a price far below market value, with clear prejudice of collection forecasts.

When a debtor (or guarantor intending to free itself of its guarantee obligation) suggests such a transaction, the Bank analyses the proposal and chooses whether to accept or reject it.

The party proposing the resolutions is always the Legal Department, which carries out all investigations necessary aimed at verifying the value of the proposed settlement.

The assessment is carried out considering the amount and duration of the transaction proposed, the possibilities of obtaining collection from legal actions, the time necessary to conclude them

and the incidence of legal expenses.

With reference to the positions guaranteed by the FCG Guarantee, the Bank starts the process of enforcement of such guarantee in accordance with *Fondo Centrale di Garanzia'*s rules.

3.3 **General collection strategies and activities: (2) Legal collection (specifically, the collection of mortgage loans)**

Should not out of court agreement be reached, the Bank will take all suitable legal action, including enforcement orders, or shall claim credits in bankruptcy proceedings or intervene in proceedings filed by third party creditors.

Legal collection consists of the forced realisation of assets and/or rights that the Bank already has or acquires following the exercise of pre-emption rights; legal claims are always assessed considering the relevant costs and benefits involved.

The different stages marking a compulsory collection procedure, with specific reference to loans brought by enforcement deed, such as, for example land or property mortgages, are highlighted below.

Order for payment

This consists of serving notice, through a Bailiff, of default, demanding compliance, resulting from an enforcement deed (generally payment of the amount demanded, inclusive of capital, interest and expenses including legal costs) within no fewer than ten days, with the warning that failure to comply will result in individual compulsory enforcement within ninety days of notice.

Property attachment

This represents the start of compulsory enforcement.

This is an injunction to the debtor, notified by a Bailiff, to abstain from any action aimed at removing the assets subject to enforcement from the guarantee backing the loan. The debtor may avoid attachment by paying the bailiff the amount due plus expenses.

The proceedings, which are the responsibility of the Court, also establish a restriction on the debtor's asset, by request of the creditor; in other words, by this deed, the debtor forfeits his right to dispose of the asset that has been seized.

Attachment must take place at least ten days after notification of the order for payment, but within ninety days, at risk of inefficiency.

Entry on the registry

The attachment deed must be transcribed on the Property Registry; it therefore becomes enforceable against third parties, making it basically pointless for these, amongst other aspects, to register any additional mortgages on attached assets.

Filing of the sales application

By filing the sales application, which must take place from ten days to ninety days after the date on which the attachment is notified, the Enforcement Judge is asked to sell the seized assets.

Preparation of the mortgage survey documentation

The history of the property (change of ownership, mortgage entries and land registry data) for the last twenty years, must be documented by the Property Records and Land Registry Office with specific certification; this may be replaced by a notary's certificate in accordance with Italian Law no. 302/98. The census maps are also requested and filed, and, where the expropriation concerns lands, the certificate of intended purpose is also required.

The documentation must be filed with the Court Registry, which verifies that it is correct, within

one hundred and twenty days (at risk of forfeiture) of the date on which the sales application is filed. At the same time or subsequently, the notice is served to creditors registered and to joint owners of undivided assets and the original notice is filed.

First appearance hearing

After filing the documentation, the Enforcement Judge schedules the hearing for a first appearance, at which it normally appoints the Court-Appointed Witness (CTU), who is in charge of preparing the estimate report.

Hearing for establishing the sales methods

After the CTU has filed his expert report, the Judge schedules a hearing of the parties and, if no irregularities and/or observations are seen on the expert report, orders the sale of the asset, schedules the date for the first auction and the method of sale (starting auction price and bidder requirements).

In accordance with current legislation, the sale may be delegated to a notary or other professional who prepares the sales order, schedules the public auctions, receives the amounts bad, provides the creditors and debtor with the compulsory notices and prepares the distribution plan.

Hearing for approval of the distribution project and Distribution hearing

Once the distribution project has been prepared, the hearing is scheduled for its approval. Terms for obtaining the hearing approving the distribution project are approximately six/twelve months, although it may be further postponed if there are disputes as to the credit reasons presented by the proceeding party and/or those involved and on pre-emption rights. Should such disputes not be settled amicably, the Enforcement Judge proceeds to issue an order.

If the creditor should act to collect a debt arising from a property loan, the successful third party bidder shall pay the balance of the price to the creditor directly, who, therefore, shall see the balance, up to the limits of the price granted, paid more quickly.

In the event of bankruptcy proceedings, the Enforcement Judge may accept a partial division in favour of privileged creditors with mortgage guarantees over the property sold.

Average terms for completion of property enforcement proceedings, promoted uninterruptedly, stand at around three years.

The duration of proceedings may depend not only on the speed of the Court, but also on the suspension of proceedings for the negotiation of settlements with the debtor, any bankruptcy of the party affected by the proceedings, the proposal to convert to attachment merely for the purpose of extending terms, the proposal of opposition by the enforced party or third parties or the establishment of divisional cases in the event of the compulsory sale of undivided shares.

Above all for properties for which the capacity with respect to the debt to be collected is in doubt, should time pass before legal proceedings are initiated, sometimes the preference is to intervene in any property expropriation proceedings that may be brought by third parties, in order to enforce its right to be satisfied ahead of other creditors.

3.4 **Monitoring and closure of proceedings: Forecast losses and transfers to loss**

The Legal and Disputes Service proposes a review of the doubtful outcomes and transfer to loss of positions to be classed as expenditure.

The following is considered when examining each procedure:

- the value of the property mortgaged in the Bank's favour, as can be seen from the technical documentation collected at the time of stipulating the loan, along with its type, intended purpose, location and possibility of realisation in enforcement;

- the overall debt exposure and legal risks of the position;
- the possibility of an economic recovery of the debtor, assessed according to the information available and, in particular with reference to any possible repayment plans with some of the joint-obliged parties.

Loans are generally written off in the following circumstances:

- if the main debtor is subject to bankruptcy proceedings;
- in the event of a settlement agreement, within the year in which the agreement is reached, for the part that has not been collected;
- in the event of legal collection, at the end of enforcement proceedings, when this has been entirely or partially unsuccessful, for the part that has not been collected.

3.5 Servicing activities

In addition to the abovementioned activities, Banca Valsabbina administers, collects and recovers the RMBS and SMEs loans granted to its customers.

Furthermore, since 2016 Banca Valsabbina, in its capacity as servicer, has been carrying out the above-mentioned servicing activities in relation to SMEs loan receivables securitised in the securitisation transactions. and thus developing a deep expertise in the management of this type of receivables (in accordance with the requirements set out by Article 21(8) of Regulation (EU) 2017/2402).

For further details on the remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies, please see the Servicing Agreement and the other Transaction Documents.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to Article 3 of the Securitisation Law, as a limited liability company (*società a responsabilità limitata*) with a sole quotaholder on 7 December 2022 under the name of Valsabbina SME Platform II SPV S.r.l. and enrolled in the register of the *società veicolo* held by Bank of Italy pursuant to Article 4 of the Bank of Italy's Regulation dated 7 June 2017 No. 40001.0. The registered office of the Issuer is at Via V. Alfieri, No. 1, 31015 Conegliano (Treviso), Italy. The Fiscal Code, VAT Code and enrolment number with the companies register of Treviso-Belluno is 05372790260. The Issuer's telephone number is +39 0438 360962.

The Issuer has no employees, operates under Italian law and under its by-laws and it shall expire on 31 December 2100.

The authorised issued capital of the Issuer is Euro 10,000 fully paid up and fully owned by Stichting Cupra.

Since the date of its incorporation, the Issuer has not commenced operations other than those incidental to its incorporation, 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.

To the best of its knowledge, the Issuer is not directly or indirectly owned or controlled, apart by its Sole Quotaholder. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its Sole Quotaholder in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

Issuer's Principal Activities

The principal corporate object of the Issuer as set out in Article 2 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The Issuer was established 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 the Terms and Conditions (Condition 5.2 (*Further Securitisations*)).

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders and as provided in the Intercreditor Agreement, incur any other indebtedness for borrowed monies (except in relation to any further securitisation carried out in accordance with the Terms and Conditions and the Transaction Documents) or engage in any business (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Terms and Conditions or the Intercreditor Agreement) or increase its capital.

The Issuer has covenanted to observe, *inter alia*, those restrictions set forth in Condition 5 (*Covenants*).

Management

The Issuer is managed by a sole director, appointed in the memorandum (*atto costitutivo*) of the Issuer. The sole director (*amministratore unico*) of the Issuer is Fabio Povoledo, who is also an employee of Banca Finint.

Documents Available for Inspection

Until full redemption or cancellation of the Notes, copies of the following documents (in physical format) may be inspected during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders and on the website https://securitization.cardoai.com/:

(a) the memorandum and articles of association of the Issuer (*atto costitutivo* and *statuto*); and

(b) the Issuer's financial statements, the relevant auditor's report, and all reports, letters, and other documents, historical financial information, valuations and statements (if any) prepared by any expert at the Issuer's request, any part of which is included or referred to this Prospectus.

Additional information is available on the website https://securitization.cardoai.com/, which does not form part of this Prospectus. Any information found in said website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

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:

Capital	Euro
Issued, authorised and fully paid up capital	10,000

Loan Capital	Euro
Class A Asset Backed Partly Paid Notes due October 2037	96,000,000
Class B Asset Backed Partly Paid Notes due October 2037	26,000,000
Class C Asset Backed Partly Paid Notes due October 2037	11,000,000
Total Loan Capital	**133,000,000**

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.

Financial statements

Since its date of incorporation the Issuer has not commenced operations and no statutory financial statements have been made up as at the date of this Prospectus. The Issuer's financial year end is 31 December of each calendar year. The first financial statements of the Issuer will be published with respect to the period ending on 31 December 2023.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 815600D5E0B68B525C74.

BANK OF NEW YORK MELLON

Bank of New York Mellon SA/NV – Milan Branch is a bank incorporated under the laws of Belgium licensed to conduct banking operations, having its registered office at Multi Tower, Boulevard Anspachlaan 1 - B-1000 Brussels, Belgium, which acts in the context of the Securitisation through its Milan branch, whose offices are located at Via Mike Bongiorno, No. 13, 20124 Milan, Italy, Fiscal Code and enrolment with the Companies Register of Milan Monza Brianza Lodi No. 09827740961, enrolled as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 in the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act (hereinafter "**BNYM**").

In the context of this Securitisation, BNYM will act as Account Bank and Paying Agent.

The information contained herein relates to BNYM and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by BNYM, 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 BNYM since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Terms and Conditions**"). In these Terms and Conditions, references to the "holder" of a Note or to the " Noteholders" are to the ultimate owners of the Notes, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Euronext Securities Milan**") in accordance with the provisions of (i) Article 83 bis of the Financial Laws Consolidated Act; and (ii) Regulation 13 August 2018.*

The following asset backed notes:

(i) € 96,000,000 Class A Asset Backed Partly Paid Notes due October 2037 (the "**Class A Notes**" or the "**Senior Notes**");

(ii) € 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037 (the "**Class B Notes**" or the "**Mezzanine Notes**"); and

(iii) €11,000,000 Class C Asset Backed Partly Paid Notes due October 2037 (the "**Class C Notes**" or the "**Junior Notes**" and, together with the Senior Notes and the Mezzanine Notes, the "**Notes**"),

will be issued by Valsabbina SME Platform II S.r.l. (the "**Issuer**") on 17 March 2023 (the "**Issue Date**") to finance the purchase of a portfolio of receivables and related rights from Banca Valsabbina S.C.p.A. (the "**Originator**" or "**Banca Valsabbina**").

Partly Paid Notes

The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full Nominal Amount of the Notes will be issued. Subject to these Terms and Conditions, the Subscription Agreements and the terms of the other Transaction Documents, on the Issue Date the Underwriters will pay the Initial Instalments of the subscription price of each Class of Notes in order to fund, *inter alia*, the purchase of the Initial Portfolio from the Originator pursuant to the Transfer Agreement.

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections made in respect of the Receivables arising out of the Loan Agreements, purchased from time to time by the Issuer from the Originator pursuant to the Transfer Agreement and/or the relevant Transfer Deed.

The Initial Portfolio

On 9 February 2023 the Issuer purchased the Initial Portfolio from the Originator pursuant to the Transfer Agreement. The Initial Portfolio Purchase Price will be funded through the proceeds of the Initial Instalments on the Notes paid in respect of each Class of Notes.

The Further Portfolios

During the Revolving Period the Issuer may purchase from the Originator Further Portfolios in accordance with the provisions of the Transfer Agreement and the other Transaction Documents. The Purchase Price of any Further Portfolio will be paid by the Issuer using (i) the Issuer Available Funds available for such purpose under the Priority of Payments and/or (ii) the proceeds deriving from any Incremental Instalment on each Class of Notes.

STS Securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised (STS) securitisation within the meaning of Article 18 of the EU Securitisation Regulation ("**STS-Securitisation**"). Consequently, the Securitisation meets, as at the Issue Date, the requirements of Articles 19 to 22 of the EU Securitisation Regulation and will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation at any point in time in the future.

References to a Class of Notes

Any reference in these Terms and Conditions to a "**Class**" of Notes or a "**Class**" of holders of Notes shall be a reference to the Senior Notes, the Mezzanine Notes or the Junior Notes, as the case may be, or to the respective holders thereof and any reference to any agreement or document shall be a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

1. INTRODUCTION

1.1 Definitions

Capitalised words and expressions in these Terms and Conditions shall, unless otherwise specified or unless the context otherwise requires, have the meanings set out in Condition 2 (*Interpretation and Definitions*).

1.2 Noteholders deemed to have notice of the Transaction Documents

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of, the Transaction Documents.

1.3 Provisions of the Conditions subject to the Transaction Documents

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

1.4 Transaction Documents

1.4.1 *Transfer Agreement*

Pursuant to the Transfer Agreement, the Originator (a) has assigned and transferred to the Issuer all of its rights, title and interest in and to the Initial Portfolio and (b) may assign and transfer to the Issuer all of its rights, title and interest in and to any Further Portfolio during the Revolving Period and up to the end thereof, in accordance with the Securitisation Law and subject to the terms and conditions of the Transfer Agreement.

1.4.2 Repurchase Agreement

Pursuant to the Repurchase Agreement, the Originator has repurchased the Repurchased Receivable from the Issuer, subject to the terms and conditions set out thereunder.

1.4.3 *Warranty and Indemnity Agreement*

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

1.4.4 *Servicing Agreement*

Pursuant to the Servicing Agreement, the Servicer has agreed to administer service, collect and recover amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento"* (entity responsible for the collection of the assigned receivables and the cash and payment services) pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Prospectus pursuant to Article 2, paragraph 3(c) and Article 2, paragraph 6 *bis* of the Securitisation Law.

1.4.5 *Back-Up Servicing Agreement*

Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer has been appointed and has agreed to act as Successor Servicer in the event the appointment of the Servicer

is terminated.

1.4.6 *Sub-Servicing Agreement*

Pursuant to the Sub-Servicing Agreement, the Servicer, with the consent of the Issuer, has appointed the Sub-Servicer as its sub-delegate in relation to certain operational activities relating to the management, administration and recovery of the Receivables comprised in the Aggregate Portfolio and the request, maintenance and enforcement of the FCG Guarantee, in accordance with the terms and conditions of the Sub-Servicing Agreement.

1.4.7 *Back-Up Sub-Servicing Agreement*

Pursuant to the Back-Up Sub-Servicing Agreement, the Back-Up Sub-Servicer has been appointed and has agreed to act as Successor Sub-Servicer in the event the appointment of the Sub-Servicer is terminated.

1.4.8 *Intercreditor Agreement*

Pursuant to the Intercreditor Agreement, the Issuer and the Other Issuer Creditors have agreed, *inter alia*, to apply the Issuer Available Funds on each Payment Date in accordance with the applicable Priority of Payments, the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio and the circumstances in which the Issuer may dispose of the Aggregate Portfolio.

1.4.9 *Agency Agreement*

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

1.4.10 *Corporate Services Agreement*

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

1.4.11 *Stichting Corporate Services Agreement*

Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide certain corporate administrative services to the Sole Quotaholder.

1.4.12 *Senior Notes Subscription Agreement*

Pursuant to the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Senior Notes and the Senior Notes Underwriters have agreed to subscribe for such Senior Notes, subject to the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the Noteholders.

1.4.13 *Mezzanine Notes Subscription Agreement*

Pursuant to the Mezzanine Notes Subscription Agreement, the Issuer has agreed to issue the Mezzanine Notes and the Mezzanine Notes Underwriters have agreed to subscribe for such Mezzanine Notes, subject to the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the

Noteholders.

1.4.14 *Junior Notes Subscription Agreement*

Pursuant to the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Junior Notes and the Junior Notes Underwriters have agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, and have also appointed Centotrenta Servicing, which has accepted, as Representative of the Noteholders.

1.4.15 *Master Definitions Agreement*

Pursuant to the Master Definitions Agreement, the Issuer and the Other Issuer Creditors have agreed on the definitions of certain terms used in the Transaction Documents and the relevant principles of interpretation.

1.5 **Transaction Documents available for inspection**

Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, Via San Prospero No. 4, 20121 Milan, Italy.

1.6 **Rules of the Organisation of the Noteholders**

The Noteholders are deemed to have notice of, are bound by, and shall have the benefit of, *inter alia*, the terms of the Rules of the Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part of these Terms and Conditions. The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders.

1.7 **Representative of the Noteholders**

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

2. **INTERPRETATION AND DEFINITIONS**

2.1 **Interpretation**

In these Terms and Conditions, unless otherwise specified or unless the context otherwise requires:

(a) the exhibit hereto constitutes an integral and essential part of these Terms and Conditions and shall have the force of and shall take effect as covenants; and

(b) headings and subheadings are for ease of reference only and shall not affect the construction of these Terms and Conditions.

2.2 **Action taken by the Representative of the Noteholders**

Any reference to a "consent", "approval", or "authorisation" or, more generally, any action to be taken by the Representative of the Noteholders means a consent, approval or authorisation to be given, or an action to be taken in accordance with the Rules of the Organisation of the Noteholders.

2.3 **Definitions**

Unless otherwise defined in these Terms and Conditions, capitalised words and expressions used in these Terms and Conditions have the following meanings and constructions:

"**Acceleration Condition**" means the condition that, on each Determination Date following the end of the Revolving Period, the sum of the Outstanding Credit of the Collateral Portfolio as at such Determination Date is lower than Euro 17,500,000.00.

"**Acceleration Event**" means that, on any Payment Date, the Acceleration Condition is satisfied on the immediately preceding Determination Date.

"**Account**" means each of the Eligible Accounts, the Expense Account and the Quota Capital Account, opened by the Issuer, and "**Accounts**" means all of them.

"**Account Bank**" means BNYM, or any other entity acting as account bank pursuant to the Agency Agreement from time to time, and any of its permitted successors or transferees.

"**Account Bank Report**" means the monthly report setting out certain information in respect of the amounts standing to the credit of each of the Eligible Accounts, the interest accrued thereon and taxes accrued and paid.

"**Account Bank Report Date**" means the tenth day of each month or, if such day is not a Business Day, the immediately following Business Day.

"**Accounting Portfolio**" means, on any given date, the Receivables included in the Aggregate Portfolio which have not been repaid, written off, or repurchased on such date.

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

"**Additional Return**" means the amount which may or may not be paid on the Junior Notes in accordance with the Terms and Conditions on each Payment Date by reference to the Issuer Available Funds remaining available following the payment of item *Nineteenth* of the Pre-Enforcement Priority of Payments and item *Eleventh* of the Post-Enforcement Priority of Payments, as the case may be.

"**Adjustment Purchase Price**" means in relation to any Receivable transferred to the Issuer pursuant to the Transfer Agreement, but for which no purchase price was agreed upon transfer (in case of erroneous exclusion), an amount calculated in accordance with Article 4.3 (*Adeguamento del Corrispettivo nel caso di erronea esclusione di un Credito*) of the Transfer Agreement.

"**Affected Class**" has the meaning given to it in Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

"**Affected Receivables**" means, collectively, the Pool Audit Affected Receivables and the FCG Affected Receivables.

"**Agency Agreement**" means the agency agreement executed on or about the Signing Date between the Issuer, the Originator, the Computation Agent, the Account Bank, the Cash Manager, the Servicer, the Representative of the Noteholders 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.

"**Agents**" means the Cash Manager, the Paying Agent, the Account Bank and the Computation Agent collectively, and "**Agent**" means each of them.

"**Agent Default Event**" means any of the events as set out under Article 21.1 (*Termination*) of the Agency Agreement.

"**Aggregate Portfolio**" means the aggregate of the Initial Portfolio and any Further Portfolios purchased by the Issuer pursuant to the Transfer Agreement.

"**Alternative Benchmark Rate**" means an alternative reference rate to be substituted for EURIBOR in respect of the Notes in accordance with Condition 7.7 (*Interest – Fallback Provisions*), being any of the following:

(a) a reference rate which has been recognised or endorsed as a rate which should or could be used, subject to adjustments (if any), to replace EURIBOR by either (x) the ECB, ESMA,

or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Euro Risk-Free Rates or (y) an industry body recognised nationally or internationally as representing participants in the mortgage / asset backed securitisation market generally; or

(b) a reference rate utilised in a material number of publicly-listed new issues of Euro denominated mortgage / asset backed floating rate notes in the six months prior to the proposed effective date of such Benchmark Rate Modification; or

(c) a reference rate utilised in a publicly-listed new issues of Euro denominated mortgage / asset backed floating rate notes prior to the effective date of such interest rate modification; or

(d) such other reference rate as the Rate Determination Agent reasonably determines provided that this option may only be used if the Issuer certifies to the Senior Noteholders and the Representative of the Noteholders that, in its reasonable opinion, neither paragraphs (a), (b) or (c) above are applicable and/or practicable in the context of the Securitisation and that the Issuer has received from the Rate Determination Agent reasonable justification of such determination.

"**Annex 12 Report**" means the report to be prepared by the Computation Agent pursuant to the Agency Agreement, setting out the information required by Article (7)(1) letter (e) of the EU Securitisation Regulation and the Regulatory Technical Standards and to be delivered to the Reporting Entity on the Transparency Report Date.

"**Annex 14 Report**" means the report to be prepared by the Servicer pursuant to the Agency Agreement, setting out the information required by Article (7)(1) letters (f) and (g) of the EU Securitisation Regulation and the Regulatory Technical Standards and to be delivered to the Reporting Entity without undue delay.

"**Amortisation Period**" means the period beginning after the end of the Revolving Period.

"**Arrangers**" means Banca Valsabbina and Banca FININT in their capacity as arrangers of the Securitisation.

"**AZ ELTIF DL II**" means Azimut ELTIF - Private Debt Digital Lending II, a sub-fund of Azimut ELTIF, a mutual investment fund (*fonds commun de placement - FCP*) organised under the laws of the Grand Duchy of Luxembourg and registered with the *Registre de commerce et des sociétés, Luxembourg* under number K2029, for which Azimut Investments acts as management company.

"**AZ RAIF APA**" means AZ RAIF I – Absolute Performing Assets, a sub-fund of AZ RAIF I, an investment fund organised under the laws of the Grand Duchy of Luxembourg as a reserved alternative investment fund (fonds d'investissement alternatif réservé – RAIF) and registered with the Registre de commerce et des sociétés, Luxembourg under number K2001, for which Azimut Investments acts as management company.

"**Back-Up Servicer**" means CR Asti or any other entity acting as back-up servicer pursuant to the Back-Up Servicing Agreement from time to time, and any of its permitted successors or transferees.

"**Back-Up Servicing Agreement**" means the back-up servicing agreement executed on or about the Signing Date between the Issuer, the Servicer and the Back-Up Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Back-Up Sub-Servicer**" means Garanzia Etica or any other entity acting as back-up sub-servicer pursuant to the Back-Up Sub-Servicing Agreement from time to time, and any of its permitted successors or transferees.

"**Back-Up Sub-Servicing Agreement**" means the back-up sub-servicing agreement executed on

or about the Signing Date between the Issuer, the Servicer, the Sub-Servicer and the Back-Up Sub-Servicer as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Banca Capasso**", means Banca Capasso Antonio S.p.A, a bank incorporated as *a società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Venti Settembre, No. 30, 00187 Rome, share capital of Euro 34,835,852.00 fully paid up, Fiscal Code and enrolment with the Companies Register of Rome No. 00095310611, VAT number 14994571009, registered under No. 543.9.0 with the register of the Banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act, member of the IBL Banca Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

"**Banca FININT**" means Banca Finanziaria Internazionale S.p.A., *breviter* "BANCA FININT S.P.A.", a bank incorporated as a *società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri, No. 1, 31015 Conegliano (Treviso), Italy, share capital of Euro 91,743,007.00 fully paid up, fiscal code and enrolment with the Companies Register of Treviso-Belluno No. 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 Valsabbina**" means Banca Valsabbina S.C.p.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Via Molino, No. 4, 25078 Vestone (Brescia), Italy and headquarters in Via XXV Aprile, No. 8, 25121 Brescia, Italy, fiscal code and enrolment with the Companies Register of Brescia No. 00283510170, VAT Number 00549950988, quota capital Euro 106,550,481, and parent company of the Banca Valsabbina Banking Group registered under No. 05116.9 with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Consolidated Banking Act.

"**Bank of Italy Supervisory Regulations**" means the instructions and the circulars issued from time to time by the Bank of Italy and applicable to the Securitisation, the Servicer and/or the Issuer.

"**Benchmark Rate Modification**" means any modification to the Terms and Conditions or any other Transaction Document or entering into any new, supplemental or additional document that the Issuer and the Rate Determination Agent consider necessary or advisable for the purpose of changing the benchmark rate from EURIBOR in respect of the Notes to the Alternative Benchmark Rate and making such other amendments to the Terms and Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer and/or the Rate Determination Agent to facilitate the changes envisaged pursuant to Condition 7.7 (*Interest – Fallback Provisions*).

"**Benchmark Rate Modification Certificate**" means a certificate signed by each of the Issuer and the Rate Determination Agent and addressed to the Noteholders and the Representative of the Noteholders and copied to the Paying Agent and the Calculation Agent certifying that:

(a) the Benchmark Rate Modification is being undertaken as a result of the occurrence of a Benchmark Rate Modification Event (including also the expected occurrence of any relevant Benchmark Rate Modification Event), as ascertained by the Rate Determination Agent, and such modification is required solely for such purpose and has been drafted solely to such effect; and

(b) the Alternative Benchmark Rate proposed falls within limb (a), (b), (c) or (d) of the definition of Alternative Benchmark Rate and where limb (d) applies, the Issuer and the Rate Determination Agent shall certify that, in their opinion, none of paragraphs (a), (b) or (c) of the definition of Alternative Benchmark Rate is applicable and/or practicable in the context

of the Transaction and sets out the justification for such determination (as provided by the Rate Determination Agent);

(c) the details of and the rationale for the Note Rate Maintenance Adjustment (or absence of any Note Rate Maintenance Adjustment) are as set out in the Benchmark Rate Modification Noteholder Notice; and

the written consent of each Other Issuer Creditor (other than the consent of Noteholders and the Representative of Noteholders) whose consent is required to effect the proposed Benchmark Rate Modification, pursuant to the provisions of the Transaction Documents, and the Paying Agent whose responsibility it is to calculate the interest rate has been obtained and no other consents are required to be obtained in relation to the Benchmark Rate Modification.

"**Benchmark Rate Modification Costs**" means all fees, costs and expenses (including legal fees or any initial or ongoing costs associated with the Benchmark Rate Modification) properly incurred by the Issuer or any other transaction party of the Securitisation in connection with the Benchmark Rate Modification.

"**Benchmark Rate Modification Event**" means the occurrence of any of the following:

(a) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Notes, or pursuant to which any such use is subject to *material* restrictions or adverse consequences;

(b) a material disruption to EURIBOR, or EURIBOR ceasing to exist or to be published, or the administrator of EURIBOR having used fallback methodology for calculating EURIBOR for a period of at least 30 calendar days;

(c) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);

(d) a public statement by the EURIBOR administrator that, upon a specified future date (the "**Specified Date**"), it will cease publishing EURIBOR or EURIBOR will not be included in the register under Article 36 of the Benchmarks Regulation permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR or where there is no mandatory administration), provided that if the Specified Date is more than 6 months in the future, the Benchmark Rate Modification Event will occur upon the date falling 6 months prior to the Specified Date;

(e) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be, upon a Specified Date, permanently or indefinitely discontinued, or which means that EURIBOR may no longer be used or that it is no longer a representative benchmark rate or that its use is subject to restrictions asset backed floating rate notes, provided that if the Specified Date is more than 6 months in the future, the Benchmark Rate Modification Event will occur upon the date falling 6 months prior to the Specified Date;

(f) a change in the generally accepted market practice in the publicly listed mortgage-backed or asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the ECB, ESMA, or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Euro Risk-Free Rates, despite the continued existence of EURIBOR; or

(g) it being the reasonable expectation of the Issuer and the Rate Determination Agent that any of the events specified in sub-paragraphs (a), (b) or (c) will occur or exist within 6 months from the date of the relevant Benchmark Rate Modification Certificate.

"**Benchmark Rate Modification Noteholder Notice**" means a written notice from the Issuer (or the Rate Determination Agent acting on behalf of the Issuer) to notify Noteholders and the Representative of the Noteholders of a proposed Benchmark Rate Modification confirming the following:

(a) the date on which it is proposed that the Benchmark Rate Modification shall take effect;

(b) the period during which the Noteholders may object to the proposed Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect and continue for a period of not less than 30 calendar days) and the method by which they may object;

(c) the Benchmark Rate Modification Event or Events which has or have occurred;

(d) the Alternative Benchmark Rate which is proposed to be adopted pursuant to Condition 7.7.2 and the rationale for choosing the proposed Alternative Benchmark Rate;

(e) details of any Note Rate Maintenance Adjustment;

(f) details of (i) any amendments which the Issuer proposes to make to the Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Condition 7.7 (*Interest – Fallback provisions*).

"**Benchmark Regulation**" means EU's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

"**BNYM**" means Bank of New York Mellon SA/NV Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulevard Anspachlaan 1 - B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno, No. 13, 20124 Milan, Italy, fiscal code and enrolment with the Companies Register of Milano Monza Brianza Lodi No. 09827740961, enrolled as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act

"**Borsa Italiana**" means Borsa Italiana S.p.A., with registered office at Piazza degli Affari, No. 6, 20123 Milan, Italy.

"**Business Day**" means any day (other than Saturday, Sunday or a public holiday or a bank holiday in Milan, London and New York) on which the Trans-European Automated Real Time Gross Settlement-Express Transfer System (TARGET2), or any successor thereto, is open.

"**Calculation Date**" means the fourth Business Day before the relevant Payment Date on which the Payments Report is due by the Computation Agent.

"**Cancellation Date**" means the earlier of:

(a) the date on which the Notes have been redeemed in full;

(b) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders (on the basis of the information provided by the Servicer) that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer;

(c) the Final Maturity Date.

"**Cash Eligible Accounts**" means the Collection Account, the Payments Account and the Cash Reserve Account and "**Cash Eligible Account**" means each of them.

"**Cash Manager**" means Finint Investments SGR or any other person acting as cash manager pursuant to the Agency Agreement from time to time, and any of its permitted successors or transferees.

"**Cash Manager Report**" means the report delivered by the Cash Manager on or prior the Cash Manager Report Date setting out certain information on the investments made.

"**Cash Manager Report Date**" means at the latest 6 (six) Business Days before each Payment Date.

"**Cash Reserve Account**" means the Euro denominated Account with IBAN IT05W0335101600004509159780 established in the name of the Issuer with the Account Bank.

"**Cash Reserve Amount**" means, on the Issue Date and on each Payment Date, the amount credited to the Cash Reserve Account.

"**Cash Reserve Increase Amount**" means:

(a) on the Incremental Instalment Dates falling in March 2023 and June 2023, an amount equal to the difference, if positive, between (i) the Required Cash Reserve Amount as calculated by the Computation agent as of the immediately preceding Calculation Date of such Incremental Instalment Date (including, for avoidance of doubt, the relevant Incremental Instalment on such Incremental Instalment Date) and (ii) in case of the Incremental Instalment Date of March 2023, the Required Cash Reserve Amount as calculated as of the Issue Date or, in case of the Incremental Instalment Date of June 2023, as of the previous Incremental Instalment Date by the Computation Agent, to be financed through the Incremental Instalment; and

(b) on the Payment Date falling in July 2023, an amount equal to the difference, if positive, between (i) the Required Cash Reserve Amount as calculated by the Computation Agent as of the immediately preceding Calculation Date of such Payment Date (including, for avoidance of doubt, the relevant Incremental Instalment of such Payment Date) and (ii) the Required Cash Reserve Amount as calculated by the Computation Agent as of the immediately preceding Incremental Instalment Date of such Payment Date, to be financed through the Incremental Instalment; and

(c) on the Payment Dates falling between October 2023 (included) and April 2024 (included), an amount equal to the difference, if positive, between i) the Required Cash Reserve Amount as calculated by the Computation Agent as of the immediately preceding Calculation Date of the relevant Payment Date (including, for avoidance of doubt, the relevant Incremental Instalment of such Payment Date) and (ii) the Required Cash Reserve Amount as calculated by the Computation Agent as of the preceding Payment Date, to be financed through the Incremental Instalment.

"**Centotrenta Servicing**" means Centotrenta Servicing S.p.A., a financial intermediary incorporated as a società per azioni under the laws of the Republic of Italy, having its registered office at Via San Prospero, No. 4, Milan, Italy, fiscal code and enrolment with the Companies Register of Milan Monza Brianza Lodi No. 07524870966, and enrolled in the Financial Institution Register under Article 106 of the Consolidated Banking Act.

"**Class**" shall be a reference to a class of Notes, being the Class A Notes, the Class B Notes and the Class C Notes and "**Classes**" shall be construed accordingly.

"**Class A Notes**" means the € 96,000,000 Class A Asset Backed Partly Paid Notes due October 2037.

"**Class A Notes Incremental Instalment**" means the Incremental Instalment of the Class A Notes as calculated by the Issuer with the support of the Computation Agent in accordance with the

Senior Notes Subscription Agreement so that the ratio between the Principal Amount Outstanding of the Class A Notes (inclusive of such Class A Notes Incremental Instalment) and the Collateral Portfolio Outstanding Credit (inclusive of the Further Portfolio acquired through such Incremental Instalment) is the lower of:

(i) 80%; and

(ii) the Weighted FCG Guaranteed Performing Portfolio Percentage (calculated including the Further Portfolio acquired through such Incremental Instalment).

"**Class A Notes Initial Instalment**" means Euro 215,700.00.

"**Class A Noteholder**" means the Holder of a Class A Note and "**Class A Noteholders**" means all of them.

"**Class B Notes**" means the € 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037.

"**Class B Notes Incremental Instalment**" means 70% of the difference between the Incremental Instalment and the Class A Notes Incremental Instalment.

"**Class B Notes Initial Instalment**" means Euro 625,274.53.

"**Class B Noteholder**" means the Holder of a Class B Note and "**Class B Noteholders**" means all of them.

"**Class C Notes**" means the € 11,000,000 Class C Asset Backed Partly Paid Notes due October 2037.

"**Class C Notes Incremental Instalment**" means the difference between (i) the Incremental Instalment, (ii) the Class A Notes Incremental Instalment and (iii) the Class B Notes Incremental Instalment.

"**Class C Notes Initial Instalment**" means Euro 267,974.80.

"**Class C Noteholder**" means the Holder of a Class C Note and "**Class C Noteholders**" means all of them.

"**Clearstream**" means Clearstream Banking, *société anonyme,* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Collateral Portfolio**" means, on any given date, the aggregate of all Receivables which are not Defaulted Receivables as of that date, comprised in the Accounting Portfolio and, in respect of which no Limited Credit Loan has been granted by the Originator to the Issuer pursuant to Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement.

"**Collateral Portfolio Outstanding Credit**" means an amount equal to the sum of the Outstanding Credit of all the Receivables comprised in the Collateral Portfolio.

"**Collateral Portfolio Outstanding Principal**" means an amount equal to the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

"**Collateralisation Condition**" means the condition that will be deemed satisfied on any Payment Date if the sum of:

(a) the Outstanding Credit of the Collateral Portfolio as of the end of the immediately preceding Collection Period, including any Further Portfolio transferred to the Issuer on the immediately preceding Transfer Date;

(b) the Cash Reserve Amount credited to the Cash Reserve Account; and

(c) the Initial Expenses Amount,

is equal to, or higher than, 90% of the Principal Amount Outstanding of the Notes on the relevant Payment Date (taking into account any repayment made to, or increment of principal made by, the Noteholders on such Payment Date).

"**Collection Account**" means the Euro denominated Account with IBAN IT43T0335101600004509129780 established in the name of the Issuer with the Account Bank.

"**Collection Period**" means the Monthly Collection period, or the Quarterly Collection Period, as the case may be.

"**Collection Policies**" means the activities for the administration, collection and recovery of Receivables and the management of Non-Performing Receivables as set out in annex 4 (*Procedure di Riscossione*) to the Servicing Agreement.

"**Collections**" means all amounts received by the Issuer or the Servicer, from its agents or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Issuer or the Servicer, from its agents or any other person in respect of the Receivables.

"**Commitment Fee**" means the fee which may be payable to Duomo on each Payment Date starting from the Payment Date falling in October 2023 in accordance with the provisions of the Senior Notes Subscription Agreement.

"**Common Criteria**" means the objective criteria for the selection of each Portfolio specified in schedule 2 (*Criteri Comuni*) to the Transfer Agreement.

"**Computation Agent**" means Banca FININT or any other person acting as computation agent pursuant to the Agency Agreement from time to time and any of its permitted successors or transferees.

"**Conclusion Date**" means 9 February 2023, which is the date on which the Issuer has received from the Originator, the Servicer and the Sub-Servicer letters of acceptance, conforming to their proposals, of the contractual proposals of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement and the Sub-Servicing Agreement.

"**Condition**" means a condition of these Terms and Conditions.

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

"**Consolidated Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented from time to time.

"**Corporate Servicer**" means Banca FININT or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time, and any of its permitted successors or transferees.

"**Corporate Services Agreement**" means the corporate services agreement executed on or about the Signing Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**CR Asti**" means Cassa di Risparmio di Asti S.p.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Piazza della Libertà, No. 23, 14100 Asti, Italy, fiscal code and enrolment with the Companies Register of Asti No. 00060550050 share capital Euro 363,971,167.68 fully paid up, registered under No. 5142 with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Consolidated Banking Act.

"**Criteria**" means Common Criteria and Specific Criteria.

"**CRR**" means the Regulation (UE) n. 575/2013 adopted on 27 June 2013 by the European Parliament and the European Council which repealed the CRD relating to, *inter alia*, exposures to

transferred credit risk in the context of securitisation transactions, as amended and supplemented from time to time.

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

(a) the sum of the Outstanding Credit at the Default Date of each Receivable classified as Defaulted Receivable from the relevant Valuation Date until such Determination Date; and

(b) the sum of the Outstanding Credit of the Initial Portfolio on the Initial Valuation Date and the Outstanding Credit of each Further Portfolio on the relevant Valuation Date.

"**DBRS**" means DBRS Ratings Limited.

"**Debtor**" means any Small and Medium Enterprise borrower and any other person or entity which entered into a Loan Agreement as principal debtor or guarantor which is liable for the payment or repayment of amounts due under a Loan Agreement, as the case may be, as a consequence of having granted any Guarantee to the Originator or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise and "**Debtors**" means all of them.

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

"**Default Date**" means the date on which a Receivable is classified as a Defaulted Receivable as indicated in the relevant Monthly Servicer's Report.

"**Defaulted Receivables**" means any Receivable (i) arising from Loan Agreements classified by the Servicer as "*sofferenza*" in accordance with the Bank of Italy's Supervisory Regulations; or (ii) which have more than 6 (six) unpaid (in part or in full) monthly instalments; or (iii) in respect of which a payment request has been made to enforce the FCG Guarantee.

"**Delinquent Instalment**" means an Instalment unpaid by the relevant Debtor for 31 (thirty-one) calendar days or more starting from the relevant Scheduled Instalment Date.

"**Delinquent Receivables**" means the Receivables related to Loan Agreements with respect to which there is at least one Delinquent Instalment and which are not classified as Defaulted Receivables.

"**Determination Date**" means in respect of any Payment Date, the last day of the immediately preceding Quarterly Collection Period.

"**Duomo**" means Duomo Funding PLC., a public limited company incorporated under the law of the Ireland, having its registered office at Riverside One, Sir John Rogersons Quay, Dublin 2, Ireland, and registered with the Companies Registration Office of Ireland under No. 394404.

"**Eligible Accounts**" means the Cash Eligible Accounts and the Securities Account and "**Eligible Account**" means each of them.

"**Eligible Institution**" means any depository institution organised under the laws of any state which is in the European Union, in the UK or in the United States of America, and any other country which can carry out passporting activities in Italy, having a rating of at least Baa2 or BBB with respect to Moody’s or DBRS or S&P or Fitch.

"**Eligible Investments**" means the eligible investments (if any) that may be made by the Cash Manager on the basis of the provisions of the Agency Agreement and as to be agreed among the relevant parties.

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

"**EBA**" means the European Banking Authority established by Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010, amending Decision No. 716/2009/EC and repealing Commission Decision 2009/78/EC.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "Guidelines on the STS criteria for non-ABCP securitisation".

"**ESMA**" means the European Securities and Market Authority.

"**ESTER**" means the Euro Short-Term Rate.

"**EU Insolvency Regulation**" means

(i) European Council Regulation (EC) No. 1346 of 29 May 2000 with reference to proceedings opened prior to 26 June 2017, and

(ii) European Council Regulation (EU) 848/2015, with reference to proceedings opened after 26 June 2017,

each as amended and supplemented from time to time.

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

"**EURIBOR**" means the interest rate offered in the euro-zone interbank market for three months deposits in Euro, which appears on the Bloomberg Page EUR003M page at on/or about 11.00 a.m. (Brussels time) or (A) such other page as may replace the Bloomberg Page EUR003M page on that service for the purpose of displaying such information or (B) if that service ceases to display such information on such equivalent service as may replace the Bloomberg Page EUR003M.

"**Euro**", "**€**" and "**cents**" refer to the single currency introduced in the Member States of the European Union which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Euronext Securities Milan**" means Monte Titoli S.p.A., with registered office at Piazza Affari No. 6, 20123 Milan, Italy.

"**Euronext Securities Milan Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream.

"**Expense Account**" means the account with IBAN IT84U0326661620000014114888 established in the name of the Issuer with Banca Finint.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation to be paid in accordance with Article 4.5 (*Ripartizione dei costi e delle spese*) of the Corporate Services Agreement.

"**ExtraMOT**" means the multilateral trading facility managed by Borsa Italiana.

"**ExtraMOT PRO**" means the professional segment of ExtraMOT.

"**Extraordinary Resolution**" means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

"**FCG Guarantee**" means the FCG's guarantee provided by Italian law No. 662 of 23 December 1996 which established the Fondo di Garanzia, also pursuant to the provisions of Law Decree No. 18 of 17 March 2020 (as converted by Italian Law No. 27 of 24 April 2020) and/or by Law Decree No. 23 of 8 April 2020 (as converted by Italian Law No. 40 of 5 June 2020). and/or Law Decree No. 73 of 25 May 2021 (as converted by Law No. 106 of 23 July 2021) and/or Article 17 of Commission Regulation (EU) No 651/2014 of 17 June 2014 and/or Article 1 of Commission Regulation (EU) No 1407/2013 of 18 December 2013, each as amended and supplemented from time to time, or by other regulations agreed between the Parties.

"**FCG Affected Receivable**" means any Receivable included in the Aggregate Portfolio in respect of which an event of decay ("*decadenza"*) or ineffectiveness ("*inefficacia*") of the relevant FCG Guarantee in accordance with the provisions of the operational guidance set by the FCG ("*Modalità Operative e Disposizioni Operative*") applicable from time to time, has occurred (also following the due diligence activity carried out by the FCG Guarantee Analyst as reported in the FCG Report (or any possible other auditor named by any Italian or European public authority, the Servicer, the Sub-Servicer, the FCG, Mediocredito Centrale – Banca del Mezzogiorno S.p.A or the relevant Debtor) or by the FCG, the Bank of Italy, the ECB, CONSOB, Mediocredito Centrale – Banca del Mezzogiorno S.p.A., the relevant Debtor (provided that in such case an independent auditor may be named by the Servicer to verify the occurrence of the event of decay ("*decadenza*") or ineffectiveness ("*inefficacia*") of the FCG Guarantee indicated by the relevant Debtor, otherwise (e.g. in case of failure to appoint such auditor by the Servicer) the relevant Receivable will be considered as Affected), the Servicer or the Sub-Servicer, in accordance with the operational guidance set by the FCG applicable from time by time ("*Modalità Operative e Disposizioni Operative*"). For the avoidance of any doubt, in the event that:

(a) the FCG has paid the amount due and claimed of a Loan in relation to which an event of decay ("*decadenza*") or ineffectiveness ("*inefficacia*") of the relevant FCG Guarantee has occurred; or

(b) the event of decay ("*decadenza*") or ineffectiveness ("*inefficacia*") of the relevant FCG Guarantee has been remedied according to the operational guidance set by the FCG and the Sub-Servicer has provided the Representative of the Noteholders and the Senior Noteholders with (i) in case of events governed by part 4 (*Gestione delle operazioni finanziarie garantite*), par. E.2 of the operational guidance, written evidence produced by the Sub-Servicer of such remedy or (ii) in all other cases, written evidence produced by the FCG (also in the form of any FCG resolution) of the positive decision adopted in relation to such remedy,

the relevant Receivable shall not be classified as FCG Affected Receivable.

"**FCG Guarantee Analyst**" means a firm of recognised experience in the analysis and the assessment of the FCG Guarantee to the liking of the Underwriters.

"**FCG Guaranteed Percentage**" means the percentage of each Loan guaranteed by the FCG.

"**FCG Report**" means the due diligence report carried out and prepared by the FCG Guarantee Analyst in relation to FCG Guarantees, relating to a sample of the Loans comprised in the Aggregate Portfolio, in accordance with the Transaction Documents.

"**Final Maturity Date**" means the Payment Date falling in October 2037.

"**Financial Laws Consolidated Act**" means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

"**Finint Investments SGR**" means Finanziaria Internazionale Investments SGR S.p.A. a joint-stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via V. Alfieri, No. 1, 31015 Conegliano (Treviso).

"**First Payment Date**" means the Payment Date falling in July 2023.

"**First Performance Event**" means the occurrence of one of the following events:

(a) the Cumulative Gross Default Ratio of the Aggregate Portfolio (as determined by the Servicer with reference to the Collection Period immediately preceding a Payment Date) is equal to or exceeds 10.5%; or

(b) the Void Guarantee Ratio is equal to or exceeds 4%.

"**Fitch**" means Fitch Ratings Ireland Limited Sede secondaria Italiana.

"***Fondo di Garanzia***" or "**FCG**" means the guarantee fund established at Mediocredito Centrale – Banca del Mezzogiorno S.p.A. under Italian law No. 662 of 23 December 1996.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Further Portfolio**" means any portfolio (other than the Initial Portfolio) of Receivables purchased by the Issuer, during the Revolving Period, pursuant to and in accordance with the provisions of the Transfer Agreement and the other Transaction Documents.

"**Further Portfolio Purchase Price**" means the Purchase Price of the relevant Further Portfolio pursuant to the Transfer Agreement, equal to the sum of the Individual Purchase Price of each Receivable comprised in the Further Portfolios.

"Further Securitisation" means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance the Condition 5.2 (*Covenants - Further Securitisation*) and the other Transaction Documents and "**Further Securitisations**" means all of them.

"**Garanzia Etica**" means Società Cooperativa di Garanzia Collettiva dei Fidi tra Piccole e Medie Imprese - Garanzia Etica, a società cooperativa incorporated under the laws of the Republic of Italy, having its registered office at Via Pier Luigi Nervi, No. 18, 09030, Elmas, Cagliari, Italia, share capital Euro 1,860,665.00 fully paid-up, fiscal code and enrolment with the Companies Register of Cagliari – Oristano under No. 00497380923.

"**GDPR**" means Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016.

"**Guarantee**" means the FCG Guarantee as well as any personal guarantee (other than an omnibus surety), indemnity, surrendered statement, right of retention or other agreement and structure in support of, or guaranteeing, the payment of a Receivable (including a guarantee granted pursuant to Law 662), given to the Originator as a guarantee for the repayment of such Receivable, including, without limitation, "*privilegi legali e convenzionali*" pursuant to Articles 44 and 46 of the Consolidated Banking Act.

"**Guarantor**" means any person who has granted a Guarantee.

"**Holder**" of a Note means the beneficial owner of a Note.

"**Incremental Instalment**" means the incremental instalment on the Notes to be paid by the Noteholders on the relevant Incremental Instalment Date in accordance with the Terms and Conditions and the Subscription Agreements in order to fund, *inter alia*, the purchase of any Further Portfolio.

"**Incremental Instalment Date**" means, up to July 2023 (excluded), the date falling on 31 March 2023 and 28 June 2023 and, starting from July 2023, each Payment Date on which an Incremental

Instalment is to be made.

"**Incremental Instalment Request**" means the request prepared by the Issuer, with the cooperation of the Computation Agent, on the Incremental Instalment Request Date requesting the Noteholders to pay the relevant Incremental Instalment in accordance with the provisions of the Subscription Agreements.

"**Incremental Instalment Request Date**" means the fourth Business Day before the each Incremental Instalment Date.

"**Individual Purchase Price**" means the price of each Receivable purchased by the Issuer pursuant to the Transfer Agreement, as indicated in schedule 4 (*Prospetto dei Crediti ricompresi nel Portafoglio Iniziale*) of the Transfer Agreement in respect of the Initial Portfolio and in sub schedule B (*Prospetto dei Crediti ricompresi nel Portafoglio Ulteriore*) of the relevant Offers in respect of each Further Portfolio, with the aggregate of the Individual Purchase Prices being equal to the relevant Purchase Price.

"**Industrial Sector**" means an industrial sector defined according to the relevant ATECO code.

"**Initial Cash Reserve Amount**" means an amount equal to Euro 21,024.36.

"**Initial Expenses Amount**" means an amount equal to Euro 747,737.50 being the sum of all the upfront expenses incurred by the Issuer in order to carry out the Securitisation.

"**Initial Instalment**" means the initial instalment on the Notes to be paid by the Underwriters on the Issue Date in accordance with the Terms and Conditions and the Subscription Agreements in order to fund the purchase of the Initial Portfolio, the Initial Cash Reserve Amount and the Initial Expenses Amount.

"**Initial Interest Period**" means the period comprised between (a) the Issue Date (included) and (b) the First Payment Date (excluded).

"**Initial Portfolio**" means the initial portfolio of Receivables purchased by the Issuer on the Conclusion Date pursuant to and in accordance with the Transfer Agreement, being understood that the Repurchased Receivable shall not be deemed included in the Initial Portfolio.

"**Initial Portfolio Purchase Price**" means the Purchase Price of the Initial Portfolio pursuant to the Transfer Agreement, equal to the sum of the Individual Purchase Price of each Receivable comprised in such Initial Portfolio for a total amount of Euro 310,187.47.

"**Initial Valuation Date**" means the Valuation Date of the Initial Portfolio being 31 January 2023 at 23:59 Italian time.

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

(a) such company or corporation has become subject to any applicable judicial liquidation, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*liquidazione giudiziale*", "*concordato preventivo*", "*concordato preventivo in bianco*", "*concordato semplificato per la liquidazione del patrimonio*", "*liquidazione coatta amministrativa*", "*amministrazione straordinaria*", "*accordo di ristrutturazione dei debiti*", "*convenzione di moratoria*", "*accordo di ristrutturazione agevolato*" and "*composizione negoziata per la soluzione della crisi d'impresa*" and any applicable proceeding provided under the New Bankruptcy Code (or, with reference to petitions filed before the entry in force of the New Bankruptcy Code, Royal Decree 267), or is failing or is likely to fail pursuant to article 17 of Legislative Decree No. 180 of 16 November 2015 (if applicable) each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar

proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (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 such company or corporation.

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

"**Insurance Policy**" means any insurance policy taken out in relation to any Loan Agreement having the Originator as beneficiary.

"**Intercreditor Agreement**" means the agreement between the creditors entered into on the Signing Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Amount**" has the meaning given to it in Condition 7.2 (*Interest - Determination of the Senior Notes Rate of Interest and Calculation of Interest Amounts*).

"**Interest Amount Arrears**" has the meaning given to it in Condition 7.3 (*Interest - Publication of the Rate of Interest and Interest Amount*).

"**Interest Determination Date**" means, with respect to the Initial Interest Period, the date falling 2 (two) Business Days prior to the Issue Date and 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 Period**" means the Initial Intest Period and, thereafter, each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"**Investors' Report**" means the quarterly report issued by the Computation Agent within each Investors' Report Date, setting out certain information with respect to the Notes.

"**Investors' Report Date**" means the fifth Business Day after each Payment Date.

"**Issue Date**" means 17 March 2023.

"**Issue Price**" means the following percentages of the principal amount of the Notes at which the Notes will be issued:

	Class	*Issue Price*
(a)	Class A	100 per cent;
(b)	Class B	100 per cent;
(c)	Class C	100 per cent.

"**Issuer**" means Valsabbina SME Platform II.

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

(a) any Collection and all amounts received or recovered by the Issuer or on behalf of the Issuer in accordance with the terms of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement and the Intercreditor Agreement, or from any party to the Transaction Documents during the Collection Period immediately preceding the relevant Payment Date (including but not limited to, for the avoidance of any doubt, all amounts (i) recovered from the FCG Guarantee or recovered from the Debtors, (ii) received from the sale, if any, of the Aggregate Portfolio (in whole or in part) together with any proceeds deriving from the enforcement of the Issuer's Rights, and (iii) received by the Issuer under articles 3 (*Prestito a ricorso limitato e altri diritti*), 4 (*Opzione di riacquisto*) and 5 (*Obblighi di indennizzo dell'Originator*) of the Warranty and Indemnity Agreement;

(b) all amounts of interest accrued and paid on the Collection Account, the Payments Account and the Cash Reserve Account (if any) during the Collection Period immediately preceding the relevant Payment Date;

(c) all amounts deriving from the Eligible Investments made under the terms of the Agency Agreement due to be paid on the Eligible Investments Maturity Date immediately prior to the relevant Payment Date;

(d) any and all other amounts standing to the credit of the Collection Account, the Payments Account (excluding any amount paid as Initial Instalment and/or Incremental Instalment in accordance with the Subscription Agreements and including the Mezzanine Coupon Reserve Amount) and the Cash Reserve Account following the payments required to be made from such accounts on the immediately preceding Payment Date.

"**Issuer Creditors**" means (i) the Noteholders; (ii) the Other Issuer Creditors; and (iii) any other third party creditors of the Issuer in respect of any taxes, costs, documented fees or expenses incurred by the Issuer in relation to the Securitisation and to the corporate existence and good standing of the Issuer according to the applicable laws and legislation.

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

"**Italian Bankruptcy Law**" means:

(a) with respect to Insolvency Proceedings started before (and including those still ongoing) 15 July 2022, Royal Decree 267; and

(b) with respect to Insolvency Proceedings started after 15 July 2022, the New Bankruptcy Code.

"**Italy**" means the Republic of Italy.

"**Junior Noteholder**" means a Class C Noteholder and "**Junior Noteholders**" means all of them.

"**Junior Notes**" means the Class C Notes.

"**Junior Notes Interest Amount**" means, the amount of interest payable on the Junior Notes determined one Business Day prior to each Calculation Date.

"**Junior Notes Interest Rate**" has the meaning given to it in Condition 7.1.3 (*Interest - Interest on the Junior Notes*).

"**Junior Notes Redemption Amount**" means, in respect of the amount of principal to be paid on the Junior Notes on each relevant Payment Date,

(a) in the event that no Acceleration Event has occurred:

(i) during the Revolving Period, any Issuer Available Fund remaining after the payment of the Senior Notes Redemption Amount and the Mezzanine Notes Redemption Amount and any other amount payable in priority to or *pari passu* therewith, distributed as principal to the Junior Notes so that the Principal Amount Outstanding of the Junior Notes is equal to:

(A) the sum of (1) Outstanding Credit of the Performing Portfolio as of the end of the Collection Period preceding such Payment Date; and (2) the Outstanding Credit of the Further Portfolio purchased by the Issuer on the Transfer Date immediately preceding such Payment Date; multiplied by the Over Issuance Ratio; minus

(B) the Principal Amount Outstanding of the Senior Notes after the payment of the Senior Notes Redemption Amount on such Payment Date;

(C) any such amount multiplied by 30%; or

(ii) prior to the occurrence of a First Performance Event, any Issuer Available Fund remaining after the payment of the Senior Notes Redemption Amount and the Mezzanine Notes Redemption Amount and any other amount payable in priority to or pari passu therewith, distributed as principal to the Junior Notes so that the Principal Amount Outstanding of the Junior Notes is equal to the Outstanding Credit of the Performing Portfolio as of the end of the Collection Period immediately preceding such Payment Date multiplied by the Over Issuance Ratio, minus the Principal Amount Outstanding of the Senior Notes after the payment of the Senior Notes Redemption Amount such Payment Date, multiplied by 30%;

(iii) after the occurrence of a First Performance Event, but prior to the occurrence of a Second Performance Event and the delivery of a Trigger Notice, 30% of any Issuer Available Fund remaining after the payment of all items up to item (xiv) in the Pre-Enforcement Priority of Payments, distributed to the Junior Notes, being understood that the Junior Notes Principal Amount Outstanding after such payment shall not be lower than € 100,000; or

(b) in the event that an Acceleration Event has occurred, 100% of any Issuer Available Fund remaining after the payment of the Senior Notes Redemption Amount and the Mezzanine Notes Redemption Amount and any other amount payable in priority to or pari passu therewith until the full reimbursement of the Class C Notes.

"**Junior Notes Subscription Agreement**" means the subscription agreement in relation to the Junior Notes executed on or about the Issue Date between the Issuer, the Originator, the Junior Notes Underwriters and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Junior Notes Underwriters**" means Banca Valsabbina, AZ RAIF APA e AZ ELTIF DL II, or any successor or assignee, as initial underwriter for the Junior Notes under the Junior Notes

Subscription Agreement and any future holder, also of a portion, of the Junior Notes (other than Banca Valsabbina, AZ RAIF APA and AZ ELTIF DL II), which will adhere to the Junior Notes Subscription Agreement after the Issue Date and "**Junior Notes Underwriter**" means each of them.

"**Law 662**" means Article 2, paragraph 100, letter A) of law No. 662 of 23 December 1996, which established the guarantee fund for the loans granted to Italian small and medium enterprises, included the relevant enacting decrees and the regulations issued from time to time in relation to such guarantee fund (to the extent relevant) and the transaction connected thereto.

"**Limited Credit Loan**" means the limited credit loan advanced by the Originator to the Issuer pursuant to Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement in the event of any misrepresentation or breach of any warranties or representations given by the Originator pursuant to the Warranty and Indemnity Agreement which is not cured within a period of 10 (ten) Business days, in an amount equal to the Loan Value.

"**List of the Receivables**" means the prospectus of the Receivables attached under annex 4 (*Prospetto dei Crediti ricompresi nel Portafoglio Iniziale*) to the Transfer Agreement with respect to Receivables included in the Initial Portfolio, or under annex B (*Prospetto dei Crediti ricompresi nel Portafoglio Ulteriore*) to the relevant Offer in respect of the Receivables included in the Further Portfolios.

"**Loan**" means a loan, *in bonis*, granted by the Originator to a borrower, the receivables in respect of which have been transferred by the Originator to the Issuer pursuant to the Transfer Agreement and "**Loans**" means all of them.

"**Loan Agreements**" means the loan agreements pursuant to which the Loans have been granted and out of which the Receivables arise and "**Loan Agreement**" means each of them.

"**Loan Value**" has the meaning ascribed to it under Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement.

"**Master Definitions Agreement**" means the master definitions agreement executed on the Signing 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.

"**Meeting**" means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

"**Member State**" means, with reference to the European Union, a state that is party to treaties of the European Union (EU) and has thereby undertaken the privileges and obligations that EU membership entails and "**Member State**" means all of them.

"**Mezzanine Noteholder**" means a Class B Noteholder and "**Mezzanine Noteholders**" means all of them.

"**Mezzanine Notes**" means the Class B Notes.

"**Mezzanine Notes Coupon Reserve Amount**" means, with reference to any Calculation Date, an amount calculated by the Computation Agent in accordance with the following formula:

*Principal Amount Outstanding of the Mezzanine Notes after the immediately following Payment Date * EURIBOR as of the relevant Interest Determination Date * the calendar days comprised in the Interest Period starting immediately after such Calculation Date / 360*.

"**Mezzanine Notes Interest Rate**" has the meaning given to it in Condition 7.1.2 (*Interest - Interest on the Mezzanine Notes*).

"**Mezzanine Notes Redemption Amount**" means, in respect of the amount of principal to be paid on the Mezzanine Notes on each relevant Payment Date,

(a) in the event that no Acceleration Event has occurred:

(i) during the Revolving Period, any Issuer Available Fund remaining after the payment of the Senior Notes Redemption Amount and any other amount payable in priority to or *pari passu* therewith, distributed as principal to the Mezzanine Notes so that the Principal Amount Outstanding of the Mezzanine Notes is equal to:

(A) the sum of (1) Outstanding Credit of the Performing Portfolio as of the end of the Collection Period preceding such Payment Date; and (2) the Outstanding Credit of any Further Portfolio purchased by the Issuer on the Transfer Date immediately preceding such Payment Date; multiplied by the Over Issuance Ratio; minus

(B) the Principal Amount Outstanding of the Senior Notes after the payment of the Senior Notes Redemption Amount on such Payment Date;

(C) any such amount multiplied by 70%; or

(ii) prior to the occurrence of a First Performance Event, any Issuer Available Fund remaining after the payment of the Senior Notes Redemption Amount and any other amount payable in priority to or *pari passu* therewith, distributed as principal to the Mezzanine Notes so that the Principal Amount Outstanding of the Mezzanine Notes is equal to: the value of the Performing Portfolio as of the end of the Collection Period preceding such Payment Date multiplied by the Over Issuance Ratio, minus the Principal Amount Outstanding of the Senior Notes after the payment of the Senior Notes Redemption Amount on such Payment Date, multiplied by 70%; or

(iii) after the occurrence of a First Performance Event, 70% of any Issuer Available Fund remaining after the payment of all items up to item (xiv) in the Pre Enforcement Priority of Payments, distributed to the Mezzanine Notes; or

(iv) after the occurrence of a Second Performance Event, 100% of any Issuer Available Fund available after the full reimbursement of the Senior Notes; or

(b) in the event that an Acceleration Event has occurred, 100% of any Issuer Available Fund until the full reimbursement of the Class B Notes.

"**Mezzanine Notes Subscription Agreement**" means the subscription agreement in relation to the Mezzanine Notes executed on or about the Issue Date between the Issuer, the Originator, the Mezzanine Notes Underwriters and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Mezzanine Notes Underwriters**" or "**Mezzanine Notes Subscribers**" means Banca Valsabbina, Banca FININT and Banca Capasso, or any successor or assignee, as initial underwriter for the Mezzanine Notes under the Mezzanine Notes Subscription Agreement and any future holder, also of a portion, of the Mezzanine Notes (other than Banca Valsabbina, Banca FININT and Banca Capasso), which will adhere to the Mezzanine Notes Subscription Agreement after the Issue Date and "**Mezzanine Notes Underwriter**" or "**Mezzanine Notes Subscriber**" means each of them.

"**Monthly Collection Period**" means each period of one month, commencing on (and including) the first calendar day of each month and ending respectively on (and including) the last calendar

day of each month, and in the case of the first Monthly Collection Period, commencing on (and excluding) the Initial Valuation Date and ending on (and including) 28 February 2023.

"**Monthly Servicer's Report**" means the monthly report setting out certain information in relation to the performance of the Receivables and the Loans during the preceding Monthly Collection Period which shall be prepared by the Servicer pursuant to Article 5.1 (*Rapporti del Servicer*) of the Servicing Agreement and delivered on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the 15th day of each month or, if such day is not a Business Day, the immediately following Business Day, being understood that the first Monthly Servicer's Report Date shall fall on 15 March 2023.

"**Moody's**" means Moody's Investors Service Inc..

"**Most Senior Class of Noteholders**" means the holders of the Most Senior Class of Notes.

"**Most Senior Class of Notes**" means the Class of Notes outstanding which ranks highest with respect to the repayment of principal pursuant to Condition 6 (*Priority of Payments*).

"**New Bankruptcy Code**" means Legislative Decree No. 14 of 12 January 2019, as amended and supplemented from time to time.

"**Nominal Amount**" means (a) in respect of all the Notes, the aggregate nominal amount thereof upon issue, equal to Euro 133,000,000; (b) in respect of the Senior Notes, the nominal amount thereof upon issue, equal to Euro 96,000,000; (c) in respect of the Mezzanine Notes, the nominal amount thereof upon issue, equal to Euro 26,000,000 and (d) in respect of the Junior Notes, the nominal amount thereof upon issue, equal to Euro 11,000,000.

"**Non-Performing Receivables**" means the Receivables classified as "*in sofferenza*" from the Servicer pursuant to the Bank of Italy Supervisory Regulations and the Collection Policies.

"**Noteholders**" means the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholders, collectively and "**Noteholder**" means each of them.

"**Notes**" means the Senior Notes, the Mezzanine Notes and the Junior Notes.

"**NSA**" means NSA S.p.A., a company incorporated as *società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Pietro Mascagni, No. 15, Milan, Italy, fiscal code and enrolment with the Companies Register of Milan Monza Brianza Lodi No. 02229510983.

"**Offer**" means each "*Proposta di Cessione*" made by the Originator to the Issuer for the sale of any Further Portfolio, in accordance with the Transfer Agreement.

"**Offer Date**" means the date which falls on 24 March 2023, 19 June 2023 and, starting from July 2023, the 7th (seventh) Business Day before each Payment Date, or, if such day is not a Business Day, the immediately following Business Day, on which the Originator delivers an Offer to the Issuer pursuant to the Transfer Agreement.

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

"**Option**" means the repurchase option granted from the Issuer to the Orginator pursuant to Article 4.1 (*Diritto di Opzione*) of the Warranty and Indemnity Agreement.

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

"**Original Loan Amount**" means the amount advanced by the Originator to the relevant Debtor in relation to each Loan agreement at the date of inception of such Loan Agreement.

"**Originator**" means Banca Valsabbina in its capacity as originator.

“**Origination BV Rating**” means the rating assigned by the Originator to the relevant Debtor on the relevant date of disbursement according to the following scale:

Rating
1
2
3
4
5
6
7
8
9
10
C+
C
D

"**Other Issuer Creditors**" means the Originator, the Servicer, the Back-Up Servicer, the Sub-Servicer, the Back-Up Sub-Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Sole Quotaholder, the Account Bank and any other Issuer's creditor which, from time to time, will accede to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any given date and in relation to any Receivable, the sum of the Outstanding Principal and the Interest Instalments due but unpaid as at that day and any outstanding penalties for accrued and unpaid Instalments with respect thereto.

"**Outstanding Credit**" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Instalments due on any subsequent Scheduled Instalment Date and (ii) any Principal Instalments due but unpaid as at that date.

"**Outstanding Portfolio Amount**" means, the aggregate Outstanding Credit of Loans outstanding on any given date.

"**Outstanding Performing Portfolio**" means the Outstanding Credit of the Performing Portfolio.

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

"**Over Issuance Ratio**" means, as of each Calculation Date, until the Calculation Date in which the Senior Notes are fully repaid and the ratio is reduced to 1, the ratio of the outstanding principal of the Notes after the previous Payment Date, and the Performing Portfolio as of the previous Calculation Date.

"**Paid-Up Amount**" means, on any date, with reference to a Note, the aggregate of the Initial Instalments and the Incremental Instalments paid-up on such Note up to such date.

"**Paying Agent**" means BNYM or any other person acting as paying agent pursuant to the Agency Agreement from time to time, and any of its permitted successors or transferees.

"**Paying Agent Report**" means the report setting out certain information in respect of certain calculations to be made on the Notes pursuant to the Agency Agreement.

"**Payments Account**" means the Euro denominated account with IBAN IT95U0335101600004509139780 established in the name of the Issuer with the Account Bank.

"**Payment Date**" means the First Payment Date and, thereafter, the 28th calendar day of January, April, July and October in each year or, if such day is not a Business Day, the immediately following Business Day or other date(s) identified as Payment Date by the Representative of the Noteholders after delivery of a Trigger Notice.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the relevant Priority of Payments to be prepared and sent by the Computation Agent on each Calculation Date in accordance with the provisions of the Agency Agreement.

"**Performance Event**" means the First Performance Event and/or the Second Performance Event.

"**Performing Portfolio**" means, on each date, the Outstanding Portfolio Amount in relation to the Receivables that are not classified as Defaulted Receivables or as Affected Receivables on such date minus (a) the aggregate amounts of the Limited Credit Loans granted by the Originator up to such date pursuant to Article 3 (*Prestito a Ricorso Limitato e altri diritti*) of the Warranty and Indemnity Agreement and (b) the aggregate amounts paid by the Originator to the Issuer as indemnities up to such date pursuant to Article 5 (*Obblighi di Indennizzo dell'Originator*) of the Warranty and Indemnity Agreement (excluding the portion of the amounts paid as indemnites by the Originator to the Issuer under Article 5 (*Obblighi di Indennizzo dell'Originator*) of the Warranty and Indemnity Agreement, paid to the directors of the Issuer or its transferees in relation to damages, claims, losses, liabilities, costs, lost profits and expenses which they may have suffered or sustained).

"**Pool Audit Affected Receivables**" means the Receivables included in the Aggregate Portfolio which have been declared affected by any of the Senior Noteholders in accordance with Article 23.4 (*Pool audit in relation to the Aggregate Portfolio*) of the Intercreditor Agreement and "**Pool Audit Affected Receivable**" means each of them.

"**Portfolio**" means each portfolio of Receivables purchased by the Issuer pursuant to the Transfer Agreement.

"**Post-Enforcement Priority of Payments**" means the order of priority in which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice, in the event of redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), or optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), or on the Final Maturity Date, in accordance with Condition 6.2 (*Priority of Payments - Post-Enforcement Priority of Payments*).

"**Post Trigger Report**" means the report setting out all the payments to be made under the Priority of Payments which shall be delivered, upon request of the Representative of the Noteholders, by the Computation Agent after a Trigger Notice has been served to the Issuer, the Representative of the Noteholders and the Other Issuer Creditors, pursuant to the Agency Agreement.

"**Pre-Enforcement Priority of Payments**" means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice, redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), or the Final Maturity Date, in accordance with Condition 6.1 (*Priority of Payments - Pre-Enforcement Priority of Payments*).

"**Principal Amount Outstanding**" means, with respect to any Note on any date, the Paid-Up Amount thereof less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"**Principal Collection Amount**" means an amount equal to the aggregate Collections received in respect of the reimbursement of the principal in relation to the Loans during the relevant Collection Period.

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

"**Priority of Payments**" means, collectively, the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments.

"**Privacy Law"** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the Autorità Garante per la Protezione dei Dati Personali) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the "**Personal Data Protection Code**") and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

"**Prospectus**" means the prospectus prepared pursuant to Article 2 of the Securitisation Law.

"**Purchase Conditions**" means the conditions provided under the Transfer Agreement and which shall be satisfied for the purchase of each Further Portfolio by the Issuer, in accordance with the terms provided for therein.

"**Purchase Price**" means the consideration paid, or to be paid, by the Issuer to the Originator for the purchase of the Initial Portfolio and any Further Portfolio, as the case may be, pursuant to and in accordance with the Transfer Agreement.

"**Purchase Termination Event**" means any of the purchase termination events provided for in Article 8 (*Eventi ostativi all'acquisto*) of the Transfer Agreement, the occurrence of which will prevent the Issuer from purchasing Further Portfolios, in accordance with the Transaction Documents.

"**Purchase Termination Notice**" means the notice delivered by the Representative of the Noteholders to the Issuer and the Originator pursuant to the Intercreditor Agreement stating that a Purchase Termination Event occurred.

"**Quarterly Collection Period**" means each period of three months, commencing on (and including) the first day of January, April, July and October of each year and ending respectively on (and including) 31 March, 30 June, 30 September, 31 December of each year, and in the case of the first Quarterly Collection Period, commencing on (included) the Initial Valuation Date and ending on 30 June 2023 (included).

"**Quarterly Servicer's Report**" means the quarterly report setting out certain information in relation to the performance of the Receivables and the Loans during the preceding Quarterly Collection Period, which shall be prepared pursuant to Article 5.1 (*Rapporti del Servicer*) of the Servicing Agreement and delivered by the Servicer, pursuant to the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the day falling 7 (seven) Business Days prior to the Payment Date or, if such day is not a Business Day, the immediately following Business Day, being understood that the first Quarterly Servicer's Report Date shall fall on 19 July 2023.

"**Quota Capital Account**" means the account with IBAN IT88K0326661620000014114193 established in the name of the Issuer with Banca Finint for the deposit of the Issuer's quota capital.

"**Rate Determination Agent**" means the Representative of the Noteholders.

"**Rate of Interest**" has the meaning given to it in Condition 7.1 (*Interest - Rate of Interest*).

"**Receivables**" means each and every claim arising under and/or related to the Loan Agreements including but not limited to:

(a) the claims relating to:

(i) all the amounts due as at the Valuation Date as Instalment or as other title pursuant to the Loan Agreements;

(ii) principal due but not paid;

(iii) agreed interests, interests by operation of law and defaulted interests accrued but not paid or that will accrue in relation to the Loans;

(iv) the amounts due or that will accrue as reimbursement of costs (including legal and judicial amounts), liabilities, costs and indemnities in relation to the Loans, including penalties (if any);

(v) any other amount due to the Originator or that will accrue in relation to the Loans, the Loan Agreements and the Guarantees;

(vi) pecuniary claims deriving from the enforcement of the Guarantees (including the FCG Guarantee); and

(vii) pecuniary claims and all the amounts recovered from any judicial proceeding;

(b) any other claim related to or connected with the Loans and the Loan Agreements, including the claims *vis-à-vis* the Debtors by way of compensation or indemnity;

(c) the claims of the Originator pursuant to or in connection with the Insurance Policies;

(d) all the rights and actions to which the Originator is entitled to pursuant to law or contract in relation to the Receivables, the Loans, the Guarantees (including the FCG Guarantee), the Insurance Policies and/or any other deed related to or connected with the same, to the extent such rights and actions are transferrable pursuant to the Securitisation Law; and

(e) the claims of the Originator *vis-à-vis* third parties by way of compensation and deriving from third parties activities in relation to the receivables, the Loans, the Guarantees and/or the Insurance Policies.

"**Regulation 13 August 2018**" means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

"**Regulatory Technical Standards**" means, (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation and entered into force in the European Union, (ii) the transitional regulatory technical standards applicable pursuant to Article 43 of the EU Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Representative of the Noteholders**" means Centotrenta Servicing or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements, the Terms and Conditions and the Rules of the Organisation of the Noteholders from time to time, and any of its permitted successors or transferees.

"**Reporting Entity**" means Banca Valsabbina or any other entity acting as reporting entity pursuant to the pursuant to Article 7(2) of the EU Securitisation Regulation and the Intercreditor Agreement, and any of its permitted successors or transferees.

"**Repurchase Agreement**" means the repurchase agreement executed on 24 February 2023 between Banca Valsabbina and the Valsabbina SME Platform II, 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.

"**Repurchased Receivable**" means the Receivable that has been repurchased between the Conclusion Date and the Issue Date pursuant to the Repurchase Agreement.

"**Required Cash Reserve Amount**" means: (i) until the end of the Revolving Period, 2.5% of the Principal Amount Outstanding of the Senior Notes and the Mezzanine Notes; (ii) starting from the Amortisation Period and up to the Payment Date in which the Senior Notes will be fully reimbursed, the higher of 2.5% of the Principal Amount Outstanding of the Senior Notes and the Mezzanine Notes and Euro 1,000,000; and (iii) 2.5% of the Principal Amount Outstanding of the Mezzanine Notes, thereafter.

"Residual Life" means, in relation to a Loan, the value, expressed in years, equal to the difference between the last Maturity Date of the Loan instalment and the end of the immediately preceding Collection Period.

"**Retention Amount**" means an amount equal to Euro 30,000 (thirtythousand/00).

"**Revolving Period**" means the period beginning on the Issue Date and ending on the earlier of:

(a) the Payment Date falling in April 2024 (included);

(b) the date of service of a Trigger Notice; and

(c) the date of service of a Purchase Termination Notice.

"**Royal Decree 267**" means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

"**Rules of the Organisation of the Noteholders**" means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**S&P**" means **S&P** (S&P Global Ratings).

"**Sanctions**" means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council, and/or the European Union and/or the French Republic and/or the Republic of Italy or other relevant sanctions authority.

"**Scheduled Instalment Date**" means any date on which payment of the relevant Instalment is due pursuant to each Loan Agreement.

"**Second Performance Event**" means the occurrence of one of the following events:

(a) the Cumulative Gross Default Ratio of the Aggregate Portfolio (as determined by the Servicer with reference to the Collection Period immediately preceding a Payment Date) is equal to or exceeds 14%; or

(b) after the occurrence of a First Performance Event, the Issuer defaults in the payment of the Interest Amount payable on the Mezzanine Notes for two consecutive Payment Dates; or

(c) the Void Guarantee Ratio is equal to or exceeds 8%.

"**Security**" means any security (including the segregation provided by the Securitisation Law) created in the context of the Securitisation pursuant to the Transaction Documents or the applicable laws.

"**Securities Account**" means any securities account which, following the Issue Date, may be opened by the Issuer with the Account Bank (or with any other Eligible Institution) in accordance with the Agency Agreement.

"**Securities Account Report**" means the Securities Account Report prepared by the Account Bank (or by any other relevant Eligible Institution) setting out the relevant Eligible Investments made during the preceding Collection Period pursuant to the Agency Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

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

"**Securitisation Law**" means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

"**Senior Noteholder**" means the holder of a Senior Note and "**Senior Noteholders**" means all of them.

"**Senior Notes**" or "**Class A Notes**" means the Class A Notes.

"**Senior Notes Interest Rate**" has the meaning given to it in Condition 7.1.1 (*Interest – Interest on the Senior Notes*).

"**Senior Notes Redemption Amount**" means

(a) in the event that no Acceleration Event has occurred:

(i) prior to the occurrence of a First Performance Event, the amount to be paid on the Senior Notes at each Payment Date so that the Senior Notes Principal Amount Outstanding, after payment, is the lower of:

(A) the Weighted FCG Guaranteed Performing Portfolio Amount; and

(B) 80% of the Outstanding Performing Portfolio;

(ii) after the occurrence of a First Performance Event, for each Payment Date, the difference between the Principal Amount Outstanding of the Notes as of the previous Calculation Date and the sum of:

(A) the Outstanding Performing Portfolio as of the end of the Collection Period preceding such Payment Date;

(B) the Required Cash Reserve Amount calculated for such Payment Date;

(C) 2.5% of the Portfolio Outstanding Credit of each Portfolio transferred to the Issuer as of each Valuation Date; and

(D) the Initial Expenses Amount; or

(b) in the event that an Acceleration Event has occurred, 100% of any Issuer Available Fund, in accordance with the applicable Priority of Payments, until the full reimbursement of the Class A Notes.

"**Senior Notes Subscription Agreement**" means the subscription agreement in relation to the Senior Notes executed on or about the Issue Date between the Issuer, the Originator, the Senior Notes Underwriters and the Representative of the Noteholders, as from time to time modified in

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

"**Senior Notes Underwriters**" or "**Senior Notes Subscribers**" means Banca Valsabbina and Duomo, or any successor or assignee, as initial underwriter for the Senior Notes under the Senior Notes Subscription Agreement and any future holder, also of a portion, of the Senior Notes (other than Banca Valsabbina and Duomo), which will adhere to the Senior Notes Subscription Agreement after the Issue Date and "**Senior Notes Underwriter**" or "**Senior Notes Subscribers**" means each of them.

"**Servicer**" means Banca Valsabbina or any other person acting as Servicer pursuant to the Servicing Agreement from time to time, and any of its permitted successors or transferees.

"**Servicer's Reports**" means the Monthly Servicer's Reports or the Quarterly Servicer's Reports as the case may be, and "**Servicer's Report**" means each of them.

"**Servicer Insolvency Event**" means an Insolvency Event relating to the Servicer.

"**Servicer Termination Event**" means any event referred to in Article 9.1 (*Eventi di revoca*) of the Servicing Agreement.

"**Servicing Agreement**" means the servicing agreement entered into on the Conclusion Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Servicing Fee**" means the fee payable to the Servicer in accordance with Article 8 (*Compenso e rimborso spese del Servicer*) of the Servicing Agreement.

"**Signing Date**" means 14 March 2023.

"**Small and Medium Enterprises**" or "**SME**" means the enterprises falling into the definition of micro, small and medium-sized enterprises (SME) in accordance with the 2003/361/EC Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises and "**Small and Medium Enterprise**" means each of them.

"**Sole Director**" means any person appointed from time to time as sole director (*amministratore unico*) of the Issuer in accordance with the Issuer's statutory documents (*statuto*).

"**Sole Quotaholder**" means Stichting Cupra.

"**Solvency II Directive**" means the Directive 2009/138/EU adopted on 25 November 2009 by the European Parliament and the Council, as amended and supplemented from time to time.

"**Solvency II Regulation**" means the Delegated Act adopted on 10 October 2014 by the European Commission, as amended and supplemented from time to time.

"**Specific Criteria**" means the objective criteria for the identification of the Receivables of each Portfolio specified in schedule 3, part A (*Criteri Specifici per il Portafglio Iniziale*) and schedule 3, part B (*Criteri Specifici per i Portafogli Ulteriori*) to the Transfer Agreement.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) or any other entity acting as Stichting Corporate Services Provider pursuant to the Stichting Corporate Services Agreement from time to time and any of its permitted successors or transferees.

"**Stichting Corporate Services Agreement**" means the stichting corporate services agreement entered into on or about the Signing Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Stichting Cupra**" means Stichting Cupra, a Dutch law foundation with a sole quotaholder, incorporated under the laws of The Netherlands, whose registered office is at Locatellikade 1, 1076AZ, Amsterdam, The Netherlands, enrolment with The Netherlands Chamber of Commerce No. 87909685 and Italian fiscal code No. 91052050266.

"**STS Notification**" means the notification made in accordance with Article 27 of the EU Securitisation Regulation explaining how the Securitisation meets the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardized non-ABCP securitisations provided for by Articles 20, 21 and 22 of the EU Securitisation Regulation.

"**STS-securitisation**" means a securitisation intended to qualify as a simple, transparent and standardised securitisation within the meaning of the EU Securitisation Regulation.

"**Subscription Agreements**" means, collectively, the Senior Notes Subscription Agreement, the Mezzanine Notes Subscription Agreement and the Junior Notes Subscription Agreement and "**Subscription Agreement**" means each of them.

"**Subscription Fee**" means the fee which may be payable to Banca Capasso on the Payment Date falling in October 2023 in accordance with the provisions of the Mezzanine Notes Subscription Agreement.

"**Sub-Servicer**" means NSA or any other entity acting as sub-servicer pursuant to the Sub-Servicing Agreement from time to time, and any of its permitted successors or transferees.

"**Sub-Servicer Insolvency Event**" means an Insolvency Event relating to the Sub-Servicer.

"**Sub-Servicer's Report Date**" means the Business Day falling 9 (nine) Business Days prior to each Payment Date, or any other date as agreed in writing between the Issuer (also through its delegates) and the Sub-Servicer.

"**Sub-Servicer Termination Event**" means any event referred to in Article 13.2 (*Revoca dell'incarico*) and 13.3 (*Risoluzione dell'incarico*) of the Sub-Servicing Agreement.

"**Sub-Servicing Agreement**" means the Sub-Servicing Agreement entered into on the Conclusion Date between the Issuer, the Servicer and the Sub-Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Successor Servicer**" means the entity appointed by the Issuer to replace the Servicer if a Servicer Termination Event occurs, or any other person acting in such capacity pursuant to Article 9.4 (*Sostituto del Servicer*) of the Servicing Agreement.

"**Successor Sub-Servicer**" means the entity appointed to replace the Sub-Servicer, with the approval of the Representative of the Noteholders and the Servicer, in accordance with the provisions of Article 13 (*Durata dell'incarico, recesso e revoca*) of the Sub-Servicing Agreement.

"**Suspension Period**" means, with reference to each relevant Debtor, the period during which the payment of the relevant Instalments has been suspended in accordance with the provisions of the Servicing Agreement.

"**Tax Event**" has the meaning given to it in Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

"**Terms and Conditions**" means these terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental hereof.

"**Transaction Documents**" means:

(1) the Transfer Agreement (*Contratto di Cessione*) and the relevant Transfer Deeds (*Atti di Cessione*);

(2) the Warranty and Indemnity Agreement (*Contratto di Garanzia e Indennizzo*);

(3) the Servicing Agreement (*Contratto di Servicing*);

(4) the Sub-Servicing Agreement (*Contratto di Sub-Servicing*);

(5) the Corporate Services Agreement (*Contratto di Servizi Amministrativi*);

(6) the Stichting Corporate Services Agreement;

(7) the Intercreditor Agreement;

(8) the Agency Agreement;

(9) the Back-Up Servicing Agreement (*Contratto di Back-Up Servicing*);

(10) the Back-Up Sub-Servicing Agreement (*Contratto di Back-Up Sub-Servicing*);

(11) the Senior Notes Subscription Agreement;

(12) the Mezzanine Notes Subscription Agreement;

(13) the Junior Notes Subscription Agreement;

(14) the Master Definitions Agreement;

(15) the Repurchase Agreement;

(16) the Prospectus;

(17) the Terms and Conditions; and

any other deed, act, document or agreement executed in the context of the Securitisation or identified by the relevant parties as a "*Transaction Document*" in the context of the Securitisation.

"**Transfer Acceptance**" means the acceptance by the Issuer of the Offer of the relevant Further Portfolio, made pursuant to and in accordance with the Transfer Agreement.

"**Transfer Agreement**" means the transfer agreement entered into on the Conclusion Date between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Transfer Date**" means 9 February 2023 in relation to the Initial Portfolio and, in relation to each Further Portfolio, the date on which the Originator has received the Transfer Acceptance of the relevant Offer from the Issuer in accordance with the Transfer Agreement.

"**Transfer Deed**" means any Offer and the relevant Transfer Acceptance thereto entered into by the Issuer and the Originator for the purpose of the transfer of any Further Portfolio pursuant to and in accordance with the Transfer Agreement.

"**Transparency Investors' Report**" means, collectively, the Annex 12 Report and the Annex 14 Report.

"**Transparency Loan Report**" means the report to be prepared by the Servicer pursuant to Article 5.1 (*Rapporti del Servicer*) of the Servicing Agreement and the Intercreditor Agreement and to be delivered pursuant to Article 5 (*Predisposizione e consegna dei rapport*) of the Servicing Agreement, and delivered to the Reporting Entity on a quarterly basis, setting out the information required by Article 7(1)(a) of the EU Securitisation Regulation and the Regulatory Technical Standards.

"**Transparency Report Date**" means the day falling thirty calendar days after each Payment Date by which date the Servicer and the Computation Agent shall prepare respectively the Annex 12 Report and the Transparency Loan Report.

"**Trigger Event**" means any of the events described in Condition 13.1 (*Trigger Events - Trigger Events*).

"**Trigger Notice**" means the notice delivered by the Representative of the Noteholders following a Trigger Event pursuant to Condition 13.2 (*Trigger Events - Trigger Notice*).

"**Underwriters**" means, collectively, the Senior Notes Underwriters, the Mezzanine Notes Underwriters and the Junior Notes Underwriters.

"**Usury Law**" means collectively Italian Law No. 108 of 7 March 1996 and Law Decree No. 394 of 29 December 2000 (amending, deeming, and supplementing the Usury Law) converted in Law No. 24 of 28 February 2001, as amended and supplemented from time to time.

"**Valsabbina SME Platform II**" means Valsabbina SME Platform II S.r.l. a company with a sole quotaholder, incorporated as a *società a responsabilità limitata* under the laws of the Republic of Italy, whose registered office is at Via V. Alfieri, No. 1, 31015 Conegliano (Treviso), Italy, quota capital Euro 10,000.00 fully paid up, Fiscal Code, VAT Code and enrolment with the Companies Register of Treviso-Belluno No. 05372790260, enrolled with the register of the *società veicolo* held by the Bank of Italy under No. 40001.0, having as sole corporate object the realisation of securitisation transactions pursuant to Article 3 of the Securitisation Law.

"**Valuation Date**" means with respect to (a) the Initial Portfolio, the Initial Valuation Date and (b) to any Further Portfolio the 23:59 of the date indicated in the relevant Offer.

"**Void Guarantee Ratio**" means the ratio, as calculated by the Servicer, between:

(a) the sum of:

  (i) the Outstanding Credit as at the end of the relevant Collection Period of the FCG Affected Receivables classified as Defaulted Receivables;

  (ii) the Outstanding Credit as at the end of the relevant Collection Period multiplied for 50% of the FCG Affected Receivables not classified as Defaulted Receivables; and

(b) the sum of the Outstanding Credit of the Initial Portfolio as of the relevant Valuation Date and the Outstanding Credit of each Further Portfolio as of the relevant Valuation Date, transferred during the Revolving Period.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on the Conclusion Date between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Weighted FCG Guaranteed Performing Portfolio Amount**" means the sum of the product of: (i) the Outstanding Credit and (ii) the FCG Guaranteed Percentage of each Loan included in the Performing Portfolio, as set out in the relevant Quarterly Servicer's Report.

"**Weighted FCG Guaranteed Performing Portfolio Percentage**" means the weighted average percentage (weighted by the Outstanding Credit of each Loan) of the Outstanding Performing Portfolio guaranteed by the FCG Guarantee, as set out in the relevant Quarterly Servicer's Report.

"**Weighted FCG Guaranteed Portfolio Percentage**" means the weighted average percentage (weighted by the Outstanding Credit of each Loan) of the Aggregate Portfolio guaranteed by the FCG Guarantee, as set out in the relevant Quarterly Servicer's Report.

"**Wilmington Trust SP Services (London) Limited**" or "**WT**" means Wilmington Trust SP Services (London) Limited, a private limited liability company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom.

"**Working Group on Euro Risk-Free Rates**" means the private sector working group established by the ECB, ESMA, the European Commission and the Belgian Financial Services and Markets Authority to identify and recommend risk-free rates that could serve as an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

3. FORM, DENOMINATION AND TITLE

3.1 Form

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The Notes will be wholly and exclusively deposited with Euronext Securities Milan, in accordance with Article 83 *bis* of the Financial Laws Consolidated Act and Regulation 13 August 2018.

3.2 Title

The Notes will be accepted for clearance by Euronext Securities Milan 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 entry in accordance with the provisions of (i) Article 83 *bis* of the Financial Laws Consolidated Act and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

3.3 Denomination

The denomination of the Senior Notes, the Mezzanine Notes and the Junior Notes will be Euro 100,000 and, thereafter, additional increments and integral multiples of Euro 1,000.

3.4 Partly Paid Notes

3.4.1 *Partly paid Notes*

The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full Nominal Amount of the Notes of each Class will be issued. Subject to these Terms and Conditions, the Subscription Agreements and the terms of the other Transaction Documents, on the Issue Date the Underwriters will pay the Initial Instalments of the subscription price of each Class of Notes in order to fund, *inter alia*, the purchase of the Initial Portfolio from the Originator pursuant to the Transfer Agreement.

3.4.2 *Incremental Instalments*

Subject to and in accordance with these Terms and Conditions, the terms of the Subscription Agreements and the other Transaction Documents, and, in particular, the condition precedents, procedure and cut-off times set out therein, during the Revolving Period, on any Incremental Instalment Date, the Noteholders will pay *pro rata* the relevant Incremental Instalment on each Class of Notes as notified by the Issuer, in order to fund the purchase of the relevant Further Portfolio, provided that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing.

The payment of the Incremental Instalment shall be made in Euro to the Payments Account, *pro rata* on the basis of the Principal Amount Outstanding of the Notes at the time held by the relevant Noteholder and in accordance with the relevant Incremental Instalment Request. Subject to Condition 3.5 (*Form, denomination and title - Crystallization of the Notes*) below, upon payment of the relevant Incremental Instalments by the Noteholders, the Paid-Up Amount of the Notes will be increased accordingly.

Pursuant to the Subscription Agreements, the Issuer has undertaken that, at any time, the aggregate amount of (i) the Initial Instalment relating to each Class of Notes, and (ii) the increase of Principal Amount Outstanding in connection with each Incremental Instalment made in respect of each Class of Notes will not be higher than the Nominal Amount of the Notes of the relevant Class, irrespective of any repayment of principal (if any) on the Notes of the relevant Class which may have been made by the Issuer up to the date of the relevant increase.

Subject to receipt in full of the relevant Incremental Instalment, the Issuer shall procure, or instruct in writing the Paying Agent to procure, that the relevant Incremental Instalment in respect of each Class of Notes is duly registered, with value on the relevant Payment Date, with Euronext Securities Milan for the benefit of the Euronext Securities Milan Account Holders with which the Notes are then held, as an increase in the Principal Amount Outstanding of the Notes of each Class of Notes.

Under the Subscription Agreements, the Noteholders have agreed the terms and conditions for the payment of the Incremental Instalments.

3.5 **Crystallization of the Notes**

If any Incremental Instalment in respect of each Class of Notes is not paid in full by 3:00 p.m. (Milan time) on the relevant Incremental Instalment Date by all the relevant Noteholders, each in respect to the relevant portion of the Incremental Instalment in relation to the relevant Class of Notes, the lower amount paid up by the relevant Noteholders in respect of each Class of Notes on the Incremental Instalment Date shall be cancelled and no further amounts as Incremental Instalment shall be due by the Noteholders in respect of each Class of Notes, it being understood that the portion of the Incremental Instalment already paid by the relevant Noteholders in respect to the relevant Class of Notes shall (i) be immediately repaid to any such Noteholders, each for the relevant portion thereof, and (ii) not be registered by the Paying Agent with Euronext Securities Milan, provided that if any portion of the Incremental Instalment already paid by the Noteholders in respect to the relevant Class of Notes has been already registered with Euronext Securities Milan, it shall be immediately cancelled thereafter. Concurrently with the occurrence of the events set out in this Condition 3.5 the Revolving Period shall terminate.

No interest shall accrue on the amount of Incremental Instalment (if any) from the relevant Incremental Instalment Date up to the date of repayment by the Issuer to the relevant Noteholders pursuant to this Condition 3.5, provided that repayment occurs by no later than the end of the Business Day immediately following the relevant Incremental Instalment Date. In the event that such repayment occurs after the Business Day immediately following the relevant Incremental Instalment Date, interest shall accrue on the amount of the Incremental Instalment which has been paid by the relevant Underwriter on the relevant Incremental Instalment Date at the rate applicable to the relevant Class of Notes under these Terms and Conditions.

In the event that any Noteholder does not pay the relevant Incremental Instalment, the transfer of the relevant Further Portfolio shall be automatically terminated in accordance with Article 17.2 (*Condizione risolutiva delle cessioni di Crediti finanziate con Versamenti Incrementali*) of the Transfer Agreement and, therefore, the Issuer and the Originator shall carry out any necessary activity to restore themselves in the respective legal position prior to such transfer (including the transfer back by the Originator of any amount paid by the Issuer in favour of the Originator as Purchase Price of the relevant Further Portfolio).

4. **STATUS, PRIORITY AND SEGREGATION**

4.1 **Status**

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of 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 Aggregate Portfolio and the Issuer's Rights, and is subject to payment of the amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding Notes of any Class, the Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including (but not limited to) the provisions of Article 1469 of the Italian Civil Code.

4.2 **Segregation of the Aggregate Portfolio**

By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections will be segregated from all the other assets of the Issuer (including any other receivable purchased by the Issuer pursuant to the Securitisation Law in the context of any Further Securitisation). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

4.3 **Ranking**

In respect of the obligations of the Issuer to pay interest and Additional Return and to repay principal on the Notes, subject to the provisions of the relevant Priority of Payments, the Notes of each Class will rank at all times as set out in Condition 6 (*Priority of Payments*).

4.4 **Conflict of interests**

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of:

(a) 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;

(b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

4.5 **Amendments to the Transaction Documents**

Any Transaction Document may only be modified with the consent of each party to such document and in accordance with the Intercreditor Agreement and any relevant provisions of the Rules of the Organisation of the Noteholders.

These Terms and Conditions may only be modified with the consent of the Issuer and the Representative of the Noteholders and in accordance with any relevant provisions of the Intercreditor Agreement and the Rules of the Organisation of the Noteholders, being understood that such modification will be binding to the Other Issuer Creditors and the other parties to the Transaction Documents only to the extent they have accepted in writing such modification.

5. **COVENANTS**

5.1 **Covenants by the Issuer**

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 provided in or contemplated by any of the Transaction Documents:

5.1.1 *Negative pledge*

create or permit to subsist any Security whatsoever over the Aggregate Portfolio or any part thereof or over any of its other assets (save for any Security created in connection with any Further Securitisation and to the extent that such Security is created over exclusively assets which form part of the segregated assets of such Further Securitisation), or sell, lend, part with or otherwise dispose of, all or any part of the Aggregate Portfolio or any of its other assets; or

5.1.2 *Restrictions on activities*

(a) engage in any activity whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

(b) have any *società controllata* (as defined in Article 2359 of the Italian Civil Code) or any employees or premises; or

(c) 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, or 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

(d) become the owner of any real estate asset, including in the context of a foreclosure proceeding over a Real Estate Asset; or

5.1.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or increase its capital, save as required by the applicable law; or

5.1.4 *De-registrations*

ask for de-registration from the register of the *Società Veicolo* held by Bank of Italy, for so long as any applicable law or regulation requires an issuer of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered therein; or

5.1.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for any indebtedness to be incurred in relation to any Further Securitisation) or give any guarantee, indemnity or security in respect of indebtedness or of any obligation of any person or entity; or

5.1.6 *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or

5.1.7 *No variation or waiver*

(a) permit any of the Transaction Documents to which it is party to be amended, terminated or discharged; or

(b) exercise any power of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is party; or

(c) permit any party to any of the Transaction Documents to which it is party to be released from such obligations; or

5.1.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts and any bank account opened in the context of any Further Securitisation; or

5.1.9 *Statutory documents*

amend, supplement or otherwise modify its *statuto* in any manner which is prejudicial to the interest of the Noteholders, except where such amendment, supplement or modification is required (a) by compulsory provisions of Italian law or by the competent regulatory authorities or (b) in connection with a change of the Issuer's registered office; or

5.1.10 *Centre of main interest*

move its "centre of main interest" (as that term is used in Article 3(1) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.11 *Branch outside Italy*

establish any branch or "establishment" (as that term is used in Article 2(10) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.12 *Corporate formalities*

cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.1.13 *Derivatives*

enter into derivative contracts, save as expressly permitted by Article 21(2) of the EU Securitisation Regulation.

5.2 **Further Securitisations**

For so long as any amount remains outstanding in respect of the Senior Notes, the Issuer shall not, save with the prior express consent of the Noteholders, carry out any one or more other securitisation transactions pursuant to the Securitisation Law (each a "**Further Securitisation**").

6. **PRIORITY OF PAYMENTS**

6.1 **Pre-Enforcement Priority of Payments**

Prior to the service of a Trigger Notice, a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

(b) to credit to the Expense Account such an amount equal to the lower of (1) the Retention Amount, and (2) any Expenses paid during the immediately preceding Interest Period;

(ii) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof,

(a) the remuneration due to the Representative of the Noteholders and any indemnity, proper costs and expenses incurred by the Representative of the Noteholders

under the provisions of or in connection with any of the Transaction Documents;

(b) any amounts due and payable on such Payment Date on account of remuneration, fees or reimbursement of expenses to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Servicer, the Back-Up Servicer, the Sub-Servicer and the Back-Up Sub-Servicer (but excluding any amount to be paid under item *Sixth* and *Sixteenth* below); and

(c) any other documented costs, fees and expenses or other amounts related to this Securitisation due to persons who are not parties to the Intercreditor Agreement;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (i) all amounts of interest due and payable on the Senior Notes, and (ii) any amount due as Commitment Fee to Duomo;

(iv) *Fourth*, to pay, prior to the occurrence of a First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Mezzanine Notes;

(v) *Fifth*, to pay the Required Cash Reserve Amount into the Cash Reserve Account;

(vi) *Sixth*, to pay to the Servicer any amounts due and payable pursuant to Article 8.1, paragraph (b), of the Servicing Agreement (i.e. fees due to the Servicer in respect of the activities carried out in relation to the Defaulted Receivables);

(vii) *Seventh*, during the Revolving Period to pay, in whole or in part, to the Originator any amount due as Purchase Price (if any) for any Further Portfolio purchased in accordance with the provisions of the Transfer Agreement at the Transfer Date immediately preceding such Payment Date up to the Principal Collection Amount, provided that the Purchase Price of the relevant Further Portfolio in excess of the Principal Collection Amount shall be financed using the Incremental Instalment on each Class of the Notes;

(viii) *Eighth,* to pay, prior to the occurrence of a First Performance Event, any principal amount on the Senior Notes up to the Senior Notes Redemption Amount;

(ix) *Ninth,* to pay, prior to the occurrence of a First Performance Event, any principal amount on the Mezzanine Notes up to the Mezzanine Notes Redemption Amount;

(x) *Tenth*, to pay, prior to the occurrence of a First Performance Event all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(xi) *Eleventh*, to pay, prior to the occurrence of a First Performance Event any principal amount on the Junior Notes up to the Junior Notes Redemption Amount, provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100.000;

(xii) *Twelfth*, to pay or withhold the Mezzanine Notes Coupon Reserve Amount into the Payments Account, prior to the occurrence of a First Performance Event;

(xiii) *Thirteenth*, to pay:

(a) after the occurrence of a First Performance Event, any principal amount on the Senior Notes up to Senior Notes Redemption Amount; or

(b) after the occurrence of a Second Performance Event, any Principal Amount Outstanding on the Senior Notes until the redemption in full of the Senior Notes;

(xiv) *Fourteenth*, to pay, after the occurrence of a First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid)

on the Mezzanine Notes;

(xv) *Fifteenth*, to pay, after the occurrence of a First Performance Event, any principal amount of the Mezzanine Notes up to the Mezzanine Notes Redemption Amount;

(xvi) *Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to Banca Valsabbina and the Other Issuer Creditors any indemnities and other amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xvii) *Seventeenth*, to pay, after the occurrence of a First Performance Event, all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(xviii) *Eighteenth*, to pay: (a) after the occurrence of a First Performance Event, any principal amount of the Junior Notes up to the Junior Notes Redemption Amount; or (b) subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay any principal amount on the Junior Notes, provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100,000;

(xix) *Nineteenth*, to pay or withhold the Mezzanine Notes Coupon Reserve Amount into the Payments Account, after the occurrence of a First Performance Event;

(xx) *Twentieth*, to pay *pari passu* and *pro rata* according to the respective amounts thereof, the Additional Return to the Junior Noteholders;

(xxi) *Twentyfirst*, subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due in respect of the Junior Notes.

The Issuer shall, if necessary, make the payments set out under items *First,* paragraph (a), and *Second,* paragraph (c), above also on any day during an Interest Period using the amounts standing to the credit of any Account in accordance with the provisions of the Agency Agreement.

6.2 **Post-Enforcement Priority of Payments**

Following the delivery of a Trigger Notice pursuant to Condition 13 (*Trigger Events*), or in the event of redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), or optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), or on the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

(b) unless an Insolvency Event has occurred in respect to the Issuer, to credit to the Expense Account such an amount equal to the lower of (1) the Retention Amount, and (2) any Expenses paid during the immediately preceding Interest Period;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof,

(a) any amounts due and payable on account of remuneration, fees or reimbursement of expenses on such Payment Date to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Servicer, the Back-Up Servicer, the Sub-Servicer and the Back-Up Sub-Servicer (but excluding any amount to be paid under item *Fourth* and *Tenth* below); and

(b) unless an Insolvency Event has occurred in respect to the Issuer, any other documented costs, fees and expenses or other amounts due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iv) *Fourth*, to pay to the Servicer any amounts due and payable pursuant to Article 8.1, paragraph (b), of the Servicing Agreement (i.e. fees due to the Servicer in respect of the activities carried out in relation to the Defaulted Receivables);

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (i) all amounts of interest due and payable on the Senior Notes, and (ii) any amount due as Commitment Fee to Duomo;

(vi) *Sixth*, to pay any Principal Amount Outstanding on the Senior Notes, until the redemption in full of the Senior Notes;

(vii) *Seventh*, to pay all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Mezzanine Notes;

(viii) *Eighth,* to pay any principal amount due on the Mezzanine Notes;

(ix) *Ninth,* to pay all amounts of interest due and payable (including any previous outstanding interest accrued but not paid) on the Junior Notes;

(x) *Tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to Banca Valsabbina and the Other Issuer Creditors any indemnities and other amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(xi) *Eleventh,* subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay any principal amount on the Junior Notes provided that the Principal Amount Outstanding of the Junior Notes after such payment shall not be less than Euro 100,000;

(xii) *Twelfth,* to pay the Additional Return to the Junior Noteholders;

(xiii) *Thirteenth,* subject to the Senior Notes and the Mezzanine Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due in respect of the Junior Notes.

Unless an Insolvency Event has occurred in respect to the Issuer, the Issuer shall, if necessary, make the payments set out under items *First,* paragraph (a), and *Second,* paragraph (c), above on any day during an Interest Period using the amounts standing to the credit of any Account in accordance with the provisions of the Agency Agreement.

7. INTEREST

7.1 Rate of Interest

7.1.1 *Interest on the Senior Notes*

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of:

(a) EURIBOR (except in respect of the Initial Interest Period where an interpolated

interest rate based on 3 (three) and 6 (six) month deposits in Euro will be substituted for the EURIBOR); and

(b) a margin equal to 1.70 (one//70) per cent. *per annum*,

(the "**Senior Notes Interest Rate**").

For the avoidance of any doubt, the EURIBOR in respect of any Interest Period may be a negative rate. However, in the event that in respect of any Interest Period the EURIBOR results lower than 0 (zero), the applicable EURIBOR shall be deemed to be 0 (zero).

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

The Senior Notes Interest Rate will start to accrue in respect of the Senior Notes:

(a) from the relevant Issue Date (included), in respect of the Initial Instalment; and

(b) from the relevant Incremental Instalment Date (included), in respect of the relevant Incremental Instalment.

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

7.1.2 *Interest on the Mezzanine Notes*

The Mezzanine Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of:

(a) EURIBOR (except in respect of the Initial Interest Period where an interpolated interest rate based on 3 (three) and 6 (six) month deposits in Euro will be substituted for the EURIBOR); and

(b) a margin equal to 6 (six) per cent. per annum,

(the "**Mezzanine Notes Interest Rate**").

For the avoidance of any doubt, the EURIBOR in respect of any Interest Period may be a negative rate. However, in the event that in respect of any Interest Period the EURIBOR results lower than 0 (zero), the applicable EURIBOR shall be deemed to be 0 (zero).

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

The Mezzanine Notes Interest Rate will start to accrue in respect of the Mezzanine Notes:

(a) from the relevant Issue Date (included), in respect of the Initial Instalment; and

(b) from the relevant Incremental Instalment Date (included), in respect of the relevant Incremental Instalment.

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

7.1.3 *Interest on the Junior Notes*

The Junior Notes will bear fixed interest on their Principal Amount Outstanding from and including the Issue Date at 10 per cent *per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate and the Mezzanine Notes Interest Rate, the

"**Rate of Interest**").

In addition, the Junior Notes will bear the Additional Return (if any), as calculated by the Computation Agent, in accordance with the applicable Priority of Payments.

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

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

(a) from the relevant Issue Date (included), in respect of the Initial Instalment; and

(b) from the relevant Incremental Instalment Date (included), in respect of the relevant Incremental Instalment.

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

7.2 **Determination of the Senior Notes Interest Rate and of the Mezzanine Notes Interest Rate and calculation of Interest Amounts**

Subject to Condition 7.7 (*Intereset - Fallback Provisions*), the Paying Agent shall, on each Interest Determination Date:

(a) determine the Senior Notes Interest Rate and the Mezzanine Notes Interest Rate (including the EURIBOR) applicable to the Interest Period beginning after such Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);

(b) determine the Euro amount of interest payable on each Class of Notes (each, an "**Interest Amount**") in respect of such Interest Period; and

(c) specify the Payment Date in respect of each relevant Interest Amount, pursuant to the Agency Agreement.

The Interest Amount payable in respect of any Interest Period in respect of each Class of Notes shall be calculated:

(i) on the First Payment Date as the sum of:

(1) the product of (A) the relevant Rate of Interest, (B) the Principal Amount Outstanding of the relevant Class of Notes as of the Issue Date and (C) the actual number of days from the Issue Date (included) to the Incremental Instalment Date falling on 31 March 2023 (excluded);

(2) the product of (A) the relevant Rate of Interest, (B) the Principal Amount Outstanding of the relevant Class of Notes as of the Incremental Instalment Date falling on 31 March 2023 (also taking into account any Further Instalment to be made as of such Incremental Instalment Date) and (C) the actual number of days from such Incremental Instalment Date (included) to the Incremental Instalment Date falling on 28 June 2023 (excluded);

(3) the product of (A) the relevant Rate of Interest, (B) the Principal Amount Outstanding of the relevant Class of Notes as of the Incremental Instalment Date falling on 28 June 2023 (also taking into account any Further Instalment to be made as of such Incremental Date) and (C) the actual number of days from such Incremental Instalment Date (included) to the First Payment Date (excluded);

dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being

rounded up);

(b) on each Payment Date other than the First Payment Date, by applying the relevant Rate of Interest to the Principal Amount Outstanding (also taking into account any Further Instalment to be made as of such Payment Date) of the relevant Class of Notes on the Payment Date on which such Interest Period commences (after deducting therefrom any payment of principal due on such Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.3 **Publication of Rate of Interest and Interest Amount**

The Paying Agent will cause the Senior Notes Interest Rate, the Mezzanine Notes Interest Rate, the Interest Amount applicable to each Class of Notes for each Interest Period and the Payment Date in respect of such Interest Amount to be notified promptly after determination to Euronext Securities Milan, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent (or the Cash Manager as the case may be), Borsa Italiana and the Corporate Servicer and will cause the same to be published in accordance with Condition 16 (*Notices*) or as soon as possible after determination.

The Paying Agent will arrange for notice to be given forthwith to Euronext Securities Milan, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, Borsa Italiana in cooperation with the Issuer and the Corporate Servicer and will cause notification to be given to the Noteholders in accordance with Condition 16 (*Notices*), no later than the fourth Business Day prior to any Payment Date on which, pursuant to this Condition 7 (*Interest*), the Interest Amount on the Notes of any Class will not be paid in full.

Other than in respect of the Senior Notes, in the event that on any Payment Date, there are any Interest Amounts which are unpaid on their due date and remain unpaid as a result of the insufficiency of the Issuer Available Funds (the "**Interest Amount Arrears**"), such Interest Amount Arrears will be deferred (and not regarded as due) and shall be aggregated with the amount of interest due on the relevant Class of Notes on the next succeeding Payment Date, and treated for the purpose of this Condition 7 (*Interest*) as if it was due, subject to this Condition 7 (*Interest*), on each Note on the next succeeding Payment Date. No interest will accrue on any Interest Amount Arrears.

7.4 **Determination or calculation by the Representative of the Noteholders**

If the Paying Agent does not at any time for any reason determine the Senior Notes Interest Rate, the Mezzanine Notes Interest Rate and/or calculate the Interest Amount for the Notes in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders, as legal representative of the Noteholders, shall (but without incurring, in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result):

(i) determine (or cause to be determined) the Senior Notes Interest Rate and/or the Mezzanine Notes Interest Rate; and/or (as the case may be)

(ii) calculate (or cause to be calculated) the Interest Amount for each Class of Notes in the manner specified in Condition 7.2 (*Interest - Determination of the Senior Notes Interest Rate and calculation of Interest Amounts*) above,

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

7.5 **Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the

Computation Agent, the Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful misconduct (*dolo*), own gross negligence (*colpa grave*) or manifest error) be binding on the Computation Agent, the Paying 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 Computation Agent, the Paying Agent, the Corporate Servicer, 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.

7.6 **Paying Agent**

The Issuer shall ensure that, also in accordance with the Agency Agreement, so long as any of the Notes remain outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed, a notice will be published in accordance with Condition 16 (*Notices*).

7.7 **Fallback Provisions**

7.7.1 **Alternative Base Rate**

The Representative of the Noteholders, upon instructions and with the prior express consent of the Noteholders, may request the Issuer to agree to amend the EURIBOR as referred to in Condition 7.1 (*Interest - Rate of Interest*) above (any such amended rate, an "**Alternative Base Rate**"), provided that such Alternative Base Rate is:

(a) a base rate published, endorsed, approved or recognised by the European Central Bank, any regulator in Italy or the EU (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(b) the ESTER (or any rate which is derived from, based upon or otherwise similar to the foregoing); or

(c) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such interest rate modification.

7.7.2 **Benchmark Rate Modification Event**

Notwithstanding the provisions of Condition 5.1.7 (*Coventants - No variation or waiver*), Condition 7.7.1 (*Interest - Alternative Base Rate*) above or anything to the contrary, the following provisions will apply if the Issuer (or the Rate Determination Agent acting on behalf of the Issuer) determines that a Benchmark Rate Modification Event has occurred.

7.7.3 **Determinations of the Rate Determination Agent**

Following the occurrence of a Benchmark Rate Modification Event (as ascertained by the Rate Determination Agent), the Rate Determination Agent shall determine (acting in good faith and in a commercially reasonable manner) an Alternative Benchmark Rate and the Note Rate Maintenance Adjustment (if required) and any additional Benchmark Rate Modifications.

7.7.4 **Condition to any Benchmark Rate Modification**

It is a condition to any such Benchmark Rate Modification, amendment, spread adjustment and any other changes to the interest calculation provisions that:

(i) the Issuer (or the Rate Determination Agent acting on behalf of the Issuer) has given at least 10 (ten) Business Days' prior written notice of the proposed Benchmark Rate Modification to the Noteholders, the Representative of the Noteholders, the Paying Agent and the Computation Agent before publishing a

Benchmark Rate Modification Noteholder Notice;

(ii) the Issuer (or the Rate Determination Agent acting on behalf of the Issuer) has provided to the Noteholders and the Representative of the Noteholders a Benchmark Rate Modification Noteholder Notice, at least 40 (fourty) calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect (such date being no less than ten Business Days prior to the next Interest Determination Date), in accordance with Condition 16 (*Notices*);

(iii) one or more Senior Noteholders in respect of the Senior Notes, Mezzanine Noteholders in respect of the Mezzanine Notes or Junior Noteholders in respect of the Junior Notes have not directed the Representative of the Noteholders in writing (or otherwise directed the Representative of the Noteholders in accordance with the then current practice of any applicable clearing system through which such Senior Notes, Mezzanine Notes and Junior Notes may be held) within such notification period that such Noteholders do not consent to the Benchmark Rate Modification; and

(iv) the Benchmark Rate Modification Costs shall be paid out of item (ii) Second of the Pre-Enforcement Priority of Payments or out of item (iii) Third of the Post-Enforcement Priority of Payments.

The Agents are not responsible for determining that a "benchmark event" (or its equivalent) has occurred or monitoring whether such an event will, or is likely to, occur.

7.7.5 **Note Rate Maintenance Adjustment**

The Rate Determination Agent shall use reasonable endeavours to propose a Note Rate Maintenance Adjustment as reasonably determined by the Rate Determination Agent, taking into account any note rate maintenance adjustment mechanisms endorsed by the ECB or ESMA or their sponsored committees or bodies, or mechanisms that have become generally accepted market practice (the "**Market Standard Adjustments**"). The rationale for the proposed Note Rate Maintenance Adjustment and, where relevant, any deviation from the Market Standard Adjustments, shall be set out in the Benchmark Rate Modification Certificate and the Benchmark Rate Modification Noteholder Notice.

7.7.6 **Denial of a Benchmark Rate Modification**

If one or more Senior Noteholders in respect of the Senior Notes, Mezzanine Noteholders in respect of the Mezzanine Notes and Junior Noteholders in respect of the Junior Notes have directed the Representative of the Noteholders in writing (or otherwise directed the Representative of the Noteholders in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the proposed Benchmark Rate Modification, then the proposed Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such proposed Benchmark Rate Modification, in accordance with the Rules of the Organisation of the Noteholders, by each Class of Noteholders.

7.7.7 **Duties and liabilities of the Representative of the Noteholders, the Paying Agent and the Rate Determination Agent**

Other than where specifically provided in this Condition 7.7:

(i) in respect to any modification pursuant to this Condition 7.7, the Representative of the Noteholders shall not consider the interests of the Noteholders, any Other Issuer Creditor or any other person and shall act solely on the basis of the consent

and instructions of the Noteholders and rely solely and without further investigation, on any Benchmark Rate Modification Certificate (and any evidence appended to such Benchmark Rate Modification Certificate) provided to it and shall not be liable to the Noteholders, any Other Issuer Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person;

(ii) the Representative of the Noteholders shall not be obliged to concur in making any modification which, in the sole opinion of the Representative of the Noteholders, would have the effect of (A) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Representative of the Noteholders in the Transaction Documents and/or these Conditions;

(iii) the Paying Agent shall not be obliged to consent to or perform any modification which, in the sole opinion of the Paying Agent would have the effect of (A) exposing the Paying Agent to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Paying Agent in the Transaction Documents and/or these Conditions. The Paying Agent shall execute the instructions received by the Issuer or the Representative of the Noteholders (upon confirmation of the relevant Noteholders); and

(iv) the Rate Determination Agent shall not (A) have any duty of monitoring the occurrence of any Benchmark Rate Modification Event but it shall notify a Benchmark Rate Modification Event to the Issuer and the Senior Notheolders and the Mezzanine Noteholders only once it becomes aware of such event in the course of its business, (B) carry out any discretionary activity (including any certification, verification, inspection or confirmation) other than the activities expressly provided in these Conditions; and (C) incur in any liability in case of failure or delay of the notification of a Benchmark Rate Modification Event, save in case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Rate Determination Agent.

7.7.8 **Notification**

Any Benchmark Rate Modification shall be binding on all Noteholders and shall be notified in accordance with Condition 16 (*Notices*) by the Issuer as soon as reasonably practicable to:

(i) the Other Issuer Creditors; and

(ii) the Noteholders.

7.7.9 **Further Benchmark Rate Modification**

Following the making of a Benchmark Rate Modification, if the Rate Determination Agent determines that it has become generally accepted market practice in the asset backed floating rate notes market to use a Benchmark Rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Senior Notes and the Mezzanine Notes pursuant to a Benchmark Rate Modification, the Issuer (or the Rate Determination Agent acting on behalf of the Issuer) is entitled to propose a further Benchmark Rate Modification pursuant to the terms of this Condition 7.7.

7.7.10 **Alternative courses of action in making any determination or calculation**

Notwithstanding any provision of these Terms and Conditions, if in the sole opinion of the

Paying Agent there is any uncertainty between two or more alternative courses of action in making any determination or calculation provided for by the terms of a Benchmark Rate Modification, the Paying Agent shall promptly notify the Issuer thereof and the Issuer shall following consultation with the Rate Determination Agent direct the Paying Agent, as the case may be, in writing as to which alternative course of action to adopt. If the Paying Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence or wilful default) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Paying Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence or wilful default) shall not incur any liability for not doing so.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 Final Maturity Date

8.1.1 *Principal Amount Outstanding*

Unless previously redeemed in full or cancelled in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*), the Notes are due to be repaid in full at their respective Principal Amount Outstanding (together with interest accrued and unpaid thereon) on the Final Maturity Date.

8.1.2 *Redemption prior to the Final Maturity Date*

The Issuer may not redeem the Notes prior to the Final Maturity Date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), but without prejudice to Condition 13 (*Trigger Events*).

8.2 Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on any Payment Date, in accordance with the provisions of these Terms and Conditions, in each case if and to the extent that, on the relevant Payment Date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments.

8.3 Optional Redemption

8.3.1 *Optional Redemption*

Unless previously redeemed in full, on any Payment Date falling after the Quarterly Servicer's Report Date on which the aggregate of the Outstanding Principal of the Aggregate Portfolio is equal to or less than 10% of the sum of the Outstanding Principal of the relevant Receivables as at the relevant Valuation Date, the Issuer, having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their respective Principal Amount Outstanding, together with interest accrued thereon, up to the date fixed for redemption, in accordance with this Condition 8.3, provided that:

(a) no Trigger Event has occurred on or prior to the relevant Payment Date; and

(b) the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and the Mezzanine Notes and

any amount required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with the Senior Notes and the Mezzanine Notes.

8.3.2 *Optional Redemption of the Junior Noteholders*

Unless previously redeemed in full, on any Payment Date falling after January 2028, the Issuer (upon request of the Junior Noteholders), having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the other Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part) and the Mezzanine Notes (in whole but not in part) at their Principal Amount Outstanding, together with interest accrued thereon, up to the date fixed for redemption, in accordance with this Condition 8.3, provided that the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and the Mezzanine Notes and any amount required to be paid under the Priority of Payments in priority to or pari passu with the Senior Notes and the Mezzanine Notes.

8.3.3 *Sale of the Aggregate Portfolio*

The Issuer may obtain the necessary funds in order to effect the above optional redemption of the Notes, in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), through the sale of the Aggregate Portfolio subject to the terms and conditions of the Intercreditor Agreement. The relevant sale proceeds shall form part of the Issuer Available Funds.

8.3.4 *Exercise of the optional redemption*

Following the exercise by the Originator of the option to repurchase the Aggregate Portfolio pursuant to the terms of the Intercreditor Agreement, the Issuer shall exercise the optional redemption pursuant to Condition 8.3.1 (*Redemption, Purchase and Cancellation - Optional Redemption*).

8.4 **Redemption for Taxation**

If the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

(a) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the "**Affected Class**"), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Aggregate Portfolio would be subject to withholding or deduction) (hereinafter, the "**Tax Event**"); and

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

then the Issuer may, on such Payment Date, and on any Payment Date thereafter, at its option having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their respective Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to, and including, the

relevant Payment Date.

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders), direct the Issuer to dispose of the Aggregate Portfolio, or any part thereof, to finance the early redemption of the Notes in accordance with this Condition 8.4*,* subject to the terms and conditions of the Intercreditor Agreement.

8.5 **Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding**

8.5.1 *Determination of the Computation Agent*

On each Calculation Date, the Issuer shall procure that the Computation Agent determines:

(i) the amount of the Issuer Available Funds;

(ii) the principal payment (if any) due on Euro 1,000 of nominal amount of each Note of each Class of Notes on the next following Payment Date; and

(iii) the Principal Amount Outstanding of the Notes of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on the Notes of each Class of Notes on such Payment Date).

The principal amount redeemable in respect of a nominal amount of Euro 1,000 of each Note of each Class of Notes on any Payment Date shall be a pro rata share of the Issuer Available Funds available to make the principal payment in respect of the Notes of the relevant Class, in accordance with the relevant Priority of Payments, calculated by multiplying the relevant amount by a fraction, the numerator of which is the then Principal Amount Outstanding of a nominal amount of Euro 1,000 of each Note of the relevant Class and the denominator of which is the then Principal Amount Outstanding of all the Notes of the relevant Class, and rounding down the resultant figures to the nearest cent, provided always that no such principal payment may exceed the Principal Amount Outstanding of a nominal amount of Euro 1,000 of the relevant Note.

8.5.2 *Final and binding*

Each determination by (or on behalf of) the Issuer of the Issuer Available Funds, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

8.5.3 *Notice of determination*

The Issuer will, on each Calculation Date, cause the determination of a principal payment on the Notes (if any) and Principal Amount Outstanding of the Notes to be notified by the Computation Agent (through the Payments Report) to the Representative of the Noteholders, the Corporate Servicer, the Account Bank, the Paying Agent, Borsa Italiana, Euronext Securities Milan, the Cash Manager and, in copy, the Servicer. The Issuer will cause notice of each determination of a principal payment on the Senior Notes and the Mezzanine Notes and of Principal Amount Outstanding of the Senior Notes and the Mezzanine Notes to be given to Euronext Securities Milan and in accordance with Condition 16 (*Notices*).

8.5.5 *Determination by the Representative of the Noteholders*

If no principal payment on the Notes or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5 (*Redemption, Purchase and Cancellation - Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding*), such principal payment on the Notes and Principal Amount Outstanding of the Notes shall be determined by the

Representative of the Noteholders in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*). The Representative of the Noteholders shall not be liable for any liability suffered or incurred by any party to the Transaction Documents as a result of such determinations except in the case of its gross negligence (*colpa grave*) or wilful default (*dolo*) and each such determination or calculation shall be deemed to have been made by the Issuer.

8.5.6 *No information or delay*

In the event of the Computation Agent not receiving or receiving with delay (such a delay not enabling the Computation Agent to prepare the Payments Report in time for applying the Pre-Enforcement Priority of Payments on the relevant Payment Date) the information (in whole or in part) of any amount necessary for it to prepare the Payments Report in respect of any Calculation Date, but has evidence that the amounts standing to the credit of the Accounts (excluding the Quota Capital Account) are sufficient to pay the interests on the Most Senior Class of Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Priority of Payments, the Computation Agent shall:

(a) promptly inform the Issuer and the Representative of the Noteholders;

(b) prepare a Payments Report on or prior to the relevant Calculation Date based on the assumption that:

(i) the amounts to be retained into the Expense Account and the fees due and payable on the next following Payment Date pursuant to item *Second* of the Pre-Enforcement Priority of Payments, shall be equal to the amount specified in the last available Payment Report; and

(ii) no payments will be made on any item of the Pre-Enforcement Priority of Payments different from the interests on the Senior Notes and any other amount ranking in priority thereto (excluding any amount due to the Servicer or the Sub-Servicer) and, therefore, for the avoidance of doubt, no principal will be due and payable on any Notes on such Payment Date,

it being understood (for the avoidance of any doubt) that, if the principal due under the Notes set out in such Payments Report results equal to zero, such circumstance shall not constitute in any event a Trigger Event.

It remains understood and agreed that any amount that will not be used and applied in accordance with the Pre-Enforcement Priority of Payments on each Payment Date (excluding the proceeds deriving from any Incremental Instalment on the Notes paid by the Noteholders) shall remain credited onto the Payments Accounts and shall be considered as Issuer Available Funds and applied on the immediately following Payment Date.

The Computation Agent shall not be liable for any liability suffered or incurred by any party or any Other Issuer Creditors as a result of such assumption, being understood that should such assumptions be communicated to the Computation Agent to be wrong by the Party in charge to determine them, then the Computation Agent on the immediately following Calculation Date shall prepare a Payments Report which shall consider any incorrect assumed amounts with the purpose to set-off such amounts with any amounts due and payable on the next following Payment Date.

8.6 **Notice of redemption**

Any notice of redemption, including those as set out in Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), must be given in accordance with Condition 16 (*Notices*) and shall be

irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*).

8.7 **No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes.

8.8 **Cancellation**

8.8.1 *Cancellation Date*

The Notes shall be cancelled on the Cancellation Date, at such date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.8.2 *Notes upon cancellation*

Upon cancellation the Notes may not be resold or re-issued.

9. **NON PETITION AND LIMITED RECOURSE**

9.1 **Non Petition**

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

(a) *No enforcement of the Security*

is entitled, save as expressly permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;

(b) *No right against the Issuer*

shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;

(c) *No cause or initiate an Insolvency Event in relation to the Issuer*

shall be entitled, both before and following the delivery of a Trigger Notice, until the date falling two years and one day after the date on which all the Notes and any other notes issued in the context of any other securitisation carried out by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

(d) *No action not in compliance with the Priority of Payments*

shall be entitled, both before and following the delivery of a Trigger Notice, to take or join in the taking of any corporate action, legal proceeding or other procedure or step which would result in the Priority of Payments not being complied with.

9.2 **Limited recourse obligations of Issuer**

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

(a) *Claim limited to the Issuer Available Funds*

each Noteholder will have a claim only in respect of the Issuer Available Funds and at all

times only in accordance with the applicable Priority of Payments and will not have, by operation of law or otherwise, any claim against, or recourse to, the Issuer's other assets or its contributed capital;

(b) *Sums to the Noteholders*

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

(c) *No further claim against the Issuer*

upon the Representative of the Noteholders giving notice in accordance with Condition 16 (*Notices*) that, on the basis of the information provided by the Servicer, there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Notes and the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

10. PAYMENTS

10.1 Payments through Euronext Securities Milan, Euroclear and Clearstream

Payment of principal and interest in respect of the Notes and Additional Return on the Junior Notes will be credited, according to the instructions of Euronext Securities Milan, by the Paying Agent on behalf of the Issuer to Euronext Securities Milan, for further credit by Euronext Securities Milan to the accounts of those banks and authorised brokers whose Euronext Securities Milan accounts are credited with such Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of such Notes or through Euroclear and Clearstream to the accounts of those participants with Euroclear and Clearstream whose account are credited with such Notes and thereafter credited by such participants to the beneficial owners of such Notes, in accordance with the rules and procedures of Euronext Securities Milan, Euroclear or Clearstream, as the case may be.

10.2 Payments subject to tax laws

Payments of principal and interest in respect of the Notes and Additional Return on the Junior Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

10.3 Variation of Paying Agent

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint another paying agent. The Issuer will cause at least 30 (thirty) days' prior notice of any replacement of the Paying Agent to be given to the Noteholders in accordance with Condition 16 (*Notices*).

11. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

12. 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 and Additional Return) from the date on which a payment in respect thereof first becomes due and payable.

13. TRIGGER EVENTS

13.1 Trigger Events

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

(a) *Non-payment*: the Issuer defaults in the payment of:

(i) (1) the Interest Amount payable on the Senior Notes as at the relevant Payment Date; or

(2) before the occurrence of a First Performance Event, the Interest Amount payable on the Mezzanine Notes for two consecutive Payment Dates; or

(3) in case there are sufficient Issuer Available Funds in accordance with the applicable Priority of Payments, the amount of principal due and payable on the Senior Notes and/or the Mezzanine Notes on the relevant Payment Date (as set out in the relevant Payments Report),

and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(ii) any amount due to the Other Issuer Creditors under items *First* and *Second* of the Priority of Payments and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (a) above) which is in the Representative of the Noteholders' sole and absolute opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 (thirty) days will be given); or

(c) *Breach of Representations and Warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within 15 (fifteen) days after the Representative of the Noteholders has served notice requiring remedy; or

(d) *Insolvency of the Issuer*: an Insolvency Event occurs in respect of the Issuer; or

(e) *Unlawfulness for the Issuer*: it is or will become unlawful (in any respect deemed to be material by the Representative of the Noteholders) 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.

13.2 Trigger Notice

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

(a) in the case of a Trigger Event under Condition 13.1 (a) or (e) above, shall; and/or

(b) in the case of a Trigger Event under Condition 13.1 (b) and (c) above, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall; and/or

(c) in the case of a Trigger Event under Condition 13.1 (d) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall,

serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Notes will be due and payable at their Principal Amount Outstanding and the Issuer Available Funds shall be applied in accordance with Condition 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by Article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders), or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, dispose of the Aggregate Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement. It is understood that no provisions in these Terms and Conditions or the other Transaction Documents shall require the automatic liquidation of the Aggregate Portfolio pursuant to Article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

14. ACTIONS FOLLOWING THE SERVICE OF A TRIGGER NOTICE

14.1 Actions of the Representative of the Noteholders

At any time after a Trigger Notice has been served, the Representative of the Noteholders may or shall, if so requested or authorised by an Extraordinary Resolution of the Most Senior Class of Noteholders, take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.2 (*Priority of Payments - Post-Enforcement Priority of Payments*).

14.2 Notifications, determinations and liability of the Representative of the Noteholders

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13 (*Trigger Events*) or this Condition 14 (*Actions following the service of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

14.3 Actions against the Issuer

No Noteholder shall be entitled to proceed directly against the Issuer save as provided in these Terms and Conditions and the Rules of the Organisation of the Noteholders.

14.4 Limited claims against the Issuer

If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Aggregate Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under these Terms and Conditions and the Intercreditor Agreement, if the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the Noteholders' rights in respect of the Aggregate Portfolio and all the Issuer's Rights) are

insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith, then the Noteholders' claims against the Issuer will be limited to their *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Notes will be finally and definitively cancelled.

14.5 **Disposal of the Aggregate Portfolio**

Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Aggregate Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement. No provisions in these Terms and Conditions or the other Transaction Documents shall require the automatic liquidation of the Aggregate Portfolio pursuant to Article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

15. THE REPRESENTATIVE OF THE NOTEHOLDERS

15.1 The Organisation of the Noteholders

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

15.2 Appointment of the Representative of the Noteholders

Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders which has been appointed by the Senior Notes Underwriters, the Mezzanine Notes Underwriters and the Junior Notes Underwriters on or about the Issue Date, subject to and in accordance with the provisions of the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

16. NOTICES

16.1 Notices

Any notice regarding the Notes, as long as the Notes are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan and, as long as the Notes are admitted to trading on the ExtraMOT PRO, in accordance with the rules of such multilateral trading facility. In addition, any notice to the Noteholders given by or on behalf of the Issuer shall also be published on the website https://securitization.cardoai.com/. 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.

16.2 Alternative methods of notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the 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 and in accordance with the rules of the stock exchange on which the Notes are then listed.

17. GOVERNING LAW AND JURISDICTION

17.1 Governing law of the Notes

The Notes and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian Law.

17.2 **Governing law of the Transaction Documents**

All the Transaction Documents and all non-contractual obligations arising in any way whatsoever out of or in connection with them, are governed by, and shall be construed in accordance with Italian Law.

17.3 **Jurisdiction**

Any dispute arising from the interpretation and execution of these Terms and Conditions or from the legal relationships established by these Notes and these Terms and Conditions will be submitted to the exclusive jurisdiction of the Courts of Brescia.

EXHIBIT 1

TO THE TERMS AND CONDITIONS

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. General

1.1 *Establishment*

The Organisation of the Noteholders is created concurrently with the issue by Valsabbina SME Platform II S.r.l. and subscription for the € 96,000,000 Class A Asset Backed Partly Paid Notes due October 2037, the € 26,000,000 Class B Asset Backed Partly Paid Notes due October 2037, the € 11,000,000 Class C Asset Backed Partly Paid Notes due October 2037 and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

1.2 *Validity*

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 *Integral part of the Notes*

These Rules are deemed to be an integral part of each Note issued by the Issuer.

2. Definitions and interpretations

2.1 *Interpretation*

2.1.1 *Definitions*

Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

2.1.2 *Reference to an Article*

Any reference herein to an "Article" shall be a reference to an Article of these Rules.

2.1.3 *Headings and subheadings*

Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2 *Definitions*

In these Rules, the terms set out below shall have the following meanings:

"**Basic Terms Modification**" means any proposal to:

(a) change the date of maturity of the Notes of any Class;

(b) change any date fixed for the payment of principal or interest in respect of the Notes of any Class;

(c) reduce or cancel the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(d) change the quorum required at any Meeting or the majority required to pass any Resolution;

(e) change the currency in which payments are due in respect of any Class of Notes;

(f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Notes;

(g) 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;

(h) a change to this definition.

"**Blocked Notes**" means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

"**Block Voting Instruction**" means in relation to a Meeting, the document issued by the Paying Agent stating *inter alia*:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;

(b) that the Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and

(c) authorising a Proxy to vote in accordance with such instructions.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 of these Rules.

"**Condition**" means a condition of the Terms and Conditions.

"**Disenfranchised Matter**" means any of the following matters:

(1) the revocation of the Originator in its capacity as Servicer;

(2) the enforcement of any of the Issuer's rights under the Transaction Documents against the Originator in any of its capacities under the Securitisation; and

(3) any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders (upon notification of a conflict of interest by any Noteholder), there may exist a conflict of interest between the holders of the Relevant Class of Notes (in such capacity) and the Originator in any of its capacities (other than as holder of the Relevant Class of Notes) under the Securitisation.

"**Disenfranchised Noteholder**" means, with respect to a Class of Notes, the Originator or any of its affiliates, unless it is (or more than one of them together in aggregate are) the holders of 100% of the Notes of such Class.

"**Euronext Securities Milan Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18.

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

"**Ordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17.

"**Proxy**" means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

"**Resolution**" means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

"**Terms and Conditions**" means the terms and conditions of the Notes, 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.

"**Voter**" means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued by the Euronext Securities Milan Account Holder in accordance with Regulation 13 August 2018, as subsequently amended and supplemented, stating *inter alia*:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and

(b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**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.

3. Purpose of the Organisation

3.1 *Membership*

Each Noteholder is a member of the Organisation of the Noteholders.

3.2 *Purpose*

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 NOTEHOLDERS

4. Voting Certificates and Validity of the Proxies and Voting Certificates

4.1 *Participation in Meetings*

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

4.2 *Validity*

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

4.3 *Mutually exclusive*

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.4 *Blocking and release of Notes*

References 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. Convening the Meeting

5.1 *Meetings convened by the Representative of the Noteholders*

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) the Issuer, or (b) Noteholders representing at least one-fiftieth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

5.2 *Request from the Issuer*

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect 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.

5.3 *Time and place of the Meeting*

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Every Meeting may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

(a) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(b) the person drawing up the minutes may hear well the meeting events being the subject matter of the minutes;

(c) 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;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

6. Notice of Meeting and Documents Available for Inspections

6.1 *Notice of meeting*

At least 10 days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders.

6.2 *Content of the notice*

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

(a) day, time and place of the Meeting, on first and second call;

(b) agenda of the Meeting; and

(c) nature of the Resolution.

6.3 *Validity notwithstanding lack of notice*

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

6.4 *Documentation Available for Inspection*

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

7. Chairman of the Meeting

7.1 *Appointment of the Chairman*

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines 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.

7.2 *Duties of the 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.

7.3 *Assistance*

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.

8. Quorum

8.1 *Quorum and Passing of Resolution*

The quorum (*quorum costitutivo*) at any Meeting shall be:

(a) in respect of a Meeting convened to vote on an Ordinary Resolution:

(i) on first call, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, at least one third of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened;

(b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened;

(c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened,

provided further that, in respect of any Disenfranchised Matter, the Notes held by a Disenfranchised Noteholder shall be treated as if they were not outstanding, shall be disregarded and shall not be counted for the purpose of calculating the quorum above.

8.2 *Passing of a Resolution*

A Resolution shall be deemed validly passed if voted by the following majorities:

(a) in respect of an Ordinary Resolution, a majority of the votes cast; and

(b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

9. Adjournment for lack of quorum

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

(b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place and time as the Chairman determines with the approval of the Representative of the Noteholders, provided however that no meeting may be adjourned more than once for want of quorum.

10. Adjourned Meeting

Except as provided in Article 9, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

11. Notice following adjournment

11.1 *Notice required*

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed meeting except that:

(a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

11.2 *Notice not required*

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

12. Participation

The following categories of persons may attend and speak at a Meeting:

(a) Voters;

(b) the Servicer and the Sub-Servicer;

(c) the director(s) and the auditors of the Issuer;

(d) the Representative of the Noteholders;

(e) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and

(f) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

13. Voting by show of hands

13.1 *First instance vote*

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

13.2 *Demand of poll*

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-fiftieth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

13.3 *Approval of a resolution*

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

14. Voting by poll

14.1 *Demand for a poll*

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as 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.

14.2 *Conditions of a poll*

The Chairman sets the conditions for voting by poll, 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 conditions set 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.

15. Votes

15.1 *Votes*

Each Voter shall have:

(a) one vote, when voting by a show of hands; and

(b) one vote for each Euro 1,000 of face amount of each Note represented or held by the Voter, when voting by poll.

15.2 *Exercise of multiple votes*

Unless the terms of any Block Voting Instruction or Voting Certificate borne by 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 which he exercises in the same manner.

15.3 *Voting tie*

In case of a voting tie, the Chairman shall have the casting vote.

15.4 *Votes Cast*

The Noteholders can cast their votes "in favour of" or "against" any proposed Resolution.

The Noteholders that do not intend to cast their votes and abstain from voting shall be ignored and not be included in the computation of the votes cast.

16. Voting by Proxy

16.1 *Validity*

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked provided that none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

16.2 *Adjournment of Meeting*

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article 9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

17. Ordinary Resolutions

Save as provided by Article 18 and subject to the provisions of Article 19, a Meeting shall have the power exercisable by Ordinary Resolution to:

(a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;

(b) determine any other matters submitted to the Meeting, other than matters required to be subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and

(c) 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. Extraordinary Resolutions

The Meeting, subject to Article 19, shall have power exercisable by Extraordinary Resolution to:

(a) approve any Basic Terms Modification;

(b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;

(c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;

(d) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Agency Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(e) discharge or exonerate (including prior or retrospective discharge or exoneration) 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 Terms and Conditions or any other Transaction Document;

(f) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 13);

(g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(i) appoint and remove the Representative of the Noteholders; and

(j) authorise or object to individual actions or remedies of Noteholders under Article 23.

19. Relationship between Classes and conflict of interests

19.1 *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 (to the extent that there are Notes outstanding in any of such other Class).

19.2 *Extraordinary Resolution other than in respect of a Basic Terms Modification or Ordinary Resolution*

No Extraordinary Resolution of any Class of Notes to approve any matter other than a Basic Terms Modification or an Ordinary Resolution of any 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 ranking at that time senior to such Class with respect to the repayment of the principal in accordance with the applicable Priority of Payments (to the extent that there are Notes outstanding ranking senior to such Class).

19.3 *Binding nature of the Resolutions*

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 dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

19.4 *Conflict between Classes*

If in the opinion of the Representative of the Noteholders, there is a conflict between the interest of

(a) 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;

(b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

19.5 *Joint Meetings*

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the Senior Noteholders, the Mezzanine Noteholders and of the Junior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto provided however that, upon request of the Noteholders of any Class, separate meetings shall be held even when the meeting has been convened as a joint meeting.

19.6 *Separate and combined Meetings of the Noteholders*

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

(a) 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;

(b) business which, in the 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 such Class of Notes and the Noteholders of the other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a joint Meeting of the Noteholders of all such Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion; and

(c) business which, in the 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 the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any Resolution.

19.7 *Notice of Resolution*

Within 5 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 16 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Paying Agent and the Representative of the Noteholders.

20. Challenge of Resolution

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

21. 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 shall be regarded as having been duly passed and transacted.

22. Written Resolution

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is 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 (the "**Written Resolution**").

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Ordinary Resolution.

23. Individual Actions and Remedies

23.1 *Individual actions of the Noteholders*

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non-petition provisions of Condition 9. Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting passes a 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

(d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

23.2 *Individual actions subject to Resolution*

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

23.3 *Breach of Condition 9*

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9.

23.4 *Exclusive power of the Representative of the Noteholders*

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

24. 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

25. Appointment, Removal and Remuneration

25.1 *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 25, except for the appointment of the first Representative of the Noteholders which will occur on the Issue Date.

25.2 *Requirements for the Representative of the Noteholders*

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(b) 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

(c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

25.3 *Directors and auditors of the Issuer*

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

25.4 *Duration of appointment*

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

25.5 *Removal*

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

25.6 *Office after termination*

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2, paragraphs (a), (b), and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment 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.

25.7 *Remuneration*

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments.

26. Duties and Powers of the Representative of the Noteholders

26.1 *Legal representative of the Organisation of the Noteholders*

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 pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

26.2 *Meetings and implementation of Resolutions*

Subject to Article 28.9 (*Illegality*), the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

26.3 *Delegation*

26.3.1 The Representative of the Noteholders may also, whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid.

26.3.2 The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interest of the Noteholders.

26.3.3 The Representative of the Noteholders shall not, other than in the normal course of its business, 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 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 (*culpa in eligendo*).

26.3.4 As soon as reasonably practicable, the Representative of the Noteholders shall 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.

26.4 *Judicial proceedings*

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

27. Resignation of the Representative of the Noteholders

27.1 *Resignation*

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

27.2 *Effectiveness*

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment provided that if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25.

28. Exoneration of the Representative of the Noteholders

28.1 *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.

28.2 *Other limitations*

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

(i) 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 has occurred;

(ii) 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 the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, 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 carefully observing and performing all their respective obligations;

(iii) except as otherwise required under these Rules or the Transaction Documents, 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;

(iv) shall not be responsible for (or 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:

(1) the nature, status, creditworthiness or solvency of the Issuer;

(2) 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 herewith;

(3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(4) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(5) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agent or any other person in respect of the Aggregate Portfolio or the Notes;

(v) 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;

(vi) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating to thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(vii) 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 Aggregate Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(viii) 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;

(ix) shall not be under any obligation to guarantee or procure the repayment of the Aggregate Portfolio or any part thereof;

(x) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;

(xi) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party 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 and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(xii) shall not be responsible for reviewing or investigating any report relating to the Aggregate Portfolio provided by any person;

(xiii) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

(xiv) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Aggregate Portfolio and the Notes;

(xv) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders; and

(xvi) save as expressly provided in the Transaction Documents, shall not be under any obligation to give notice to any person in relation to the execution of these Rules or any other Transaction Document or any transaction contemplated hereby or thereby.

28.3 *Discretion*

28.3.1 The Representative of the Noteholders:

(i) save as expressly otherwise provided herein and in the Intercreditor Agreement, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right,

power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);

(ii) 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 to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

(iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;

(iv) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these 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 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 Transaction Documents;

28.3.2 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 such conditions (if any) as the Representative of the Noteholders deems appropriate.

28.3.3 The Representative of the Noteholders may, prior to taking any action (as well as prior to deciding not to take any action) in the execution and exercise of its powers and authorities and discretions under the Terms and Conditions, these Rules and the Transaction Documents, request in writing the Noteholders to determine in its sole discretion acting in good faith, whether any such action (or decision not to take any such action) would be prejudicial to, or have a negative impact on, the interests of the Noteholders. Upon determination by the Noteholders that any such action (or decision not to take any such action) of the Representative of the Noteholders would be materially prejudicial to, or have a material negative impact on, the interests of the Noteholders, the Representative of the Noteholders shall comply with the written instructions received by the Noteholders. On the contrary, in case the Noteholders will consider any such action (or decision not to take any such action) as no materially prejudicial to, or with no material negative impact on their interests, then the Representative of the Noteholders will act in accordance with the Term and Conditions, these Rules and the provisions of the Intercreditor Agreement.

28.4 *Certificates*

The Representative of the Noteholders:

(i) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or credit agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;

(ii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, 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 it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;

(iii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor. The

Representative of the Noteholders shall not be required to seek additional evidence 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.

28.5 *Ownership of the Notes*

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued by any authorised institution listed in Article 83-*sexies* of the Financial Laws Consolidated Act, which certificates are conclusive proof of the statements attested to therein.

28.5.2 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.

28.6 *Certificates of Euronext Securities Milan Account Holders*

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Euronext Securities Milan Account Holder in accordance with Regulation 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

28.7 *Certificates of 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.

28.8 *Illegality*

No provision of these 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 or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its 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 opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

29. Amendments to the Transaction Documents

29.1 *Consent of the Representative of the Noteholders*

Subject to the prior express consent of the Senior Noteholders, the Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

(i) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or

(ii) save as provided under paragraph (i) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of "Basic Terms Modification") is not materially prejudicial to the interest of the Most Senior Class of Noteholders.

29.2 *Binding nature of amendments*

Any such amendment or modification shall be binding on the Noteholders and the Other Issuer Creditors and the Representative of the Noteholders or the Issuer shall procure that such amendment or modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter.

30. Indemnity

30.1 *Indemnification*

Pursuant to the Subscription Agreements, 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, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject 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, authority and discretion and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to 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 these Rules, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud, gross negligence or wilful default of the Representative of the Noteholders or the abovementioned appointed persons. It remains understood and agreed that such costs, expenses and liabilities shall be reasonably incurred.

30.2 *Liability*

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

31. Powers

It is hereby acknowledged that, upon the occurrence of a Trigger Event, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled - also in the interest of the Other Issuer Creditors, pursuant to Articles 1411 and 1723 of the Italian Civil Code - to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Intercreditor 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

32. Governing law and Jurisdiction

32.1 *Governing law*

These Rules and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of the Republic of Italy.

32.2 *Jurisdiction*

Any dispute arising from the interpretation and execution of these Rules or from the legal relationships established by these Rules will be submitted to the exclusive jurisdiction of the Courts of Brescia.

SUBSCRIPTION AND SALE

1. THE SENIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date, the Senior Notes Underwriters have agreed to subscribe for the Senior Notes, subject to the terms and conditions set out thereunder.

The Issuer has agreed to indemnify the Senior Notes Underwriters against certain liabilities in connection with the issue of the Senior Notes.

2. THE MEZZANINE NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Mezzanine Notes Subscription Agreement entered into on or about the Issue Date, the Mezzanine Notes Underwriters have agreed to subscribe for the Mezzanine Notes, subject to the terms and conditions set out thereunder.

The Issuer has agreed to indemnify the Mezzanine Notes Underwriters against certain liabilities in connection with the issue of the Mezzanine Notes.

3. THE JUNIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Junior Notes Subscription Agreement entered into on or about the Issue Date, the Junior Notes Underwriters have agreed to subscribe for the Junior Notes, subject to the terms and conditions set out thereunder.

In respect of the obligation of the Issuer to make payment on the Notes, under the Terms and Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Senior Notes, the Mezzanine Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

No commission, fee or concession shall be due by the Issuer to Junior Notes Undewriters in respect of its subscription of the Junior Notes.

4. SELLING RESTRICTIONS

4.1 General

Under the Senior Notes Subscription Agreement and the Mezzanine Notes Subscription Agreement, each of the Senior Notes Underwriters and the Mezzanine Notes Underwriters:

4.1.1 **No action to permit public offering**

has acknowledged that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Senior Notes and/or the Mezzanine Notes, or possession or distribution of any offering material in relation to the Senior Notes and/or the Mezzanine Notes, in any country or jurisdiction where action for that purpose is required;

4.1.2 **Compliance with laws**

has represented and warranted to the Issuer that it has complied with and will undertake that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Senior Notes and or the Mezzanine Notes or has in its possession, distributes or publishes such offering material, in all cases at its own expense; and

4.1.3 **Publicity**

has represented and warranted to the Issuer that it has not made or provided and

undertakes that it will not make or provide any representation or information regarding the Issuer or the Senior Notes and/or the Mezzanine Notes save as contained in the Prospectus or as approved for such purpose by the Issuer or which is a matter of public knowledge.

4.2 **United States**

Neither the Senior Notes nor the Mezzanine Notes have been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Senior Notes Underwriters and the Mezzanine Notes Undewriters has represented and agreed that it has not offered and sold the Senior Notes and/or the Mezzanine Notes, and will not offer and sell the Senior Notes and/or the Mezzanine Notes (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of the Senior Notes and/or the Mezzanine Notes, and then only in accordance with Rule 903 of Regulation S promulgated under the Securities Act. Neither the Senior Notes Underwriters nor the Mezzanine Notes Underwriters nor their affiliates nor any persons acting on the behalf of the Senior Notes Underwriters or the Mezzanine Notes Underwriters or their affiliates' behalf have engaged or will engage in any directed selling efforts with respect to the Senior Notes and/or the Mezzanine 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 Senior Notes and/or Mezzanine Notes, each of the Senior Notes Underwriters and the Mezzanine Notes Underwriters will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Senior Notes and/or Mezzanine Notes from it during the restricted period a confirmation or notice to substantially to the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(111) (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 us, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in this selling restriction have the meaning given to them by Regulation S under the Securities Act.

4.3 **United Kingdom**

4.3.1 *Prohibition of sales to United Kingdom retail investors*

Each of the Senior Notes Underwriters and the Mezzanine Notes Underwriters has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Senior Note or Mezzanine Note which are the subject of the offering contemplated by the Prospectus to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; 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 Senior Notes to be offered so as to enable an investor to decide to purchase or subscribe the Senior Notes.

4.3.2 *Other regulatory restrictions in the United Kingdom*

Under the Senior Notes Subscription Agreement and the Mezzanine Notes Subscription Agreement, each of the Senior Notes Underwriters and the Mezzanine Notes Underwriters has 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 Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Senior 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 Senior Notes in, from or otherwise involving the United Kingdom.

4.4 **Republic of Italy**

Under the Senior Notes Subscription Agreement and the Mezzanine Notes Subscription Agreement, each of the Senior Notes Underwriters and the Mezzanine Notes Underwriters has represented, warranted and undertaken to the Issuer that:

4.4.1 **No offer to public**

the offering of the Senior Notes and the Mezzanine Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, neither the Senior Notes nor the Mezzanine Notes have been or may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Senior Notes and/or the Mezzanine Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined under Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended and supplemented from time to time (the "**Prospectus Regulation**") and any applicable provisions of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time

(the "**Financial Laws Consolidated Act**") and/or Italian CONSOB regulations; or

(b) in any other circumstances where an exemption from the rules governing public offers of securities applies, to be made to the public pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations;

provided that, in any case, the offer or sale of the Senior Notes and/or the Mezzanine Notes in the Republic of Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;

4.4.2 **Offer to Qualified Investors**

any offer, sale or delivery of the Senior Notes and/or the Mezzanine Notes in the Republic of Italy or distribution of copies of the Prospectus or any other document relating to the Senior Notes and/or the Mezzanine Notes in the Republic of Italy under paragraph 3.4.1 (a) and (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Laws Consolidated Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 as amended and supplemented from time to time, (the "**Consolidated Banking Act**");

(b) made in compliance with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that, in accordance with Article 5 of the Prospectus Regulation, where no exemption under paragraph 3.4.1, letter (a) or (b) above applies, the subsequent distribution of the Senior Notes and/or the Mezzanine Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Prospectus Regulation and the applicable Italian laws. Failure to comply with such rules may result, inter alia, in the sale of the Senior Notes and/or the Mezzanine Notes being declared null and void and in the liability of the intermediary transferring the Senior Notes and/or the Mezzanine Notes for any damages suffered by the investors.

The Junior Notes remain subject to the further selling restrictions provided for in the Junior Notes Subscription Agreement.

4.5 **Prohibition of Sales to EEA Retail Investors**

Each of the the Senior Notes Underwriters and the Mezzanine Notes Underwriters has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Senior Notes and/or Mezzanine Notes Notes which are the subject of the offering contemplated by the Prospectus to any retail investor in the European Economic Area (**EEA**). For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive

2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (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 Senior Notes to be offered so as to enable an investor to decide to purchase or subscribe the Senior Notes.

5. REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Under the Subscription Agreements, Banca Valsabbina, in its capacity as Originator, has undertaken that it will:

(i) 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 EU Securitisation Regulation and the applicable Regulatory Technical Standards;

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

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

(iv) comply with the disclosure obligations imposed on originators under Article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, by providing the Issuer and the Computation Agent with the relevant information about the risk retained to be disclosed in the Investors Report,

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

In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with Article 6(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

Due diligence disclosure

A portion of the Notes has been subscribed by an institutional investor (as defined by Article 2, paragraph 1, of the EU Securitisation Regulation) that has carried out the due diligence activities provided by Article 5 of the EU Securitisation Regulation.

GENERAL INFORMATION

Listing and admission to trading

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 and the Mezzanine Notes to be admitted to trading on the professional segment ExtraMOT PRO of 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.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The Issuer is managed by a Sole Director. Therefore, in accordance with Italian law, the issue of the Notes has been authorised by such Sole Director without the need of any formal meeting or resolution.

Clearing of the Notes

The Notes have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream as follows:

Class	***ISIN Code***	***Common Code***
Class A	IT0005534869	260252518
Class B	IT0005534877	260252569
Class C	IT0005534885	260253115

No material litigation

There have been no governmental, litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues in the last twelve months, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material, which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability.

No material adverse change

Since 7 December 2022, being the date of incorporation of the Issuer, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), business, prospects or general affairs of the Issuer that is material.

Documents available for inspection

Copies of the following documents are available in physical and electronic form for inspection during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders:

(i) Memorandum and Articles of Association of the Issuer;

(ii) Transfer Agreement;

(iii) Warranty and Indemnity Agreement;

(iv) Servicing Agreement;

(v) Back-Up Servicing Agreement;

(vi) Sub-Servicing Agreement;

(vii) Back-Sub-Servicing Agreement

(viii) Intercreditor Agreement;

(ix) Agency Agreement;

(x) Senior Notes Subscription Agreement;

(xi) Mezzanine Notes Subscription Agreement;

(xii) Junior Notes Subscription Agreement;

(xiii) Corporate Services Agreement;

(xiv) Stichting Corporate Services Agreement;

(xv) Master Definitions Agreement;

(xvi) Prospectus; and

(xvii) Issuer's annual audited financial statement.

Post issuance reporting

So long as any of the Notes remains outstanding, pursuant to Article 6.2.3 (*Investors' Report*) of the Agency Agreement, each Investors' Report will be made available on the website https://securitization.cardoai.com/.

Financial statements available

The Issuer will produce financial statements in respect of each financial year. So long as any of the Senior Notes and the Mezzanine Notes remains outstanding, upon publication, copies of the Issuer's annual audited financial statements shall be made available in physical and/or electronic form for collection at the registered offices of the Issuer and of the Representative of the Noteholders.

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator and the Issuer shall be responsible for compliance with the transparency requirements of Article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator:

(i) it has been designated and will act as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information throughthrough the website https://securitization.cardoai.com/;

(ii) is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.

Under the Intercreditor Agreement, the Originator, in its capacity as Reporting Entity, has undertaken to publish and make available through the website https://securitization.cardoai.com/ the information required to be disclosed to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and perspective noteholders, in accordance with Article 7 of the EU Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority).

In particular, the Reporting Entity undertakes to make available, as the case may be, on the website https://securitization.cardoai.com/ to such investors and entities, upon request, the information under point (a) of the first subparagraph of Article 7(1) as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation.

As to pre-pricing information:

(a) the Originator (also as holder of a portion of the Senior Notes, the Mezzanine Notes and the

Junior Notes) has confirmed that it has been, before pricing, in possession of (i) data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation at least in draft form pursuant to Article 22(5) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to Article 22(1) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;

(b) the Originator has confirmed that it has made available on the website https://securitization.cardoai.com/ to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes before pricing (i) the information under point (a) of the first subparagraph of Article 7(1) upon request, as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation at least in draft form pursuant to Article 22(5) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to Article 22(1) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(a) the Servicer shall prepare the Transparency Loan Report and the Annex 14 Report and deliver them to the Reporting Entity in a timely manner in order for the Reporting Entity to (i) make available the Transparency Loan Report (simultaneously with the Annex 12 Report) to the investors in the Notes by no later than the Transparency Report Date and (ii) make available the Annex 14 Report available, in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and (g) of the EU Securitisation Regulation) has occurred, without delay with reference to the information requested under Article 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation, it being understood that on each Transparency Report Date the Annex 14 Report shall indicate whether an inside information or a significant event (including, inter alia, any Trigger Event or events which trigger changes in the Priority of Payments) has occurred or not;

(b) the Computation Agent shall prepare the Annex 12 Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available simultaneously with the Transparency Loan Report to the investors in the Notes by no later than the Transparency Report Date;

(c) the Issuer shall deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and

(ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties); and

(d) the Originator shall make available the final Transaction Documents and all the other documents listed under Article 7(1)(b) and 7(1)(d) to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date,

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

Under the Intercreditor Agreement, the Originator has undertaken to make available on the website https://securitization.cardoai.com/ to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed that:

(a) in no event Banca Valsabbina, in its capacity as Reporting Entity, shall be liable to the other parties thereto for any failure or delay in preparing or delivering the information required to be disclosed under Article 7 of the EU Securitisation Regulation if such failure is caused by the non-delivery or late delivery by any of the Parties of any information to be provided to the Reporting Entity pursuant to Clause 13 of the Intercreditor Agreement and the Transaction Documents (unless such non-delivery or late delivery is attributable to the non-delivery or late delivery of information to be provided by Banca Valsabbina to such Parties);

(b) in no event Banca Valsabbina, in its capacity as Reporting Entity, shall be liable to the other parties thereto for the accuracy and completeness of any information or data that has been provided to it pursuant to Clause 13 of the Intercreditor Agreement and the Transaction Documents nor for the compliance of any such information with the requirements of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (unless any inaccuracy, incompleteness or non-compliance is attributable to the inaccuracy, incompleteness or non-compliance of information provided by Banca Valsabbina to such parties); and

(c) Banca Valsabbina, in its capacity as Reporting Entity, will not be under any obligation to verify, reconcile or recalculate any information or data provided to it by any Party pursuant to Clause 13 of the Intercreditor Agreement or the Transaction Documents and it shall be entitled to rely conclusively on such information and data for the purpose of fulfilling the information requirements provided for by Article 7 of the EU Securitisation Regulation (without prejudice to Banca Valsabbina's liability for the information provided by it to the relevant Parties). In case the information or data provided by a Party pursuant to Clause 13 of the Intercreditor Agreement or the Transaction Documents appears to be prima facie incomplete or to include any material mistakes, Banca Valsabbina shall liaise with the relevant Party to discuss in good faith such circumstance and obtain a new delivery of such information or data.

Cooperation undertakings in relation to EU Securitisation Regulation

Under the Intercreditor Agreement, the relevant parties thereto (in relation to the respective role performed under the Securitisation) have agreed to:

(i) provide all reasonable cooperation to the Issuer and the Originator in order to ensure that the Securitisation is designated as "simple, transparent and standardised non-ABCP securitisation" and complies with the EU Securitisation Regulation and the STS Requirements;

(ii) take any action, negotiate in good faith and execute any amendment or additional agreement, deed or document, make available authorised signatories, adequately qualified personnel and internal administrative resources, and perform such other supporting activities in each case as may reasonably deemed necessary and/or expedient for the purposes of point (i) above.

On or about the Issue Date, the STS Notification in respect of the Securitisation will be publicly available on the ESMA website: https://www.esma.europa.eu/.

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 160,000.00 (excluding servicing fees, the Commitment Fee and any VAT, if applicable) and the estimated total expenses related to the admission to trading of the Senior Notes and the Mezzanine Notes amount approximately to Euro 6,000.00 (excluding VAT, if applicable).

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 815600D5E0B68B525C74.

ISSUER

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COMPUTATION AGENT AND CORPORATE SERVICER

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SUB-SERVICER

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BACK-UP SERVICER

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BACK-UP SUB-SERVICER

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