BRERA SEC S.R.L.

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

Euro 6,940,000,000 Class A Residential Mortgage Backed Floating Rate Notes due May 2072

Issue Price: 100 per cent

Euro 725,400,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072

Issue Price: 100 per cent

This prospectus (the **Prospectus**) contains information relating to the issue by Brera Sec S.r.l., a *società a responsabilità limitata* organised under the laws of the Republic of Italy with quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 (the **Issuer**) of Euro 6,940,000,000 Class A Residential Mortgage Backed Floating Rate Notes due May 2072 (the **Class A Notes** or the **Senior Notes**). In connection with the issuance of the Senior Notes, the Issuer will also issue Euro 725,400,000 Class B Residential Mortgage Backed Backed Fixed Rate and Additional Return Notes due May 2072 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**).

This document constitutes a "*prospetto informativo*" for the purposes of article 2, sub-section 3, of Italian law number 130 of 30 April 1999, as amended from time to time (the **Securitisation Law**). This Prospectus constitutes also the admission document of the Senior Notes for the admission to trading on the professional segment (**ExtraMOT PRO**) of the multilateral trading facility "ExtraMOT" (**ExtraMOT Market**), which is a multilateral system for the purposes of the Market in Financial Instruments Directive 2014/65/EC, managed by Borsa Italiana S.p.A. (**Borsa Italiana**). The Junior Notes are not being offered pursuant to this Prospectus and no application has been been made to list or admit to trading the Junior Notes on any stock exchange. The Notes will be issued on 1 December 2021 (the **Issue Date**).

Neither the *Commissione Nazionale per le Società e la Borsa* (CONSOB) or Borsa Italiana have examined or approved the content of this Prospectus.

The net proceeds of the offering of the Notes will be applied by the Issuer on the Issue Date to fund the purchase of a portfolio of monetary claims and connected rights arising under residential mortgage loans (respectively, the **Portfolio** and the **Receivables**) between Intesa Sanpaolo S.p.A. (**ISP**, **Intesa Sanpaolo** or the **Originator**) and the relevant Debtors and in any case in accordance with the provisions contained in the Transaction Documents and as described in the section headed "*Use of Proceeds*". The Portfolio has been purchased by the Issuer under the terms of a receivables purchase agreement entered into between the Issuer and the Originator pursuant to the Securitisation Law on 20 October 2021 (the **Receivables Purchase Agreement**).

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

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

Interest on the Notes will accrue on a daily basis and will be payable on 31 May 2022 (the **First Payment Date**) and thereafter quarterly in arrear in Euro in accordance with the applicable Priority of Payments, on the last calendar day of February, May, August and November in each year (or, if such day is not a Business Day, the immediately preceeding Business Day) (each such dates, a **Payment Date**). The Senior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an **Interest Period**) (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) in respect of the Senior Notes (the **Senior Notes Interest Rate**) will be the Euribor for 3 month (the **Three Month Euribor**) (or, in the case of the First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.90% *per annum* (the **Margin**), provided that the Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1,50% *per annum* and shall not be negative.

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

The Senior Notes are expected, on issue, to be rated "A (high) (sf)" by DBRS Ratings GmbH (**DBRS**) and "A1 (sf)" by Moody's Investors Service España, S.A. (**Moody's**). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended (the **EU CRA Regulation**), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. As of the date of this Prospectus, each of DBRS Ratings GmbH (**DBRS**) and Moody's Investors Service España, S.A (**Moody's**) is established in the European Union and is registered in accordance with the EU CRA Regulation and included in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the ESMA website (being, as at the date of this Prospectus, www.esma.europa.eu) (for the avoidance of doubt, such website does not constitute part of this Prospectus). No rating will be assigned to the Class B Notes. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**

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

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

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

Before the Payment Date falling in May 2072 (the **Final Maturity Date**), the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, Purchase and Cancellation*)). Save for the fact that in any event full redemption will have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the Payment Date falling on 31 May 2022, subject to there being sufficient Issuer Available Funds and in accordance with the applicable Priority of Payments.

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

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

The Securitisation will not involve risk retention by the Originator for the purposes of the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the **U.S. Risk Retention Rules**) and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. The Originator intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, except with the prior written consent of the Originator (a **U.S. Risk Retention Consent**) and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Originator, (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 (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_.20 of the U.S. Risk Retention Rules).

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

UK MiFIR product governance / target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

IMPORTANT - EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (UE) 2016/97 (**IDD**), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA 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.

IMPORTANT - 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 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**EUWA**); (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. 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.

BENCHMARK REGULATION – Interest amounts payable in respect of the Senior Notes will be calculated by reference to Euribor as specified in the Conditions. As at the date of this Prospectus, Euribor is provided and administered by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, EMMI is authorised as benchmark administrator and included on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**).

For the avoidance of doubt, the Securitisation is not structured to comply with the requirements of the UK Securitisation Regulation, the UK Benchmark Regulation, the UK CRA Regulation or any other rules or regulations as they form part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (EUWA). Each prospective investor in the Notes should consult with its own legal, accounting and other advisors to determine whether, and to what extent, an investment in the Securitisation is a suitable investment for such prospective investor.

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

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

Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

STS SECURITISATION – 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, after the Issue Date, is intended to be notified by the Originator to ESMA 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 continues to qualify as an STS-securitisation under the EU Securitisation Regulation, the Regulation (EU) No. 575 of 26 June 2013, as amended (the **CRR**) and/or the Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) No. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the **LCR Regulation**) on the Issue Date or at any point in time in the future. None of the Issuer, the Originator, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation, the CRR and/or the LCR Regulation on the Issue Date or at any point in time. Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

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

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

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

The date of this Prospectus is 30 November 2021.

Arranger and Underwriter

INTESA SANPAOLO S.P.A.

RESPONSIBILITY FOR INFORMATION

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

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

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

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

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

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets (as defined in the Conditions) are segregated from all other

assets of the Issuer (including the assets relating to the Previous Securitisations and any further securitisation undertaken by the Issuer) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash-flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, the Paying Agent, the Account Bank, the Subordinated Loan Provider, the Underwriter or the Quotaholders (the ***Other Issuer Creditors****) and to any third party creditor of the Issuer in respect of any cost, fee or expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolio and the other Segregated Assets will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (Priority of Payments) and the Intercreditor Agreement (the* ***Priority of Payments****).*

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

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

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

IMPORTANT - EEA RETAIL INVESTORS *- The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the* ***EEA****). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (****MiFID II****); (ii) a customer within the meaning of Directive (UE) 2016/97 (****IDD****), where*

*that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) no. 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA 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.*

***IMPORTANT - 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 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**EUWA**); (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. 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.*

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

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

THIS PROSPECTUS MAY NOT BE FORWARDED, DISTRIBUTED, PUBLISHED OR DISCLOSED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Neither the Arranger nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules as at the date of this Prospectus 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.

The Notes may not be purchased by, or for the account or benefit of, any person except for persons that are not Risk Retention U.S. Persons. Consequently, except with the prior written consent of the Originator (a U.S. Risk Retention Consent) and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules (Risk Retention U.S. Persons). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Originator, (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 (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_.20 of the U.S. Risk Retention Rules).

*Interest amounts payable in respect of the Senior Notes will be calculated by reference to Euribor as specified in the Conditions. As at the date of this Prospectus, Euribor is provided and administered by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, EMMI is authorised as benchmark administrator and included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of Regulation (EU) no. 2016/1011 (the **Benchmark Regulation**).*

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

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

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

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

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

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

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

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

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RISK FACTORS

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

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

*The Securitisation is not tailored to comply with any rules or regulations as they form part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (EUWA), particularly (but not limited), the Securitisation is not tailored to comply with Regulation (EU) no. 2402 of 12 December 2017 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK Securitisation Regulation**), Regulation (EU) no. 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the **UK Benchmark Regulation**) or Regulation (EC) no. 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**). Prospective UK investors should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, the information provided in this Prospectus is sufficient for their purposes and whether an investment into the Notes is a suitable investment for such investors.*

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

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

RISK FACTORS IN RELATION TO THE ISSUER

Issuer's ability to meet its obligations under the Notes

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

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Portfolio, the Cash Reserve and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the

Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest or Additional Return on the Notes or to repay the Notes in full.

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

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

Liquidity and credit risk

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

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

These risks are addressed in respect of the Notes through: (i) the support provided to the Senior Notes by the subordination of the Junior Notes; and (ii) the liquidity support provided to the Issuer in respect of interest payments on the Senior Notes by the Cash Reserve. For further details, see the section headed "*Transaction Overview - Credit Structure*".

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

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

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

If an event of default occurs in relation to the Servicer pursuant to the terms of the Servicing Agreement, then the Issuer may terminate the appointment of the Servicer. It is not certain that a suitable alternative servicer could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the

Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the Issuer to make payments related to the Notes.

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

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

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into accounts of the Issuer by no later than the second Business Day following the relevant collection. In addition, the Servicer (failing which, the relevant successor servicer) shall, within 15 days (or, in case of Insolvency Event, 5 (five) Business Days from the date of receipt of a notice of termination, shall instruct the Debtors, the Guarantors and the relevant insurance companies to make any future payment relating to the Receivables directly to the account opened in the name of the Issuer with the substitute or on a different account in the name of the Issuer and opened with an Eligible Institution indicated by the Issuer or by the Representative of the Noteholders.

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

Claims of unsecured creditors of the Issuer

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

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

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

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

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

Further securitisations

In accordance with the Securitisation Law, the Issuer is a special purpose vehicle and it has already engaged three securitisation transactions carried out in accordance with the Securitisation Law. The first one was completed in December 2017 and involving the issue of residential mortgage backed securities in an aggregate amount of Euro 7,092,309,000 (the **First Previous Securitisation** and the **First Previous Securitisation Notes**). The second one was completed in December 2018 and involving the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (the **Second Previous Securitisation** and the **Second Previous Securitisation Notes**). The third one was completed in November 2019 and involving the issue of residential mortgage backed securities in aggregate amount of Euro 7,509,500 (the **Third Previous Securitisation** and, together with the First Previous Securitisation and the **Second Previous Securitisation**, the **Previous Securitisations**, and the **Third Previous Securitisation Notes** and, together with the First Previous Securitisation Notes and the Second Previous Securitisation Notes, the **Previous Securitisations Notes**).

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

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

RISK FACTORS IN RELATION TO THE NOTES

Suitability

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

Investment in the Notes is only suitable for investors who (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; (iii) are capable of bearing the economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

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

communication (written or oral) of the Issuer, the Servicer, the Originator or the Arranger as investment advice or as a recommendation to invest in the Senior Notes.

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Senior Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Senior Notes. It must be further noted that the Conditions provide that the interest payable on the Senior Notes may never accrue at a rate in excess of 2.15% per annum or lower than 0% per annum.

Yield and payment considerations

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

Calculations as to the estimated weighted average life of the Senior Notes are based on various assumptions relating also to unforeseeable circumstances. No assurance can be given that such assumptions and estimates will be accurate and, therefore, calculations as to the estimated weighted average life of the Senior Notes must be viewed with considerable caution.

See for further details the section of this Prospectus headed "*Estimated Maturity and Weighted Average Life of the Senior Notes*".

Subordination

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, each Class of Notes will rank as set out in Condition 4.3 (*Ranking and Subordination*) and Condition 6 (*Priority of Payments*).

To the extent that any losses are suffered by any of the Noteholders, such losses will be borne (i) by the holders of the Junior Notes, and (ii) thereafter, by the holders of the Senior Notes while they remain outstanding.

Prospective noteholders should note that the subordination described above may affect the amount and timing of payments of interest and/or principal in respect of the Notes ranking lower in the Priority of Payments.

Payment of interest on the Notes may be deferred in certain circumstances

Payments of interest on any Class of Notes (other than the Most Senior Class of Notes) will be subject to deferral to the extent that there are insufficient Issuer Available Funds on any Payment Date in accordance with the Pre-Acceleration Priority of Payments or the Post Enforcement Priority of Payments, as applicable.

For further details, see the sections headed "*Transaction Overview - The principal features of the Notes*" and "*Terms and Conditions of the Notes*".

Limited rights

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

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

Changes or uncertainty in respect of Euribor may affect the value or payment of interest under the Senior Notes

Various interest rate benchmarks (including Euribor) are the subject of recent national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Senior Notes. Regulation (EU) no. 2016/1011 (the **Benchmark Regulation**) was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Senior Notes (which are linked to Euribor).

While (i) an amendment may be made under Condition 7.16 (*Benchmark Replacement*) to change the base rate on the Senior Notes from Euribor to a Replacement Reference Rate under certain circumstances broadly related to Euribor dysfunction or discontinuation and subject to certain conditions being satisfied, and (ii) the Issuer is under an obligation to appoint a Reference Rate Determination Agent to determine a Replacement Reference Rate in accordance with Condition 7.16 (*Benchmark Replacement*), there can be no assurance that any such amendments will be made or, if made, that they (a) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Senior Notes or (b) will be made prior to any date on which any of the risks described in this risk factor may become relevant.

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

Resolutions of the Noteholders

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

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

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

Market for the Senior Notes

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

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

Eurosystem eligibility criteria

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

Limited nature of credit ratings assigned to the Senior Notes

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

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

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

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

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

RISK FACTORS IN RELATION TO THE PORTFOLIO

No independent investigation in relation to the Receivables

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

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

Claw back of the sales of the Receivables

The Issuer is subject to the risk that the assignment of the Receivables made by the Originator to the Issuer pursuant to the Receivables Purchase Agreement may be clawed-back (*revocato*) in case of insolvency of the Originator.

Indeed, assignments of receivables made under the Securitisation Law are subject to claw-back (*revocatoria fallimentare*) (i) pursuant to article 67, paragraph 1, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to article 67, paragraph 2, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such originator is able to demonstrate that the issuer was aware of the insolvency of the originator.

In respect of the Originator, such risk is mitigated by the fact that, according to the Receivables Purchase Agreement, the Originator has provided the Issuer with (i) a solvency certificate signed by an authorised representative of the Originator dated the Transfer Date; and (ii) a good standing certificate issued by the competent companies' register (*certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura*), dated no earlier than 5 (five) Business Days prior to the Transfer Date, stating that the Originator is not subject to any insolvency proceeding. Furthermore, under the Warranty and Indemnity Agreement, the Originator has represented that it is solvent as at the Transfer Date and as at the Issue Date.

Moreover, in case of repurchase by the Originator of individual Receivables or of the outstanding Portfolio pursuant to the Receivables Purchase Agreement, or disposal by the Issuer (or the Representative of the Noteholders on its behalf) of the Portfolio to third parties following the service of

a Trigger Notice or in the event of an early redemption of the Notes pursuant to the Intercreditor Agreement, the payment of the relevant purchase price may be subject to claw-back pursuant to article 67, paragraph 1 or 2, of the Bankruptcy Law. In order to mitigate such risk, pursuant to the Receivables Purchase Agreement, or the Intercreditor Agreement, as the case may be, (a) the Originator shall provide the Issuer with (i) a solvency certificate signed by an authorised representative of the Originator and dated no earlier than 10 (ten) Business Days prior to the date of repurchase, and (ii) unless already provided in the preceding 3 (three) months, a good standing certificate issued by the competent companies' register (*certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura*) dated no earlier than 10 (ten) Business Days prior to the date of repurchase, stating that the Originator is not subject to any insolvency proceeding; or (b) the third party purchase shall produce evidence of its solvency satisfactory to the Representative of the Noteholders.

For further details, see the sections headed "*Description of the Transaction Documents - The Receivables Purchase Agreement*", "*Description of the Transaction Documents - The Sub-Servicing Agreement*" and "*Description of the Transaction Documents - The Intercreditor Agreement*".

Claw-back of payments made to the Issuer by the Transaction Parties

The Issuer is subject to the risk that certain payments made to the Issuer by any Transaction Party may be clawed-back (*revocato*) in case of insolvency of the latter.

More in detail, payments made to the Issuer by any Transaction Party in the 1 (one) year or 6 (six) month suspect period, as applicable, prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation, may be subject to claw-back (*revocatoria fallimentare*) according to article 67 of the Bankruptcy Law (or any equivalent rules under the applicable jurisdiction of incorporation of the Transaction Party). In case of application of article 67, paragraph 1, of the Bankruptcy Law, the relevant payment will be set aside and clawed-back if the Issuer is not able to demonstrate that it was not aware of the state of insolvency of the relevant Transaction Party when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Bankruptcy Law, the relevant payment will be set aside and clawed-back if the receiver is able to demonstrate that the Issuer was aware, or ought to be aware, of the state of insolvency of the relevant Transaction Party. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court in its discretion may consider all relevant circumstances.

This risk does not apply to payments made by assigned debtors, which are exempted from claw-back (*revocatoria fallimentare*) pursuant to article 67 of the Bankruptcy Law and from declaration of ineffectiveness (*declaratoria di inefficacia*) pursuant to article 65 of the Bankruptcy Law.

Mortgage Loans' performance

The Portfolio is exclusively comprised of mortgage loans which were performing as at the Cut-Off Date (see the section headed "*The Portfolio*"). There can be no guarantee that the Debtors will not default under the relevant Mortgage Loan and that they will therefore continue to perform their obligations thereunder.

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

to 8 (eight) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

Mutui fondiari

The Portfolio comprise certain Mortgage Loans that are mutui fondiari, in relation to which special enforcement and foreclosure provisions apply. Pursuant to Article 40, paragraph 2 of the Consolidated Banking Act, a mortgage lender is entitled to terminate a loan agreement and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the debtor has delayed an instalment payment at least seven times whether consecutively or otherwise. For this purpose, a payment is considered delayed if it is made between 30 and 180 days after the payment due date. Accordingly, the commencement of enforcement proceedings in relation to mutui fondiari may take longer than usual. See the section headed "*Selected aspects of Italian Law*".

Changes in the Portfolio composition

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

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

(ii) *Repurchase rights* - the Originator has been granted (i) an option right to repurchase the Portfolio, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreement provides that the Originator may exercise the repurchase option of individual Receivables only if the aggregate of the repurchased Receivables does not exceed: (a) in respect of the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date; and (b) in respect of Receivables other than Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date.

Certain risks relating to the Real Estate Assets

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

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

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Mortgage Loans. The value of such security may be affected by, among other things, a decline in property values as described above. Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced. In addition, no assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Portfolio.

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

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

Rights of set-off and other rights of Debtors

In accordance with article 4, paragraph 2, of the Securitisation Law, a borrower of a mortgage loan is entitled to exercise rights of set-off in respect of amounts due under such mortgage loan against any amounts payable by the relevant originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the Receivables in the Official Gazette pursuant to article 58, second paragraph, of the Consolidated Banking Act and the registration of such sale with the companies' register where the Issuer is enrolled have been made. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolio to the Issuer pursuant to the Receivables Purchase Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Debtors shall not be entitled to exercise any set-off right against their claims against the Originator which arises after the date of such publication and registration.

Mortgage borrower protection

Certain legislation enacted in Italy has given new rights and certain benefits to mortgage debtors and/or reinforced existing rights, including, *inter alia*, and as better regulated under the relevant applicable laws and regulations, (i) the right of prepayment of the principal amount of the mortgage loan, without incurring a penalty or, as applicable, at a reduced penalty rate (see risk factor "*Article 120-ter of the Consolidated Banking Act*" for further details), (ii) the right to the substitution (*portabilità*) of a mortgage loan with another mortgage loan (see risk factor "*Article 120-quater of the Consolidated Banking Act*" for further details), (iii) the right to suspend payments of principal instalments for a given period, and (iv) the automatic suspension of payments of instalments, up to certain periods, for individuales resident in certain municipalities affected by environmental disasters as listed in the relevant laws and regulations.

In addition to the above, following the COVID-19 outbreak in Italy, further measures have been adopted, aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment.

It should be noted that, pursuant to the Servicing Agreement, the Originator, in its capacity as Servicer, has been empowered to grant to the Debtors the suspension of payments of the relevant instalments in accordance with the terms and conditions set out under the same Servicing Agreement. See for further details "*Description of the Transaction Documents - The Servicing Agreement*".

Mortgage Credit Directive

Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (the **Mortgage Credit Directive**) sets out a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential real estate property. The Mortgage Credit Directive provides for, amongst other things:

(a) standard information in advertising, and standard pre-contractual information;

(b) adequate explanations to the borrower on the proposed credit agreement and any ancillary service;

(c) calculation of the annual percentage rate of charge in accordance with a prescribed formula;

(d) assessment of creditworthiness of the borrower;

(e) a right of the borrower to make early repayment of the credit agreement; and

(f) prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014.

On 1 June 2015, in accordance with article 18, article 20(1) and article 28 of the Mortgage Credit Directive, the EBA published its final Guidelines on creditworthiness assessment, as well as its final Guidelines on arrears and foreclosure, that support the national implementation by Member States of the Mortgage Credit Directive.

The Mortgage Credit Directive has been implemented in Italy by way of legislative decree number 72 of 21 April 2016 (**Legislative Decree 72**). Legislative Decree 72 introduced into the Consolidated

Banking Act, under Title VI, a new Chapter 1-*bis* in relation to consumer mortgage credit, including, *inter alia*, a new article 120-*quinquiesdecies*, pursuant to which a consumer and an entity authorised to grant loans in a professional manner in the Republic of Italy who are parties to a mortgage credit agreement may expressly agree, subject to the provisions of article 2744 of the Italian Civil Code, that, in case of non-payment of eighteen monthly instalments by the relevant debtor, the property of the debtor subject to security or the proceeds deriving from the sale thereof can be transferred to the creditor in discharge of all the outstanding obligations of the debtor *vis-à-vis* the creditor (even if the value of such property or the amount of such proceeds is lower than the residual debt). In the event that the value of the property of the debtor subject to security or amount of the proceeds deriving from the sale thereof is higher than the residual debt, the debtor will be entitled to receive the excess amount. The value of the property shall be determined by an independent expert chosen by the parties, or, if an agreement on the appointment of the expert is not reached between them, by the president of the competent court (*Presidente del Tribunale competente*).

The provisions introduced by the Legislative Decree 72 allow the automatic transfer of the property subject to security from the debtor to the relevant creditor in discharge of all the relevant outstanding obligations. Provided that certain risks may arise from the management by the creditor of the relevant property, such new legislation is expected to facilitate the recovery of the relevant claims.

On 29 September 2016, the Ministry of Economy and Finance, as chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*), issued the decree number 380 (the **Decree 380**) which implemented Chapter 1-*bis* of Title VI of the Consolidated Banking Act, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016 the Bank of Italy has published an amended version of its regulations on transparency of banking and financial operations (*Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*).

It must be noted that, given the novelty of this new legislation and the absence of any interpretation by Italian court, the impact of Legislative Decree 72 may not be predicted as at the date of this Prospectus.

Compounding of interest (anatocismo)

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

number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

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

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

Italian Usury Law

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

The Italian Government has specified with law decree number 394 of 29 December 2000 (the **Usury Law Decree**), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the

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

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

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

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

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

Article 120-ter of the Consolidated Banking Act

Article 120-ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional and business activity.

The Italian banking association (**ABI**) and the main national consumer associations have reached an agreement (the **Prepayment Penalty Agreement**) regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the **Substitutive Prepayment Penalty**) containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further

reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the **Clausola di Salvaguardia**) in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001 the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Article 120-quater of the Consolidated Banking Act

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

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

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

RISKS RELATING TO TAX CONSIDERATIONS

No gross-up will be made by the Issuer in case withholding tax applies on the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances be subject to a Decree 239 Withholding. In such circumstance, interest payment relating to the Notes of any Class may

be subject to a Decree 239 Withholding. A Decree 239 Withholding, if applicable, is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that any Decree 239 Withholding or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders. For further details, see the section headed "*Taxation*".

The scope of application of FATCA is unclear in some respects

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 (as defined in FATCA) 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) 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 (as defined in FATCA) on foreign pass-through payments and payments that it makes to Recalcitrant Holders (as defined in FATCA). Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the **US-Italy IGA**) based largely on the Model 1 IGA, which has been ratified in Italy by Law no. 95 of 18 June 2015.

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

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

The tax treatment of the Issuer is based on the current interpretation of the Securitisation Law

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree no. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 15 December 2015 (the **2015 Bank of Italy Provision**) (*Istruzioni per la redazione dei bilanci e dei rendiconti degli intermediari finanziari, degli istituti di pagamento, degli istituti di moneta elettronica, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the Securitisation will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. As of 2016 the Bank of Italy has issued new regulations, as amended from time to time (*Il bilancio degli intermediari IFRS diversi dagli intermediari bancari*), in which all the references to the special purpose vehicles incorporated for the purposes of the carrying out of securitisation transactions have been deleted in accordance with a general principle that special purpose vehicles should not be subject to regulatory supervision. In the lack of any specific accounting provisions and any clarification by the Bank of Italy, the market operators have nonetheless continued applying the 2015 Bank of Italy Provision, treating the assets, liabilities, costs and revenues of special purpose vehicles incorporated pursuant to the Securitisation Law as off-balance sheet items.

Based on the general rules, the net taxable income of a company resident in Italy should be calculated on the basis of accounting earnings (i.e. on-balance sheet earnings), subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. However, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the Securitisation until the satisfaction of the obligations of the Issuer to the holder of the Notes, to any other Issuer's secured creditors and to any third party creditor in respect of which the Issuer has incurred costs, liabilities, fees and expenses in relation to the Securitisation (*fino a che non siano stati soddisfatti tutti i creditori del patrimonio separato dell'Issuer*). This is because, on the basis of the terms of the documents, during the Securitisation the Issuer is required to apply all amounts from time to time available to it and deriving from the receivables and the documents solely in order to fulfil its obligations to the holder of the Notes, to any other Issuer's secured creditors and to fulfil its obligations to other third parties in respect of any taxes, costs, fees, expenses or liabilities incurred by the Issuer in relation to the Securitisation, in each case in accordance with the applicable priority of payments.

This opinion has been expressed by scholars and tax specialists and has been confirmed by the Italian tax authority (*Agenzia delle Entrate*) (Circular no. 8/E of 6 February 2003, Rulings No. 77/E of 4 August 2010, no. 18 of 30 January 2019, no. 56 of 15 February of 2019 and no. 132 of 2 March 2021, all issued by the Italian tax authority, as confirmed by decisions of the Italian Supreme Court no. 13162 of 16 May 2019 and no. 10885 of 27 May 2015) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws. Specifically, it has been upheld that, due to the segregation of the assets relating to a securitisation transaction, the economic results (*risultati economici*) deriving from the management of the assets of the securitisation transaction shall not be deemed to be attributable or to pertain to the relevant issuer (*non entrano nella disponibilità giuridica della società veicolo*). Accordingly, only at the end of the securitisation, once the obligations vis-à-vis all the creditors of the segregated assets have been discharged, the residual economic result, if any, deriving from the management of the assets of the securitisation may become attributable and pertain (if so agreed) to the relevant issuer and, as such, be included in its taxable income for the purposes of Italian corporation tax (IRES) and the Italian regional tax on productive activities (IRAP).

It is, however, possible that future rulings, guidelines, regulations or letters relating to the Securitisation Law or to the interpretation of certain provisions of Italian corporate income tax which may be issued by the Ministry of Economy and Finance, the Italian Revenue Agency or another competent authority might alter or affect the tax position of the Issuer as described above.

OTHER LEGAL AND REGULATORY RISKS

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, no interpretation of the application of the Securitisation Law as subsequently amended from time to time, has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus. In addition to that, in the last years certain amendments have been introduced to the Securitisation Law. For details with respect to such amendments, please see section headed "*Selected aspects of Italian Law – The Securitisation Law*".

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

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 Arranger, or any other Transaction Party 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.

Investors should note in particular that the Basel Committee on Banking Supervision (**BCBS**) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

These changes may affect the regulatory treatment applicable to the Notes. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

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

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019. The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes). However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements

is subject to the application of transitional provisions. In addition, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to national regulators.

The UK Securitisation Regulation (which largely mirrors, with some adjustments, the EU Securitisation Regulation) applies in the UK (subject to the temporary transitional relief being available in certain areas) from the end of the transition period in the Brexit process at the start of 2021.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the Notes. As such, certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under article 5 of the EU Securitisation Regulation or article 5 of the UK Securitisation Regulation, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as EU STS or UK STS, compliance of that transaction with the EU or UK STS requirements, as applicable. If the relevant European- or UK-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors. Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear and, it should be noted, that under the UK Securitisation Regulation regime certain temporary transitional relief may be available until 31 March 2022 for the purposes of compliance with the UK institutional investor due diligence requirements. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation and any corresponding national measures which may be relevant or the UK Securitisation Regulation, as applicable.

Prospective investors should be aware that the Securitisation is not structured to comply with the requirements of the UK Securitisation Regulation. Prospective investors should also note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with article 7 of the EU Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation.

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

The STS designation impacts on regulatory treatment of 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, after the Issue Date, is intended to be notified by the Originator to ESMA (the **STS Notification**) to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the **ESMA STS Register**).

Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation or the UK Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Notification or other disclosed information. No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the EU Securitisation Regulation, the Regulation (EU) No. 575 of 26 June 2013, as amended (the **CRR**) and/or the Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) No. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the **LCR Regulation**) on the Issue Date or at any point in time in the future. None of the Issuer, the Originator, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation, the CRR and/or the LCR Regulation on the Issue Date or at any point in time.

The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework (such as Type 1 securitisation under Regulation (EU) no. 35/2015, as amended; and regulatory capital treatment under the securitisation framework of Regulation (EU) no. 575/2013, as amended).

The Originator intends to rely on an exemption from U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 (five) per cent. of the "credit risk" of "securitized assets" as such terms are defined for the purposes of that statute, and generally prohibit a "securitizer" from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the "securitizer" is required to retain. Final rules implementing the statute (the **U.S. Risk Retention Rules**) came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitiser of an asset backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules, the Originator intends to rely on an exemption provided for in Section __.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 securities are issued) of all classes of securities 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 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 collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Originator has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Originator or the Issuer that is organised or located in the United States.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

(a) any natural person resident in the United States;

(b) any partnership or corporation organised or incorporated under the laws of the United States;

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts.

Consequently, except with the prior written consent of the Originator (a **U.S. Risk Retention Consent**) and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Originator, (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 (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_.20 of the U.S. Risk Retention Rules).

Failure on the part of the Originator to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator which may adversely affect the Notes and the ability of the Originator to perform its obligations under the Transaction Documents. Furthermore, a failure by the Originator to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

None of the Arranger, the Originator, the Issuer or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisors 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.

Volcker Rule may restrict the ability of relevant individual prospective purchasers to invest in the Notes

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, as amended (the **Investment Company Act**) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company 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 rely on an exemption from the definition of investment company under Section 3(c)(5)(A) of the Investment Company Act, 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.

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 Arranger or the other Transaction Parties 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.

Risks arising from the sovereign debt crisis

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

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

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

Bank Recovery and Resolution Directive

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

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such

institutions are party not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

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

Change of law

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

MACRO-ECONOMIC AND MARKET RISKS

Impact of COVID-19 Pandemic

The COVID-19 outbreak has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. There are a number of factors associated with the outbreak and its impact on global economies that could have a material adverse effect on (among other things) the profitability, valuation and/or marketability of the Notes.

The COVID-19 outbreak has caused disruption to a number of jurisdictions, including Italy, which have implemented certain restrictions with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions (including through the implementation of emergency powers) and impacts (including the timing of implementation and any subsequent lifting of restrictions) may vary from time to time. It remains unclear how this will evolve through 2021 and thereafter and, therefore, a Noteholder bears the risk that the market price of the Notes falls as a result of the general development of the market or that the Issuer will not be able to satisfy its obligations under the Notes such that the Noteholder may bear a loss in respect of its initial investment.

Risks connected with the United Kingdom leaving the European Union (Brexit) and political and economic decisions of EU and Euro-Zone countries

Pursuant to a referendum held in June 2016, the UK has voted to leave the European Union (**EU**) and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the **Article 50 Withdrawal Agreement**). On 31

January 2020 the UK and the European Union finalised and ratified the Article 50 Withdrawal Agreement. Part Four of the Article 50 Withdrawal Agreement provided for a transition period which ended on 31 December 2020. The UK left the EU on 31 January 2020 at 11pm, and the transition period has ended on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the European Economic Area. The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**) which governs the relations between the EU and the UK following the end of the transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021.

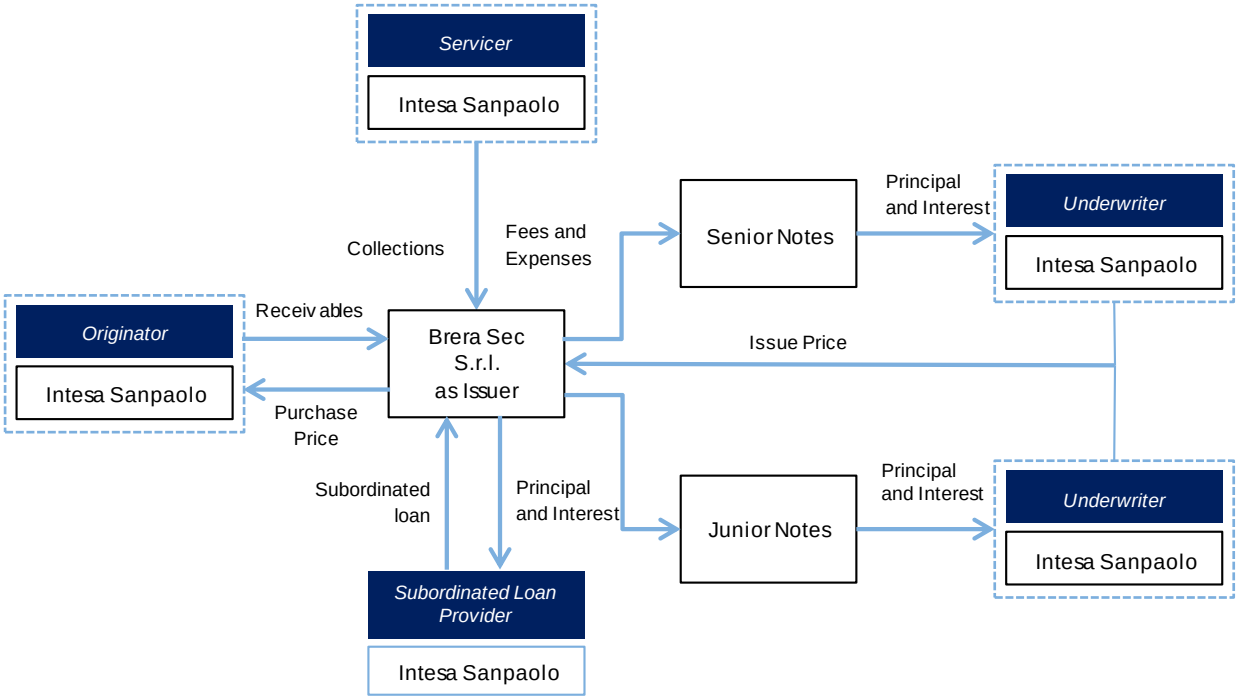
The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in this Act ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The Trade and Cooperation Agreement is only part of the overall package of agreements reached on 24 December 2020. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen, including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

The exit of the United Kingdom from the European Union, and the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities. Should any of these circumstances occur, the performance of the Portfolio may deteriorate and, as result, the amounts payable under the Notes might be affected.

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

TRANSACTION DIAGRAM

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



TRANSACTION OVERVIEW

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

1. THE PRINCIPAL PARTIES

Issuer

BRERA SEC S.R.L., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law (the **Issuer**).

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to the terms and conditions specified under Condition 5.11 (*Covenants – Further securitisations*).

In accordance with the Securitisation Law, the Issuer is a special purpose vehicle and it has already engaged three securitisation transactions carried out in accordance with the Securitisation Law. The first one was completed in December 2017 and involved the issue of residential mortgage backed securities in an aggregate amount of Euro 7,092,309,000 (the **First Previous Securitisation** and the **First Previous Securitisation Notes**). The second one was completed in December 2018 and involved the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (the **Second Previous Securitisation** and the **Second Previous Securitisation Notes**). The third one was completed in November 2019 and involved the issue of residential mortgage backed securities in an aggregate amount of Euro 7,509,500,000 (the **Third Previous Securitisation** and, together with the First Previous Securitisation and the Second Prevoius Securitisation, the **Previous Securitisations**, and the **Third Previous Securitisation Notes** and, together with the First Previous Securitisation Notes and the Second Previous Securitisation Notes, the **Previous Securitisations Notes**).

	For further details see the section headed "*The Issuer*".
Originator	**INTESA SANPAOLO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 10.084.445.147,92 fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, Representative of the VAT Group "Intesa Sanpaolo" with VAT number 11991500015 (IT11991500015), enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act (**ISP** or the **Originator**).
Servicer	**ISP**, acting as servicer pursuant to the Servicing Agreement or any person from time to time acting as servicer (the **Servicer**).
Calculation Agent	**BANCA FINANZIARIA INTERNAZIONALE S.P.A.**, *breviter* **BANCA FININT S.P.A.**, a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the companies register of Treviso-Belluno No. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered in the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under No. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*" (**Banca Finint** or the **Calculation Agent**). The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Representative of the Noteholders	**BANCA FININT**, acting as representative of the noteholders pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement or any person from time to time acting as representative of the noteholders (the **Representative of the Noteholders**).
Account Bank	**ISP**, acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as account bank (the **Account Bank**).
Subordinated Loan Provider	**ISP**, acting as subordinated loan provider pursuant to the Subordinated Loan Agreement or any person from time to time acting as subordinated loan provider (the **Subordinated Loan Provider**).

Paying Agent	**ISP**, acting as paying agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as paying agent (the **Paying Agent**).
Corporate Services Provider	**BANCA FININT**, acting as corporate services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as corporate services provider (the **Corporate Services Provider**).
Administrative Services Provider	**ISP**, acting as administrative services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as administrative services provider (the **Administrative Services Provider**).
Quotaholders	**ISP**, acting as a quotaholder (a **Quotaholder**). **STICHTING SARONNO**, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands, having its registered office at Locatellikade, 1 1076 AZ, Amsterdam, The Netherlands, enrolment with the Dutch chamber of commerce under number 68975880 (**Stichting Saronno** or a **Quotaholder** and, together with ISP, the **Quotaholders**).
Reporting Entity	**ISP**, acting as reporting entity or any person from time to time acting as reporting entity (the **Reporting Entity**).
Arranger	**ISP**, acting as arranger (the **Arranger**).

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	On the Issue Date the Issuer will issue the following classes of notes: (i) Euro 6,940,000,000 Class A Residential Mortgage Backed Floating Rate Notes due May 2072 (the **Class A Notes** or the **Senior Notes**); (ii) Euro 725,400,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**).
Issue price	The Notes will be issued at the following percentages of their principal amount:

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

Interest on the Senior Notes	The rate of interest applicable from time to time in respect of the Senior Notes (the **Senior Notes Interest Rate**) will be the

	Euribor for 3 month (the **Three Month Euribor**) (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.90% *per annum* (the **Margin**), *provided that* the Senior Notes Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1.50% *per annum* and shall not be negative. The Three Month Euribor applicable to the Senior Notes for each Interest Period will be determined on the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the First Interest Period, where the applicable Euribor will be determined two Business Days prior to the Issue Date).
Interest on the Junior Notes	The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate equal to 0.50% *per annum* (the **Junior Notes Interest Rate** and, together with the Senior Notes Interest Rate, the **Interest Rates**).
Additional Return on the Junior Notes	An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the Conditions. **Additional Return** means, (i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Eleventh* (included) of the Pre Enforcement Priority of Payments; or (ii) on each Payment Date on which the Post Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments; *plus*, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.
Payment Date	Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrear in Euro in accordance with the applicable Priority of Payments, on the last calendar day of February, May, August and November in each year (each such dates, a **Payment Date**) or, if such day is not a Business Day, the immediately preceeding Business Day. The first Payment Date will fall on 31 May 2022 (the **First Payment Date**).
Unpaid Interest	Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre Enforcement

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

Form and denomination

The denomination of the Senior Notes and the Junior Notes will be Euro 100,000 and integral multiples of Euro 100,000 in excess thereof. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream). The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Ranking, status and subordination of the Notes

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

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

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

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

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

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

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

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

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

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

but subordinated to payment of interest and repayment of principal on the Notes.

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

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

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

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

Withholding on the Notes

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

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

Mandatory redemption

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

Optional redemption

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

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

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

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

Optional redemption for taxation reasons

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

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

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

subject to the following:

(a) that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders of its intention to

redeem all (but not some only) of the Notes of each Class in accordance with Condition 16 (*Notices*); and

(b) that, prior to giving such notice, the Issuer:

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

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

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

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

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

Final Maturity Date

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Outstanding Amount (together with all accrued and unpaid interest thereon) on the Payment Date falling in May 2072 (the **Final Maturity Date**).

Segregation of Issuer's Rights

The Issuer has no assets other than the Receivables and the other Segregated Assets as described in this Prospectus, as well as the portfolios acquired in the context of the Previous Securitisations and the agreements entered into by the Issuer in relation to the Previous Securitisations which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, the Collections and any other monetary claim arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation (collectively, the **Segregated Assets**) are segregated by operation of law from the Issuer's other assets (including the assets relating to the Previous Securitisations and any further securitisation undertaken by the Issuer). Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and the other Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

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

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

Trigger Events

If any of the following events occurs:

(a) *Non-payment*

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

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

(b) *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, and such breach is not remedied within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

(c) *Breach of other obligations*

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

(d) *Insolvency of the Issuer*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of the Previous Securitisations or any further securitisation transactions undertaken by the Issuer), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being

disputed in good faith with a reasonable prospect of success; or

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

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

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

(e) *Winding up etc.*

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

(f) *Unlawfulness*

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

then the Representative of the Noteholders,

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

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

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

Non petition

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

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

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

only proceed subject to the provisions of the Conditions; and

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

Limited recourse obligations of Issuer

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

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

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

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

The Organisation of the Noteholders

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

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

of the Noteholders. The appointment of the Representative of the Noteholders, as representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed by the Underwriter in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Rating

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

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

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended (the **EU CRA Regulation**), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. As of the date of this Prospectus, each of DBRS Ratings GmbH (**DBRS**) and Moody's Investors Service España, S.A (**Moody's**) is established in the European Union and is registered in accordance with the EU CRA Regulation and included in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the ESMA website (being, as at the date of this Prospectus, www.esma.europa.eu) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

No rating will be assigned to the Class B Notes.

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

STS securitisation

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 date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and, after the Issue Date, is intended to be notified by the Originator to ESMA 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, the Regulation (EU) No. 575 of 26 June 2013, as amended (the **CRR**) and/or the Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) No. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the **LCR Regulation**) as at the date of this Prospectus at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS Securitisation under the EU Securitisation Regulation, the CRR and/or the LCR Regulation at any point in time.
Admission to trading of the Senior Notes	Application has been made for the Senior Notes to be admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana. No application has been made to list or admit to trading the Junior Notes on any stock exchange.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. For further details see the section headed "*Subscription, Sale and Selling Restrictions*".
Governing Law	The Notes and any non-contractual obligations arising out thereof will be governed by, and shall be construed in accordance with, Italian Law. Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

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

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

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

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

(iv) all the proceeds deriving from the repurchase, if any, of individual Receivables in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;

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

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

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

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

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

Senior Notes Principal Payment Amount

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

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

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

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

Junior Notes Principal Payment Amount

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

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

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

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

Target Amortisation Amount

The Target Amortisation Amount, on each Payment Date, is an amount equal to the difference between: (A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, and (B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

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

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

Pre Enforcement Priority of Payments

Prior to (i) the delivery of a Trigger Notice, or (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) an optional redemption for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the **Pre Enforcement Priority of Payments**) (in each case only if and

to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

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

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

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

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

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

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

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

Eighth, to pay, *pari passu* and *pro rata*, on any Payment Date, (i) before the occurrence of a Pass-Through Condition, the

Senior Notes Principal Payment Amount on the Senior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the Principal Outstanding Amount of the Senior Notes on such Payment Date;

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

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

Eleventh, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

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

Post Enforcement Priority of Payments

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

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

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

utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, and (b) to credit the Issuer Disbursement Amount to the Expenses Account and the Issuer Retention Amount to the Corporate Account;

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

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

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

Sixth, to pay all amounts of interest due and payable on such Payment Date to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement;

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

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

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

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

Junior Notes Retained Amount means an amount equal to (a) 100,000 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which

there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

4. TRANSFER AND SERVICING OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest on the Senior Notes and interest and Additional Return on the Junior Notes and of repayment of principal on the Notes will be Collections made in respect of the Portfolio purchased on 20 October 2021 by the Issuer pursuant to the terms of the Receivables Purchase Agreement.

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

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

Servicing of the Portfolio

On 20 October 2021, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer, *inter alia*: (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraphs 6 and 6-*bis*, of the Securitisation Law, and (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables (including the management of the Receivables which are classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*)) on behalf of the Issuer in compliance with the Securitisation Law.

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

5. CREDIT STRUCTURE

Cash Reserve

On or prior to the Issue Date, the Issuer has established a reserve fund in the Cash Reserve Account by applying the proceeds of the Subordinated Loan for an amount equal to Euro 69,400,000 (the **Initial Cash Reserve**).

The amount standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Pre Enforcement Priority of Payments is applied and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Pre Enforcement Priority of Payments.

On each Payment Date on which the Pre Enforcement Priority of Payments is applied, to the extent there are Issuer Available

	Funds applicable for that purpose, the Cash Reserve Account will be credited with such an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount on such Payment Date in accordance with the Pre Enforcement Priority of Payments. **Cash Reserve Required Amount** means, with reference to each Payment Date, an amount equal to 1% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.
Pass-Through Condition	Prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Pass-Through Condition occurs when the Default Ratio is higher than 8%. **Default Ratio** means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, expressed as a percentage, obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the Effective Date and the immediately preceding Collection Date; by (B) the Initial Principal Portfolio.
Retention holder and retention requirements	The Originator will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the Securitisation as required by Article 6(1) of the EU Securitisation Regulation in accordance with Article 6(3)(a) of the EU Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, such material net economic interest is represented by the retention of not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior Notes), as required by the text of Article 6(3)(a) of the EU Securitisation Regulation.
Reporting Entity	Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information on the Data Repository.

Data Repository means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the EU Securitisation Regulation appointed in respect of the Securitisation.

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

6. THE TRANSACTION ACCOUNTS

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

Collection Account

(1) *Collection Account*

(a) *in:*

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

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

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

Investment Account

(2) *Investment Account*

(a) *in:*

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

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

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

(iv) the proceeds deriving from the sale, if any, of the Portfolio in accordance with the Transaction Documents;

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

(vi) on the Business Day following the Issue Date, the difference between: (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio transferred from the Payment Account;

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

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

(b) *out:*

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

(ii) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of the Initial Principal Portfolio shall be transferred to the Payment Account;

(iii) on the Issue Date, an amount equal to Euro 120,000.00 shall be transferred to the Corporate Account; and

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

Payment Account

(3) *Payment Account*

(a) *in:*

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

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

(iii) pursuant to clause 3.4(d)(ii) of the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of an amount equal to the Initial Principal Portfolio transferred from the Investment Account;

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

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

(b) *out:*

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

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

pursuant to the relevant Payments Report;

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

(iv) on the Business Day following the Issue Date, the difference between (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio shall be transferred to the Investment Account.

Cash Reserve Account (4) *Cash Reserve Account*

(a) *in:*

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

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

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

(b) *out:*

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

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

Expenses Account

(5) *Expenses Account*

(a) *in:*

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

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

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

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2 of the Cash Allocation, Management and Payments Agreement; and

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

Corporate Account

(6) *Corporate Account*

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 120,000.00 shall be credited from the Investment Account;

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

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

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2 of the Cash Allocation, Management and Payments Agreement; and

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

In accordance with the Securitisation Law, the Issuer is a special purpose vehicle and in the context of the issuance of the notes of the Previous Securitisations has opened certain bank accounts. The sums standing from time to time to the credit of such bank accounts will not be available to the Other Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

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

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention undertaking of the Originator

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

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the 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 Calculation Agent to be disclosed in the SR Investors Report; and

(d) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the 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(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

Transparency requirements under the EU Securitisation Regulation

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

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

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

(b) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage 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, including data on the environmental performance of the Real Estate Assets (if available)) and, in draft form, the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially

similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(c) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing:

(A) through the Data Repository, (i) the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and (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 EBA Guidelines on STS Criteria; and

(B) through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare:

(i) the SR Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(ii) the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository

(simultaneously with the Loan by Loan Report and the SR Investors Report) by no later than one month after each Payment Date; it remains understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation has been notified to the Originator pursuant to clause 12.2(h) of the Intercreditor Agreement or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository without undue; and

(c) the Issuer will 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 in its possession),

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

In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes, upon request, through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

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

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

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

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the EU Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) has undertaken to

provide the Reporting Entity with any further information which from time to time is required under the EU Securitisation Regulation that is not covered under the Intercreditor Agreement.

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

THE PORTFOLIO

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

The Receivables comprised in the Portfolio arise out of residential mortgage loans (*mutui fondiari o ipotecari non fondiari*) existing and classified as at the date of the execution of the Receivables Purchase Agreement as performing by the Originator.

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

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

As at the Effective Date, the nominal value (including, *inter alia*, principal and accrued interest) of all Receivables comprised in the Portfolio amounted to Euro 7,672,321,902.34 whilst the Initial Principal Portfolio amounted to Euro 7.665.366.275,15.

The Receivables comprised in the Portfolio arise from Mortgage Loans having an amortization plan which ends not later than 1 June 2061.

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

The Criteria

The Receivables assigned by Intesa Sanpaolo S.p.A. (the **Originator** or **ISP**) to Brera Sec S.r.l. arise out of Mortgage Loans which, at the Cut-Off Date and/or at the different date indicated in the relevant criteria, met the following criteria (to be considered as cumulative where not otherwise provided) (the **Criteria**) (such Receivables are listed in an electronic register available for consultation starting from 20 October 2021 in any ISP branch, upon request of the relevant Debtors):

(a) receivables arising from residential mortgage loans (*contratti di mutuo fondiario o ipotecario non fondiario*) which are governed by Italian Law;

(b) each receivable represents all the claims by the Originator arising from the respective loan agreement;

(c) receivables arising from loan agreements entered into by Intesa Sanpaolo S.p.A;

(d) receivables arising from loans which are fully disbursed and that shall not envisage any further disbursement obligations;

(e) receivables not arising from loans which have been divided into quotas with the corresponding division of the security building (*immobile cauzionale*) and the mortgage (split loan);

(f) receivables arising from loans secured with an economic first-ranking mortgage on residential real estates located in Italy;

(g) receivables which do not arise from mortgage loans (i) on residential real estates located in areas included in the Province of Bolzano; or (ii) in relation to which no mortgage has been entered on such province property register;

(h) receivables owed by debtors that, according to the classification criteria provided by Bank of Italy with circular 140 of 11 February 1991 as subsequently amended, belong to the category of SAE (*Settore di Attività Economica*) 600 relating to consumer families resident in Italy, as can be shown by available information for debtors at any Originator's branch;

(i) receivables arising from loans whose guarantors are natural persons resident in Italy or are legal persons incorporated under the laws of Italy and having their registered office in Italy;

(j) receivables that, as at the Cut-Off Date and as at 20 October 2021, are not classified as "*sofferenza*" or "*inadempienza probabile*" or "*esposizioni scadute*" and/or "*sconfinanti deteriorate*" as defined in accordance to the Supervisory Authority's provisions of Bank of Italy, as can be shown by available information for debtors at any Originator's branch;

(k) receivables that, as at the Cut-Off Date and as at 20 October 2021, are not arising from loans that are subject or has been subject to concessions (so-called "*forbearance*", as defined in accordance to the Supervisory Authority's provisions of Bank of Italy) as can be shown by available information for debtors at any Originator's branch;

(l) the debtors of the related loans, as from 1 January 2014, have never been classified as non-performing, as defined in the Supervisory Authority's provisions of Bank of Italy;

(m) the guarantors of the related loans, as from 1 January 2014, have never been classified as non-performing, as defined in the Supervisory Authority's provisions of Bank of Italy;

(n) receivables arising from loans denominated in Euro;

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

(p) receivables arising from loans whose the debtors are not benefiting or have never benefited from suspension of payments provided by the fund established in accordance to Italian Law number 244 of 24 December 2007 for families in difficulty (so called "*Fondo Gasparrini*");

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

(r) receivables arising from loans that have not been granted for the purpose of consolidating credit exposure;

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

(t) receivables not arising from loans which have been entered in the context of conventions with private and/or public subjects or with national/ supranational entities, in accordance to which the lending bank has financed the disbursement of loans to particular debtor's classes or at special interest rates;

(u) receivables are not arising from syndicated loans;

(v) receivables not deriving from loans whose debtors are employees of companies of the Intesa Sanpaolo Group - including "exodus" subjects (*soggetti "esodati"*) (i.e. those who interrupted

their employment relationship as a result of company agreements, but which are not yet entitled to retirement due to an increase in the retirement age or a change in requirements to access the pension benefits) of the same Group - or belong to the retired personnel of the same Group or in joint ownership with them;

(w) receivables arising from loans which do provide for the option to require the disbursement of an additional funding source within 12 months from the signing of the mortgage loan agreement (so called "*Mutuo-up*") in the event the option has been already exercised or it can not be exercised anymore;

(x) receivables arising from loan agreements which do not benefit from the total or partial suspension of payments due , with the exception of loans that have already been repaid in part on account of principal and are benefitting from:

(i) the suspension provided in the contract, or

(ii) the suspension pursuant to the regulations issued during the health emergency phase relating to the Covid-19 pandemic;

(y) receivables arising from loan agreements executed after 31 December 2015;

(z) receivables arising from loans made available between 1 January 2019 and 30 April 2021 (inclusive), with the exception of loans made available between 1 November 2020 and 30 November 2020 which, as at 30 April 2021, meet the "transferable assets" requirements pursuant to article 7-bis of the Securitisation Law and the rules, including regulations, connected to it, and in particular the Ministerial Decree no. 310 of 14 December 2006, as in force;

(aa) receivables arising from loans in relation to which the end of the amortisation plan is subsequent to 31 January 2022;

(bb) receivables arising from loans in relation to which the amortisation plan will commence before 1 January 2022;

(cc) receivables arising from loans in relation to which the maximum total duration of the amortisation plan (including any pre-amortisation period) is equal to 482 months;

(dd) receivables arising from loans in respect of which at least one payment has been already made;

(ee) receivables arising from loans which provide for the payment of instalments by direct payment to a bank account or through "SDD - Sepa Direct Debit";

(ff) receivables arising from loans in relation to which the residual principal (excluding of any arrears) is not lower than Euro 10,000 and does not exceed Euro 3,000,000;

(gg) receivables arising from loans that do not have days of delay in payments;

(hh) receivables arising from loans which provides for the repayment of instalments on a monthly basis;

(ii) receivables which do not arise from loans providing for an amortisation plan based on a variable duration depending on the interest rate and a constant instalment (including the possibility to recalculate the same);

(jj) receivables arising from loans in relation to which the principal will not be fully repaid in one instalment;

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

(ll) receivables arising from loans based on a single arrangement of amortisation;

(mm) receivables arising from fixed rate loans bearing an interest rate not lesser than 0,70%;

(nn) receivables not arising from loans whose loan agreements provide for the option of change from floating rate to fixed rate or vice versa exercisable only once or more than once during the course of the contract (this product is known as "*mono*-opzione" or "*multi-option*");

(oo) receivables not arising from loans made available as part of loans granted under the framework agreements between ISP or other banks within the Banking Group of Intesa Sanpaolo and the *Consorzi di Garanzia Collettiva di Fidi* (so-called "*Confidi*");

(pp) receivables arising from loans which are not guaranteed by:

(i) the "*Fondo di garanzia per la Prima Casa*" established with the "*Ministero dell'Economia e delle Finanz*e" pursuant to article 1 paragraph 48 letter. c) of the Law no. 147 of 27 December 2013;

(ii) the "*Fondo di garanzia per le PMI*" pursuant to Law 662/1996;

(qq) receivables arising from loans that have not been made available as part of loans made available under the agreement signed between the Banking Group of Intesa Sanpaolo and Poste Italiane S.p.A. for the distribution of mortgage loans through the sales network of Poste Italiane S.p.A. (so-called "*Mutui BancoPosta*");

(rr) the receivables are individually listed in a special computerised list that can be consulted from 20 October 2021 at the request of the relevant debtors at any ISP branch.

Characteristics of the Portfolio

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

General Stratification Tables - Brera Sec 3 - Cut off 18 October 2021

	Unit of Measurement	Intesa Sanpaolo Spa
Number of Loans	#	61,953
Current Principal Balance	Eur	7,665,366,275.15
Number of Borrowers	#	61,391
Avg. Current Principal Balance	Eur	123,728.73
Max Current Principal Balance	Eur	2,420,825.46
Min Current Principal Balance	Eur	3,655.45
Original Principal Balance	Eur	7,894,079,721.78
Avg. Original Principal Balance	Eur	127,420.46
Max Original Principal Balance	Eur	2,500,000.00
Min Original Principal Balance	Eur	11,000.00
WA Seasoning	Years	0.90
WA Remaining Term	Years	25.07
WA Maturity	Years	25.97
Current Principal Balance of Fixed Interest Rate loans	%	100
WA Coupon of fixed loans	%	1.51
WA OLTV	%	75.05
WA CLTV	%	73.11
Top 1 Borrower Group	%	0.0316
Top 10 Borrower Groups	%	0.2394
Top 20 Borrower Groups	%	0.3975
Economic Sector (SAE) = 600 (Consumer Family)	%	100
Payment Frequency = Monthly	%	100
Amortization Type = French	%	100

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

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

Range (Eur)	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0-50000	125,513,730	1.59%	3131	5.05%	120,287,546	1.57%
50000-75000	581,256,295	7.36%	9297	15.01%	559,076,829	7.29%
75000-100000	947,325,400	12.00%	10914	17.62%	916,310,423	11.95%
100000-125000	1,347,230,891	17.07%	12076	19.49%	1,308,891,386	17.08%
125000-150000	1,246,157,423	15.79%	9154	14.78%	1,213,022,316	15.82%
150000-175000	1,069,131,074	13.54%	6691	10.80%	1,042,026,448	13.59%
175000-200000	717,495,917	9.09%	3873	6.25%	699,838,456	9.13%
200000-225000	542,486,029	6.87%	2589	4.18%	528,608,061	6.90%
225000-250000	320,769,427	4.06%	1361	2.20%	312,236,594	4.07%
250000-300000	391,971,659	4.97%	1459	2.36%	380,618,616	4.97%
300000-500000	404,019,019	5.12%	1128	1.82%	390,603,237	5.10%
>=500000	200,722,859	2.54%	280	0.45%	193,846,365	2.53%
Total	**7,894,079,722**	**100.00%**	**61953**	**100%**	**7,665,366,275**	**100%**

Table 2) Breakdown of the Portfolio by Current Principal Outstanding Amount*
** Upper bound of each bucket is intended as excluded*

Range (Eur)	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0-50000	189,341,354	2.40%	4326	6.98%	176,815,498	2.31%
50000-75000	637,836,078	8.08%	9613	15.52%	610,516,655	7.96%
75000-100000	1,072,395,310	13.58%	11768	19.00%	1,035,078,129	13.50%
100000-125000	1,302,066,567	16.49%	11241	18.14%	1,264,818,931	16.50%
125000-150000	1,348,538,927	17.08%	9583	15.47%	1,313,651,046	17.14%
150000-175000	954,150,812	12.09%	5766	9.31%	931,787,491	12.16%
175000-200000	725,341,319	9.19%	3791	6.12%	708,633,859	9.24%
200000-225000	438,399,587	5.55%	2024	3.27%	428,315,480	5.59%
225000-250000	335,141,451	4.25%	1383	2.23%	327,446,544	4.27%
250000-300000	357,813,093	4.53%	1280	2.07%	348,931,006	4.55%
300000-500000	358,031,866	4.54%	948	1.53%	349,040,976	4.55%
>=500000	175,023,358	2.22%	230	0.37%	170,330,660	2.22%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Table 3) Breakdown of the Portfolio by Original Loan to Value*

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

Range	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0-0,3	146,948,394	1.86%	1,870	3.02%	139,220,140	1.82%
0,3-0,4	264,583,963	3.35%	2,640	4.26%	253,397,327	3.31%
0,4-0,5	583,342,714	7.39%	4,996	8.06%	560,158,445	7.31%
0,5-0,6	553,460,916	7.01%	4,573	7.38%	532,745,708	6.95%
0,6-0,7	1,148,426,027	14.55%	8,640	13.95%	1,112,209,861	14.51%
0,7-0,8	2,272,635,930	28.79%	16,501	26.63%	2,215,093,775	28.90%
0,8-0,9	925,212,250	11.72%	7,695	12.42%	900,510,777	11.75%
0,9-1	1,999,469,529	25.33%	15,038	24.27%	1,952,030,242	25.47%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Table 4) Breakdown of the Portfolio by Current Loan to Value
** Upper bound of each bucket is intended as included*

Range	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0-0,3	187,621,139	2.38%	2,237	3.61%	168,606,114	2.20%
0,3-0,4	302,891,459	3.84%	2,945	4.75%	286,011,299	3.73%
0,4-0,5	597,472,042	7.57%	5,050	8.15%	571,860,122	7.46%
0,5-0,6	620,919,969	7.87%	5,071	8.19%	597,901,031	7.80%
0,6-0,7	1,154,640,776	14.63%	8,759	14.14%	1,122,412,466	14.64%
0,7-0,8	2,189,414,904	27.73%	15,943	25.73%	2,142,870,173	27.96%
0,8-0,9	1,257,083,479	15.92%	10,433	16.84%	1,223,224,269	15.96%
0,9-1	1,584,035,954	20.07%	11,515	18.59%	1,552,480,802	20.25%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100%**

Table 5) Breakdown of the Portfolio by Property Location

Geographic Area	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
Lombardia	1,975,541,774	25.03%	13,994	22.59%	1,919,782,663	25.04%
Piemonte	689,289,416	8.73%	6,079	9.81%	668,269,293	8.72%
Veneto	648,046,877	8.21%	5,234	8.45%	628,483,109	8.20%
Emilia Romagna	499,042,378	6.32%	3,838	6.20%	484,745,939	6.32%
Liguria	285,814,290	3.62%	2,480	4.00%	277,121,873	3.62%
Friuli Venezia Giulia	160,238,080	2.03%	1,465	2.36%	154,615,570	2.02%
Trentino Alto Adige	41,718,181	0.53%	260	0.42%	40,381,488	0.53%
Valle d'Aosta	25,138,653	0.32%	188	0.30%	24,540,929	0.32%
Total North	**4,324,829,648**	**54.79%**	**33,538**	**54.13%**	**4,197,940,865**	**54.77%**
Lazio	995,453,058	12.61%	6,366	10.28%	966,795,168	12.61%
Toscana	654,783,579	8.29%	4,861	7.85%	637,711,061	8.32%
Marche	160,447,459	2.03%	1,419	2.29%	155,211,266	2.02%
Umbria	127,735,115	1.62%	1,297	2.09%	124,376,702	1.62%
Abruzzo	111,530,556	1.41%	1,068	1.72%	108,506,933	1.42%
Total Centre	**2,049,949,768**	**25.97%**	**15,011**	**24.23%**	**1,992,601,130**	**25.99%**

Puglia	499,407,627	6.33%	4,620	7.46%	485,051,932	6.33%
Campania	454,744,063	5.76%	3,558	5.74%	440,855,200	5.75%
Sardegna	231,666,903	2.93%	1,974	3.19%	225,434,749	2.94%
Sicilia	229,646,118	2.91%	2,152	3.47%	223,068,905	2.91%
Calabria	59,623,176	0.76%	664	1.07%	57,540,517	0.75%
Basilicata	28,661,228	0.36%	276	0.45%	27,830,222	0.36%
Molise	15,551,190	0.20%	160	0.26%	15,042,757	0.20%
Total South	**1,519,300,306**	**19.25%**	**13,404**	**21.64%**	**1,474,824,280**	**19.24%**
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Table 6) Breakdown of the Portfolio by Origination Half-Year*
** Upper bound of each bucket is intended as included*

Origination Half -Year	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
2019_H1	54,481,763	0.69%	487	0.79%	50,809,741	0.66%
2019_H2	393,621,805	4.99%	3,348	5.40%	369,801,548	4.82%
2020_H1	935,394,457	11.85%	7,424	11.98%	891,551,086	11.63%
2020_H2	2,546,766,775	32.26%	19,597	31.63%	2,469,306,731	32.21%
2021_H1	3,963,814,922	50.21%	31,097	50.19%	3,883,897,170	50.67%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Table 7) Breakdown of the Portfolio by Years of Residual Maturity*

Years	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0-10	194,088,882	2.46%	2,684	4.33%	179,163,823	2.34%
10-15	685,629,407	8.69%	7,662	12.37%	650,921,337	8.49%
15-20	1,565,612,023	19.83%	13,822	22.31%	1,508,816,109	19.68%
20-25	1,420,006,707	17.99%	11,006	17.77%	1,381,539,378	18.02%
25-30	3,548,145,400	44.95%	23,794	38.41%	3,471,258,362	45.28%
30-35	255,121,141	3.23%	1,634	2.64%	251,137,552	3.28%
>35	225,476,161	2.86%	1,351	2.18%	222,529,714	2.90%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Table 8) Breakdown of the Portfolio by Current Interest Rate Coupon*
** Upper bound of each bucket is intended as excluded*

Range (%)	Original Principal Outstanding Amount	% of Original Principal Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Principal Outstanding Amount	% of Current Principal Outstanding Amount
0,7-1	1,293,218,380	16.38%	10,751	17.35%	1,230,538,267	16.05%
1-1,5	3,463,482,633	43.87%	26,226	42.33%	3,375,265,249	44.03%
1,5-2	740,786,245	9.38%	6,742	10.88%	714,913,545	9.33%
2-2,5	2,294,823,278	29.07%	17,298	27.92%	2,246,873,535	29.31%
2,5-3,5	21,113,296	0.27%	157	0.25%	20,326,628	0.27%
>=3,5	80,655,890	1.02%	779	1.26%	77,449,050	1.01%
Total	**7,894,079,722**	**100.00%**	**61,953**	**100.00%**	**7,665,366,275**	**100.00%**

Capacity to produce funds

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

Pool Audit

Pursuant to article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an appropriate and independent party has verified prior to the Issue Date, (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of the Portfolio; (ii) the accuracy of the data relating to the Portfolio disclosed in the sub-section headed "*Characteristics of the Portfolio*" above; and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Originator in relation to the Receivables comprised in the Portfolio with the Criteria that are able to be tested prior to the Issue Date.

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

History and organisation of the Intesa Sanpaolo Group

Intesa Sanpaolo Origins

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

Banca Intesa S.p.A.

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

Sanpaolo IMI S.p.A.

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

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

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

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

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

UBI Banca S.p.A.

Unione di Banche Italiane S.p.A. (**UBI Banca**) is the entity resulting from the merger by incorporation of Banca Lombarda e Piemontese S.p.A. into Banche Popolari Unite S.c.p.a. (the **Merger**). The Merger became legally effective on 1 April 2007, with the surviving entity, BPU, changing its name to UBI Banca. On 12 October 2015, UBI Banca was the first Italian *banca popolare* to become a Joint Stock Company (S.p.A.). On 12 April 2019, the ordinary shareholders' meeting of UBI Banca appointed a Board of Directors and a Management Control Committee for the three-year period 2019-2020-2021,

implementing the one-tier governance model adopted on 19 October 2018 through the resolution of a shareholders' meeting in extraordinary session.

The merger between Intesa Sanpaolo and UBI Banca

Intesa Sanpaolo acquired the control of UBI Banca on 5 August 2020 and merged it by incorporation on 12 April 2021.

Legal Status

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

Registered Office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin (Italy) and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan (Italy). The LEI Code of the Issuer is 2W8N8UU78PMDQKZENC08.

Website

The website of the Issuer is www.intesasanpaolo.com.

The information on the website does not form part of this Base Prospectus unless information contained therein is incorporated by reference into this Base Prospectus.

Intesa Sanpaolo purpose

The purpose of Intesa Sanpaolo is the deposit-taking and the carrying-on of all forms of lending activities, both directly and through its subsidiaries. Intesa Sanpaolo may, in compliance with laws and regulations applicable from time to time and subject to being granted the required authorisations, directly and through its subsidiaries, provide all banking and financial services, including the establishment and management of open-ended and closed-ended pension schemes, as well carry out any other transactions that are instrumental for, or related to, the achievement of its corporate purpose.

Ratings

The credit ratings assigned to Intesa Sanpaolo are the following:

• BBB (high) by DBRS Ratings GmbH (**DBRS Morningstar**);

• BBB- by Fitch Ratings Limited (**Fitch Ratings**);

• Baa1 by Moody's France S.A.S. (**Moody's**); and

• BBB by S&P Global Ratings Europe Limited (**S&P Global Ratings**).

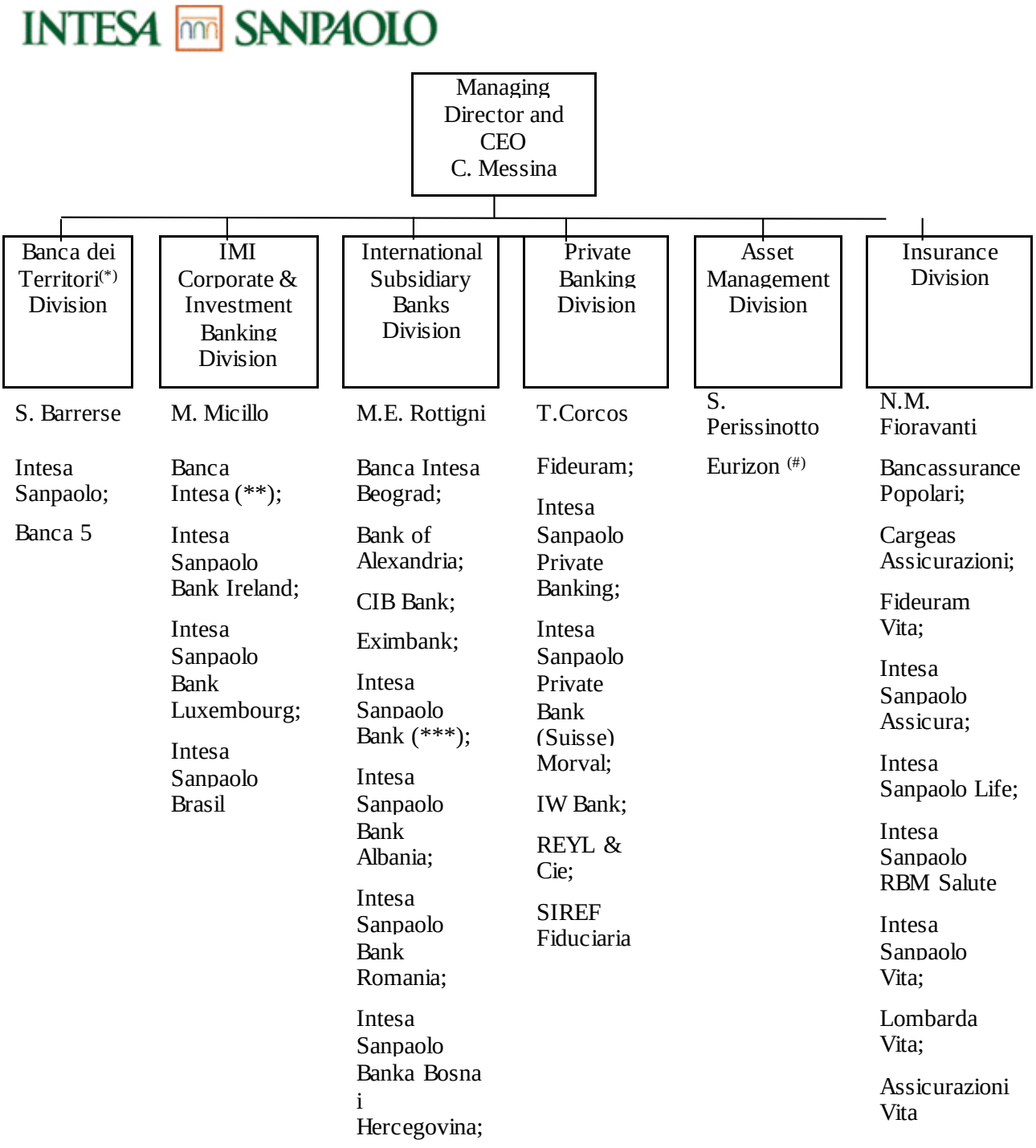
Each of DBRS Morningstar, Fitch Ratings, Moody's and S&P Global Ratings is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**) and appears on the latest update of the list of registered credit rating agencies on the ESMA website https://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

Share Capital

As at 14 October 2021, Intesa Sanpaolo's issued and paid-up share capital amounted to €10,084,445,147.92, divided into 19,430,463,305 ordinary shares without nominal value. Since 14 October 2021, there has been no change to Intesa Sanpaolo's share capital.

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

Organisational Structure of the Divisions as at 12 November 2021



Pravex Bank;

Privredna Banka Zagreb;

VUB Banka

(*) *Domestic commercial banking*
(**) *Russian Federation*
(***) *Slovenia*

(#) The parent company Eurizon Capital SGR controls Eurizon Capital S.A., Epsilon SGR, Eurizon Asset Management Slovakia, Eurizon Asset Management Hungary, PBZ Invest, Eurizon Capital Real Asset SGR, Eurizon SLJ Capital LTD and Eurizon Capital Asia Limited

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

In Italy, the Intesa Sanpaolo Group is the leading banking group in Italy with 13.5 million customers and approximately 4,200 branches.

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

The Group has a strategic international presence, with approximately 1,000 branches and 7.1 million customers. It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa, through its local subsidiary banks: the Intesa Sanpaolo Group ranks first in Serbia, second in Croatia and Slovakia, fourth in Albania and Slovenia, fifth in Bosnia and Herzegovina and Egypt, sixth in Moldova, and seventh in Hungary.

As at 30 September 2021, the Intesa Sanpaolo Group had total assets of €1,071,418 million, customer loans of €463,295 million, direct deposits from banking business of €535,746 million and direct deposits from insurance business and technical reserves of €203,538 million.

The Intesa Sanpaolo Group operates through six divisions:

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

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

c) The **International Subsidiary Banks division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i

Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia, and Pravex Bank in Ukraine.

d) The **Private Banking division**: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking with 6,626 private bankers.

e) The **Asset Management division**: asset management solutions targeted at the Intesa Sanpaolo Group's customers, commercial networks outside the Intesa Sanpaolo Group, and the institutional clientele. The division includes Eurizon with €351 billion of assets under management.

f) The **Insurance division**: insurance and pension products tailored for the Intesa Sanpaolo Group's clients. The division holds direct deposits and technical reserves of €204 billion and includes Intesa Sanpaolo Vita – which controls Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute and Cargeas Assicurazioni – Fideuram Vita, Bancassurance Popolari, Lombarda Vita and Assicurazioni Vita.

Intesa Sanpaolo in the last two years

Intesa Sanpaolo in 2020 – Highlights

Integration of the UBI Group.

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

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

Furthermore, to prevent possible antitrust concerns, on 17 February 2020 Intesa Sanpaolo and BPER Banca (below also **BPER**) entered into a binding agreement, conditional on the success of the Public Offer (**BPER Agreement**), which provides for the purchase by BPER of a going concern consisting of a pool of branches of the entity resulting from the combination of Intesa Sanpaolo with UBI Banca. The original agreement provided for the sale of around 400/500 branches of the combined entity and the related assets and liabilities for a consideration equal to a multiple of 0.55 times the CET 1 of UBI Banca allocated to the branches identified as being subject of the sale. Subsequently, to take appropriate account of the economic situation generated by the outbreak of the COVID-19 pandemic, and following discussions held between Intesa Sanpaolo and BPER, the pricing mechanism described above was modified by establishing a consideration for the above-mentioned going concern equal to 0.38 times the value of the fully-loaded CET 1 at the reference date allocated to the risk-weighted assets of the branches to be sold. In order to remove the specific antitrust concerns raised by the Italian Antitrust Authority (**AGCM**), on 15 June 2020 Intesa Sanpaolo negotiated and signed an agreement supplementing the BPER Agreement under which the number of branches to be transferred was

increased (from 400/500 to 532, of which 501 of UBI Banca and 31 of Intesa Sanpaolo) with the precise identification of the details and consequent redefinition of the estimated values. By decision adopted at the meeting of 14 July 2020 and notified to Intesa Sanpaolo on 16 July 2020, AGCM approved the transaction for the acquisition of control of UBI Banca subject to the execution of structural sales in accordance with the BPER Agreement and the commitments made by Intesa Sanpaolo. Through a specific press release on 30 September 2020, it was announced that the parties had identified as the period currently envisaged for the closing of the sale to BPER the second half of February 2021 with regard to the UBI Banca branches and the second quarter of 2021 with regard to the Intesa Sanpaolo branches.

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

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

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

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

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

- only to the shareholders so requesting, a cash consideration in full whose amount for each UBI Banca share, calculated in accordance with Article 50-ter, paragraph 1, letter a) of the Issuers' Regulations, was equal to the sum of (x) the weighted average of the official prices of the ISP shares recorded on the Mercato Telematico Azionario (electronic stock exchange) during the five

trading days prior to the payment date (i.e. on 29, 30 and 31 July, and 3 and 4 August 2020) multiplied by the exchange ratio (€2.969) and (y) €0.57, for a total consideration of €3.539 per remaining share.

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

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

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

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

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

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

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

More specifically:

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

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

No sale requests were submitted by the owners of the 18,622,847 remaining shares. Such residual shares also include 8,877,911 own shares (representing 0.7758% of the Issuer's share capital) held by UBI Banca and 120,985 UBI Banca ordinary shares held on own account by Intesa Sanpaolo before 17 February 2020, the announcement date of the Offer. The UBI Banca own shares and UBI Banca

ordinary shares held on own account by Intesa Sanpaolo were not transferred to Intesa Sanpaolo under the Joint Procedure. Intesa Sanpaolo made the payment of the consideration for the Joint Procedure on 5 October 2020 through:

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

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

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

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

Merger of Banca IMI

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

2020 Annual General Meeting

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

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

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

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

Furthermore, by 2023, indefinite-term employment contracts will be signed according to the proportion of one hire for each two voluntary exits, up to 2,500 hires, against a minimum of 5,000 envisaged voluntary exits, a calculation which does not include the exits of people who will be moved due to the transfers of business lines. The new hires will support the Intesa Sanpaolo Group's growth and its new activities, with a focus on the branch Network and on the disadvantaged areas of the country, including

through the "stabilisation" of people currently on fixed-term contracts. The Intesa Sanpaolo Group envisages that at least half of the hires will concern the provinces in which UBI Banca has its historical roots (Bergamo, Brescia, Cuneo and Pavia) and the South of Italy. The agreement has been signed well ahead of the deadline originally planned for year-end, thus highlighting the effective progress of the integration process.

Specifically, the agreement provides that:

- the offer relating to the voluntary exits is addressed to all the people of the Intesa Sanpaolo Group's Italian companies which apply the CCNL Credito (bank employees National Collective Labour Contract), including the mangers; - people who meet the retirement requirements by 31 December 2026, including by applying the so-called calculation rules "Quota 100" and "Opzione donna", may subscribe to the offer in accordance with the ways communicated by the Group;

- people who subscribed to the Intesa Sanpaolo 29 May 2019 Agreement or the UBI 14 January 2020 Agreement but were not included in the lists can submit requests for voluntary exit under defined terms;

- in the event that applications for retirement or access to the Solidarity Fund are in excess of the number of 5,000, a single list will be drawn up at Group level based on the date when the retirement requirement is met. The list will give priority to those people who have previously subscribed to the former Intesa Sanpaolo Group 29 May 2019 agreement or to the former UBI Group 14 January 2020 agreement and have not been included among the envisaged exits, as well as to people entitled to provisions under art. 3, paragraph 3 of Law 104/1992 for themselves, and to disabled people with a disability of at least 67%.

- The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.44% under the transitional arrangements for 2020 and 8.63% on a fully loaded basis.

This is the result of:

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

- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:

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

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

- a Countercyclical Capital Buffer of 0.032% under the transitional arrangements for 2020 and 0.037% on a fully loaded basis in 2021 (1).

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

- 14.7% in terms of Common Equity Tier 1 ratio (2) (3)

- 19.6% in terms of Total Capital ratio (2) (3)

- calculated by applying the transitional arrangements for 2020, and

- 15.2% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis (2) (4)

- 20.6% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis (2) (4).[1]

Disposal and state-guarantee securitization of a bad loan portfolio of the parent company

On 18 December 2020 Intesa Sanpaolo finalised a securitisation of a bad-loan portfolio of the Bank, which was previously sold to a vehicle under Law 130/99, worth around €4.3 billion gross and around €1.2 billion net. This securitisation complies with the regulatory requirements for bearing a guarantee of the Republic of Italy (GACS).
The securitisation vehicle has as at the date of this Base Prospectus issued senior notes equivalent to 81% of the portfolio price and subordinated notes for the remaining 19%. The senior notes have been fully underwritten, and will be retained, by Intesa Sanpaolo. These notes, which have received an investment grade rating from DBRS Morningstar (BBB), Moody's (Baa2) and Scope Ratings (BBB), are expected to bear a GACS by the first quarter of 2021.

The subordinated notes, underwritten by Intesa Sanpaolo as well, will be sold to the tune of 95% to third party investors with Intesa Sanpaolo retaining the remaining 5% in compliance with current regulatory requirements in order to obtain full accounting and regulatory derecognition of the portfolio at the date of finalisation of the notes sale, which is expected to take place by the end of 2020.

The transaction, which envisages a disposal price of the portfolio - also taking the disposal price of the notes into account - in line with the carrying value, enables Intesa Sanpaolo, one year early, to exceed its 2018- 2021 Business Plan target of halving, at no extraordinary cost to shareholders, gross NPLs to €26.4 billion and the gross NPL ratio to 6% in the four years. Considering the Intesa Sanpaolo Group's figures as at the end of September 2020 excluding UBI Banca, the finalisation of the notes sale results in gross NPLs at €24.6 billion and gross NPL ratio at 5.9%.

Background EU-wide Transparency Exercise

On 11 December 2020 Intesa Sanpaolo noted the announcements made today by the European Banking Authority and the European Central Bank regarding the information of the 2020 EU-wide Transparency Exercise and fulfilment of the EBA Board of Supervisors' decision.

The EBA Board of Supervisors approved the package for the EU-wide Transparency Exercise, which since 2016 is performed on an annual basis and published along with the Risk Assessment Report (RAR). The annual transparency exercise is based solely on COREP/FINREP data on the form and scope to assure a sufficient and appropriate level of information to market participants.

The templates were centrally filled in by the EBA and sent afterwards for verification by banks and supervisors. Banks had the chance to correct any errors detected and to resubmit correct data through

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[1]

(1) Calculated taking into account the exposures as at 30 September 2020 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating either to 2020-2021, where available, or to the latest update of the reference period (requirement was set at zero per cent in Italy for 2020).
(2) After the deduction of accrued dividends, equal to 75% of net income for the first nine months of the year excluding the negative goodwill, and the coupons accrued on the Additional Tier 1 issues.
(3) Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 14% for the Common Equity Tier 1 ratio and 19.2% for the Total Capital ratio.
(4) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285 million covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward and on the sale of the going concern to BPER Banca in relation to the acquisition of UBI Banca, and the expected distribution of the 9M 2020 net income of insurance companies.

the regular supervisory reporting channels, and to add specific information as required to further clarify individual data.

Intesa Sanpaolo in 2021 – Highlights

Integration of the UBI Group

On 14 January 2021, Intesa Sanpaolo announced that it will hire 1,000 people in addition to the 2,500 hires already envisaged in the agreement that the Bank signed on 29 September 2020 with Trade Unions *FABI*, *FIRST/CISL*, *FISAC/CGIL*, *UILCA* and *UNISIN*. The agreement, which aims at enabling generational change at no social cost as well as enhancing the skills of the people of the Intesa Sanpaolo Group resulting from the acquisition of UBI Banca, offered the possibility to retire or access the Solidarity Fund, on a voluntary basis, to at least 5,000 people. Intesa Sanpaolo, following verification with the Trade Unions that the offer for voluntary exit was taken up by at least 5,000 people, intends to accept the total of the over 7,200 voluntary exit applications submitted which fulfil the requirements, and consequently, as sought by the Trade Unions, to hire 3,500 people in total by the end of the first half of 2024. This decision confirms the effective progress of the process for the integration of UBI Banca into the Intesa Sanpaolo Group. It follows the agreement signed with the Trade Unions on 30 December 2020 regarding the 5,107 people who are part of the going concern to be sold to BPER Banca. On 29 January 2021, following the authorisation released by the European Central Bank, in accordance with the regulations in force, the plan for the merger by incorporation of UBI Banca into Intesa Sanpaolo was filed with the Torino Company Register, as provided for by Article 2501-ter of the Italian Civil Code.

The merger was approved by the Board of Directors of Intesa Sanpaolo on 2 March 2021.

2021 EU-Wide Stress Test Results

On 30 July 2021 Intesa Sanpaolo was subject to the 2021 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Bank of Italy, the European Central Bank (ECB), and the European Systemic Risk Board (ESRB). Intesa Sanpaolo noted the announcements made by the EBA on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The 2021 EU-wide stress test did not contain a pass fail threshold and instead is designed to be used as an important source of information for the purposes of the SREP. The results assisted competent authorities in assessing Intesa Sanpaolo's ability to meet applicable prudential requirements under stressed scenarios.

The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2021-2023). The stress test has been carried out applying a static balance sheet assumption as of December 2020, and therefore did not take into account future business strategies and management actions. It is not a forecast of Intesa Sanpaolo profits.

The Intesa Sanpaolo fully loaded Common Equity Tier 1 ratio (CET1 ratio) resulting from the stress test for 2023, the final year considered in the exercise, stands at:

- 15.06% under the baseline scenario;
- 9.38% under the adverse scenario.

This compares with the starting-point figure of 14.04% as of 31 December 2020.

The impact of the exercise under the adverse scenario, equivalent to 466 basis points, would be equivalent to 448 basis points when restoring the actual neutral effect on capital ratios of the 2018-2021 Long-term Incentive Plan LECOIP 2.0 based on financial instruments (which is not captured by the stress test assumption of a static balance sheet).

The fully loaded CET1 ratio under the adverse scenario would be 9.97% when considering both the said restored neutrality and the sale transactions of the going concerns, related to the acquisition of UBI Banca in 2020, finalised in the first half of 2021, other things being equal.

Intesa Sanpaolo launched ordinary share buy-back programme for free assignment to employees

On 8 September 2021 Intesa Sanpaolo announced an ordinary share buy-back programme to be launched on 13 September 2021 and completed by 24 September 2021. The programme relates to plans of assignment, free of charge, of Intesa Sanpaolo ordinary shares to the employees, in relation to: (i) the Intesa Sanpaolo Group share-based incentive plan for 2020 reserved for Risk Takers who accrue a bonus in excess of the so-called "materiality threshold" [(1)], as well as for those who are paid a "particularly high" amount [(2)], and for those who, among middle management or professionals that are not Risk Takers, accrue "relevant bonuses" [(3)]; (ii) the former UBI Banca Group share-based incentive plan for 2020 reserved for Risk Takers [(4)]; (iii) outstanding portions in shares of bonuses deriving from past incentive systems of the former UBI Banca Group. In addition, the programme is implemented in order to grant, when certain conditions occur, severance payments upon early termination of employment. The programme is in accordance with the terms approved at the Shareholders' Meeting of Intesa Sanpaolo on 28 April 2021 and disclosed to the market.

The number of shares to be purchased on the market to meet the total requirement of the above-mentioned incentive plans and/or compensation by way of severance for the Group is equal to 20,000,000, corresponding to a percentage of Intesa Sanpaolo's share capital of 0.10%. This is in compliance with the resolution passed at the Intesa Sanpaolo Shareholders' Meeting of 28 April 2021, which authorised the purchase, in one or more tranches, of Intesa Sanpaolo ordinary shares, for both the Parent Company and the companies it directly or indirectly controls, up to a maximum number of 22,479,270, corresponding to a maximum percentage of Intesa Sanpaolo's share capital of 0.12%[2].

Purchases of shares to be assigned, without charge, will be executed in compliance with provisions included in Article 2357 and following of the Italian Civil Code within the limits of distributable income and available reserves, as determined in the financial statements most recently approved. Pursuant to Article 132 of the TUF and Article 144-bis of the Issuers' Regulation and subsequent amendments, purchases will be executed on the regulated market MTA managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.

Moreover, as for the purchase modality, transactions will be carried out in compliance with the conditions and the restrictions under Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and Articles 2, 3 and 4 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

In accordance with the authorisation obtained at the Shareholders' Meeting of Intesa Sanpaolo, which is effective for up to 18 months, purchases will be executed at a price identified on a case-by-case basis, net of accessory charges, within a minimum and a maximum price range. This price can be determined using the following criteria:

- the minimum purchase price cannot be lower than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, less 10%;

- the maximum purchase price cannot be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, plus 10%. At any rate, the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent bid on the market. Purchases may occur at one or more times.

Purchases will be executed between 13 September 2021 and 24 September 2021(included). The maximum number of shares to be purchased daily will not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2021, which was equal to 68.7 million shares.

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[2]

(1) Equal to €80,000.

(2) Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2019-2021, a variable remuneration exceeding €400,000 constitutes a "particularly high" amount.

(3) Exceeding €80,000 and 100% of the fixed remuneration.

(4) With bonuses exceeding €50,000 and 25% of the fixed remuneration.

Furthermore, a constraint has been added to the above-mentioned regulatory conditions and restrictions, establishing that the daily volume of purchases must not exceed 15% of the volume traded on the MTA on the respective day.

Pursuant to Article 2357-ter of the Italian Civil Code, the Intesa Sanpaolo Shareholders' Meeting authorised the disposal on the regulated market of own ordinary shares exceeding the actual requirement under the same conditions as applied to their purchase and at a price of no less than the reference price recorded by the share in the stock market session on the day prior to each single disposal transaction, less 10%. Alternatively, these shares can be retained for future incentive plans and/or remuneration payable upon early termination of employment relationship (severance).

On 15 September 2021 Intesa Sanpaolo communicated that it concluded, on 14 September 2021, the ordinary share buy-back programme launched on 13 September 2021 and announced to the market in the press release dated 8 September 2021.

On the two days of execution of the programme (13 and 14 September 2021), the Intesa Sanpaolo Group purchased a total of 20,000,000 Intesa Sanpaolo ordinary shares through its IMI Corporate & Investment Banking Division (which was responsible for the programme execution). These represent approximately 0.10% of the share capital of the Parent Company. The average purchase price was €2.391 per share, for a total countervalue of €47,822,401. The parent company purchased 16,787,550 shares at an average purchase price of €2.392 per share, for a countervalue of €40,155,587.

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

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

The number of shares purchased daily did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2021, which was equal to 68.7 million shares, and 15% of the volume traded on the MTA on each of the days when purchases were executed – in accordance with the constraint added in the programme to the above-mentioned regulatory conditions and restrictions.

Ordinary Shareholders' Meeting

On 14 October 2021 the Ordinary Shareholders' Meeting of Intesa Sanpaolo was held. The Meeting was validly constituted, on single call, to pass resolutions as those in attendance through the appointed representative, in accordance with Article 106 of Decree Law no. 18 dated 17 March 2020, converted by Law no. 27 dated 24 April 2020, as subsequently amended, counted 3,317 holders of voting rights attached to 10,992,742,757 ordinary shares without nominal value equaling 56.57478% of the share capital. The resolutions detailed below were passed.

Resolutions regarding reserves:

(a) distribution of part of the Extraordinary reserve for the 2020 results. The Shareholders approved the cash distribution of part of the Extraordinary reserve for a total amount of €1,935,274,145.18 to be assigned to each of the 19,430,463,305 ordinary shares constituting the share capital, corresponding to a unit amount of €9.96 cents per share. Votes in favour were 10,983,707,581, equivalent to 99.91781% of the ordinary shares represented at the Meeting. This distribution is in addition to the €694 million cash dividends approved in April this year and paid out in May, and brings to the payment of a total amount for 2020 which corresponds to a payout ratio of 75% of the €3,505 million adjusted consolidated net income (1), in line with the 2018-2021 Business Plan. The aforementioned distribution of reserves will be subject to the same tax regime as the distribution of dividends. The amount not distributed in respect of any own shares

held by the Bank at the record date shall be kept in the Extraordinary reserve. The distribution took place on 20 October 2021, with coupon presentation on 18 October 2021 and record date on 19 October 2021. Based on the ratio between the aforementioned unit amount and the stock price registered on 13 October 2021, the dividend yield is 4%; including in the ratio the unit amount of €3.57 cents per share paid out in May this year, the total dividend yield for 2020 is 5.4%.

(b) placing of a tax suspension constraint on part of the Share premium reserve, following the tax realignment of certain intangible assets. The Shareholders also approved the placing of a tax suspension constraint for an amount of €1,473,001,006.40 on part of the Share premium reserve, following the tax realignment of certain intangible assets in accordance with Article 110, paragraphs 8 and 8-bis, of Decree Law no. 104 dated 14 August 2020, as a result of the provisions of Article 14 of Law no. 342 dated 21 November 2000 to which the aforementioned Decree Law refers. Votes in favour were 10,991,707,581, equivalent to 99.99058% of the ordinary shares represented at the Meeting.

Partial demerger of IW Bank S.p.A. in favour of Fideuram-Intesa Sanpaolo Private Banking S.p.A. and of Fideuram-Intesa Sanpaolo Private Banking S.p.A. in favour of Intesa Sanpaolo S.p.A.

On 28 October 2021 notice was given that, following the authorisation released by the European Central Bank in accordance with the regulations in force, on 28 October 2021 the plan for the partial demerger of IW Bank S.p.A. in favour of Fideuram-Intesa Sanpaolo Private Banking S.p.A. and of Fideuram-Intesa Sanpaolo Private Banking S.p.A. in favour of Intesa Sanpaolo S.p.A. was filed with the Torino Company Register, as provided for by Article 2501-ter of the Italian Civil Code.

The demerger was approved by the Board of Directors of Intesa Sanpaolo on 23 November 2021.

Sovereign risk exposure

As at 30 June 2021, Intesa Sanpaolo Group's exposure in securities to Italian sovereign debt - including the insurance business - amounted to a total of €103,651 million, in addition to receivables for € 10,130 million. The security exposures increased compared to €90,170 million as at the 31 December 2020.

Management[3]

Board of Directors

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

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Gian Maria Gros-Pietro	Chairman	Director of Abi Servizi S.p.A.

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

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Paolo Andrea Colombo (#) (##)	Deputy Chairperson	Director of Colombo & Associati S.r.l. Chairman of the Board of Statutory Humanitas S.p.A.
Carlo Messina (*)	Managing Director and CEO	None
Bruno Picca(#)	Director	None
Rossella Locatelli (##)	Director	Director of Società per la Bonifica dei Terreni Ferraresi e per Imprese Agricole S.p.A. Member of the Supervisory Board of Darma SGR, a company in administrative compulsory liquidation Chairwoman of B.F. S.p.A. Chairwoman of B.F. S.r.l. – Società Agricola Director of CAI – Consorzio Agrari d'Italia S.p.A.
Livia Pomodoro (##)	Director	Director of Febo S.p.A.
Franco Ceruti	Director	Chairman of Intesa Sanpaolo Expo Institutional Contact S.r.l. Director of Intesa Sanpaolo Private Banking S.p.A. Chairman of Società Benefit Cimarosa 1 S.p.A.
Daniele Zamboni (#) (##)(1)	Director	None
Maria Mazzarella (##)(1)	Director	None
Milena Teresa Motta (#) (##)	Director and Member of the Management Control Committee	Director of Strategie & Innovazione S.r.l.
Alberto Maria Pisani (1) (#) (##)	Chairman of the Management Control Committee	None
Maria-Cristina Zoppo (#) (##)	Director and Member of the Management Control Committee	Director of Newlat Food S.p.A. Chairwoman of the Board of Statutory Auditors Schoeller Allibert S.p.A, Standing Statutory Auditor of Coopers & Standard Automotive Italy S.p.A.
Luciano Nebbia	Director	Deputy Chairman of Equiter S.p.A.

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Maria Alessandra Stefanelli (##)	Director	None
Guglielmo Weber (##)	Director	None
Anna Gatti (1) (##)	Director	Director of Fiera Milano S.p.A. Director of WiZink Bank S.A. Director of Lastminute Group
Fabrizio Mosca (#) (##)	Director and Member of the Management Control Committee	Chairman of the Board of Statutory Auditors of Olivetti S.p.A. Chairman of the Board of Statutory Auditors of Aste Bolaffi S.p.A., Chairman of the Board of Statutory Auditors of Bolaffi S.p.A. Chairman of the Board of Statutory Auditors of Bolaffi Metalli Preziosi S.p.A., Standing Statutory Auditor of M. Marsiaj & C. S.r.l., Standing Statutory Auditor of Moncanino S.p.A.
Roberto Franchini(#) (##) (3) (4)	Director Member of the Management Control Committee	None
Andrea Sironi (2) (##)	Director	Chairman of the Board of Borsa Italiana S.p.A. Chairman of the Board of London Stock Exchange Group Holding Italia S.p.A.

The business address of each member of the Board of Directors is at the Issuers' registered office in Piazza San Carlo 156, 10121 Turin (Italy).

Conflicts of Interest

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

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

Principal Shareholders

As of 14 October 2021, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3% (*)(**)). Figures are updated based on the results from the register of shareholders and the latest communications received:

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
Compagnia di San Paolo	1,188,947,304	6.119%
BlackRock Inc. (1)	972,416,733	5.005%
Fondazione Cariplo(2)	767,029,267	3,948%

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

The Italian regulations (Article 120 of the Consolidated Financial Act "TUF") set forth that holdings exceeding 3% of the voting capital of a listed company should be communicated to both that company and CONSOB. Moreover, under Article 19 of the Consolidated Law on Banking "TUB", prior authorisation by the Bank of Italy is required for the acquisition of holdings of capital in banks that are either significant or make it possible to exercise significant influence, or confer a share of voting rights or capital equal to at least 10%.

The Italian regulations also set forth the obligation to disclose any agreements between shareholders.

Furthermore, Article 120, paragraph 4-bis, of the "TUF" sets forth the obligation for investors who acquire holdings in listed issuers with Italy as home Member State, equal to or above 10% of the relevant capital or a lower threshold as defined by CONSOB, to declare the objectives they are pursuing.

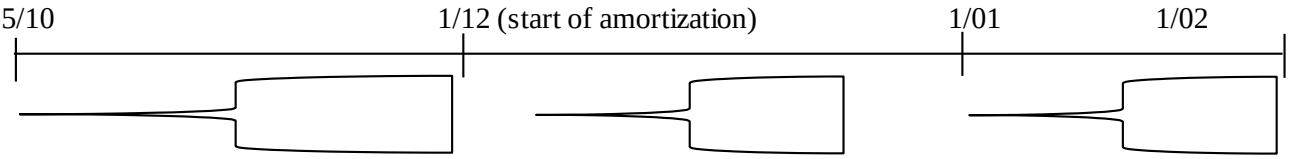
CREDIT AND COLLECTION POLICY

1. REGULAR LOANS

Payment systems and the recording of collections

The amortization of almost all mortgages starts from the first day of the second month following the date of signing the contract (unless full pre-amortization periods are contractually provided for). From the stipulation date to the amortization start date, the customer is in a pre-amortization phase and pays only the interest, usually received together with the first amortization instalment.

By way of example, in the case of a loan with monthly repayment taken out on 5/10:



Technical pre-amortization instalment | First amortization instalment | Second amortization

For this type of financing, the start of amortization generally starts from the first full instalment following the disbursement according to the frequency of the instalment itself (monthly, quarterly, half-yearly, annual). A pre-amortization period may also be envisaged, in addition to the aforementioned technical pre-amortization, the duration of which, defined during the negotiation of the credit, is commensurate with the duration, type and purpose of the credit itself.

The methods of payment of the instalments of existing mortgages are essentially represented by:

- automatic debit of the debtor's current account opened at any branch of the Bank
- payment by the debtor on the basis of the instalment payment notice by AVM to be made at the branches of the same bank or other credit company belonging to the AVM circuit;
- automatic debit of the debtor's current account opened at another bank (SDD mandate);

payment through the bank teller and/or bank transfer made through another bank.

It is the Bank's practice, for current mortgages with the payments of previous instalments, to allow for payments made after the final instalment deadline but within the month prior to the next deadline that the default interest is charged on the next maturity or at the first accounting event of the credit (see repayment).

1.1 Payment by direct debit of current account

For the mortgage items affected by this payment system, the procedure identifies all the instalments due on a specific day and proceeds (on the specific day) with the debit of the current account. In the event that the account contains enough funds to cover only part of the payment, or none at all, the system also carries out the debits by reporting (on the day of each instalment due date) to each branch the list of instalments whose debiting caused the overrun of the current account. The branch concerned has the possibility to cancel the instalments automatically debited by the system.

Any insolvency is recorded in the Bank's information system in real time; however, the operator has the possibility of verifying the accounting situation of the mortgage at any time.

In the case of unpaid instalment(s), even if only partially, the mortgage is not taken into consideration for the preparation of the debit flow for the next instalment.

It should be noted that every week, a recovery of the arrears is automatically arranged, verifying the capacity of the customers' accounts, in order to progressively reduce the arrears.

1.2 Payment by pre-authorized debit

In order to improve operations and offer customers increasingly targeted services to meet their expectations, it is possible to pay the instalments by pre-authorized debit on current accounts of other credit companies.

The pre-authorized debit order on other banks, to be used only at the explicit request of the customer, is an alternative to that on a current account opened at the Bank; this option is interesting for the management of customers residing outside the Bank's area of operation and for those who work with other credit companies. The service contributes to reducing loans without a supporting current account.

A few days before the expiry of the instalment, at the moment 8 working days, for all the items that can be collected by SDD mandate, the flow of debits is automatically prepared and forwarded to the domiciliary banks.

On the day of expiry of the debit instructions, the IT procedure credits the collections "subject to collection" on a transit account and on the same day the "Mortgage" procedure debits the amount of the instalments due on the same account equal to the amount credited.

The outstanding orders returned by the correspondent banks are debited by the procedure on the transit account.

The reversals of payments made through SDD mandate and referable to outstanding payments are automatically carried out by the procedure; specific information about the event is also provided to the injured parties. Considering the return times from the Banks of the credited sums "subject to collection" and the subsequent processing times, the effectiveness of the collection (or the outstanding payment) can only be verified after about twenty working days have elapsed. After the twentieth day, the receipts to be sent to the Customers are processed.

In the event of default, only if the mortgage returns to "performing" before the preparation of the debit flow for the next instalment, the sbf debit is guaranteed.

1.3 Payment via AVM

To facilitate faster registration of the amounts paid, against payment of mortgage instalments at other credit companies and to automate the related flow, an instalment expiry notice form has been prepared, in standard interbank format, which allows the use of the electronic banking AVM circuit for the crediting of the collected sums to the Bank.

The AVM is represented by a paper bulletin that can be paid at any bank belonging to the circuit of the same name (practically all Italian banks).

The Bank sends the bulletin to the customer approximately 30 days in advance of the expiry of the instalment of it is a six-monthly or quarterly mortgage, and 20 days in advance if monthly. If the payment is made at a branch of the same bank, the relative registration in the mortgage procedure takes

place in real time; if the customer makes the payment at another bank, an electronic data flow is sent - through the wallet procedure - regarding all the details relating to the payment.

The use of this method, in addition to the speed of data transmission and the consequently more timely updating of the mortgage register, reduces to a minimum the manual activities for attributing payments.

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

In the event that the customer does not make the payment of an instalment, an AVM reminder is sent for mortgages with a six-monthly and quarterly periodicity.

For other deadlines and for all payment methods, a monthly reminder letter is sent summarizing all amounts owed by customers.

1.4 Collection by check or money order

The instalments can also be paid subject to collection via cashier's checks, bank checks and postal orders.

Also in this case, the deadline for payment without arrears is that indicated on the notice of payment due which is produced only in the event that the payment method is without domiciliation (AVM).

Checks and money orders must be issued on the order of the Bank. However, only for customers with a favourable reputation at the Branch is it permitted to accept credit instruments with one or more endorsements, in any case in compliance with the applicable legislation; in this case the last endorsement must always correspond to that of the presenting customer.

In the event of the return of unpaid or protested checks/money orders, the legislation provides that the Branch:

- try to recover from the assignor the amount of the unpaid/protested check and the related expenses as well as the interest for late payment from the instalment due date up to the day of recovery;

- in the event of impossibility of recovery, the cancellation shall be made during the payment procedure, subject to the withdrawal of any receipts issued.

1.5. Collection by bank transfer

If the Customer makes an instalment payment by bank transfer, the collection in the procedure is carried out directly from the Operating Point. Any credits received from the MLT Credit Office are sent to the Branch responsible for the loan.

If the Customer goes to a Group Bank other than the one in which the mortgage is rooted, the collection of an instalment and/or the completion of an early repayment is regulated centrally at the Group's back office structures. With the new industrial plan, the cases are no longer significant, any credits are forwarded to the relevant branches.

Collections must be made with the currency recognized by the correspondent bank.

1.6. Grace periods for payments

The deadline for payment for all types of financing (monthly, quarterly, half-yearly, annual deadlines) is the instalment due date, regardless of the payment method used by the Customer.

If this day is a holiday, the deadline is moved to the next working day.

2. THE MANAGEMENT OF RECEIVABLES IN REGULAR PAYMENT

2.1 Fund renegotiation policies

In recent years, the credit market has seen a significant increase in the granting of credits for "replacement/renegotiation".

This phenomenon was favoured both by structural elements, such as the liberalization of the market resulting from the legislative innovations introduced by the Bersani Law Decree (Legislative Decree no. 7 of January 31, 2007, converted into law no. 40 of April 2, 2007, the so-called "portability of mortgages" and abolition/reduction of extinction penalties) - now DL 13 May 2011, n. 70, converted with amendments by the law of 12 July 2011, n. 106 - and by the cyclical factors connected to the trend in interest rates.

In this changed regulatory and economic framework and in the increasingly competitive context of the mortgage credit market, the Bank, in compliance with legal obligations, has decided to undertake commercial initiatives aimed mainly at increasing attention to the needs of existing customers, offering the same competitive conditions and, ultimately, setting the conditions for its maintenance. Consequently, the Branches will be able to implement retention actions to defend the portfolio, leading to a renegotiation of the credits, without any of the following being a condition for accessing these offers: (i) the criticality of the position; (ii) the obvious difficulty in the service of the debt; or (iii) the decision to extinguish the mortgage thanks to the new opportunities offered by the market under the rules on the portability of mortgages. The renegotiation is authorized within the limits of the autonomies in force.

Possible solutions consist in:

a) extension of the duration of variable-rate and fixed-rate mortgages: the final maturity of the amortization plan cannot exceed a duration of 40 years and, in relation to private individuals only, the relative debtor cannot be older than 75 years, (or the various limits in force from time to time based on the Parent Company's policy) and except for the cases referred to in letter e) below;

b) modification of the indexation parameter or transformation of the mortgage from floating rate to fixed rate and vice versa with possible variation of the rate frequency normally to the standard conditions in the *pro tempore* catalogue in force envisaged for the type of counterparty;

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

d) shortening of the duration (only for individuals);

e) granting of the possibility to suspend payment of instalments on the basis of:

- agreements promoted by the Italian Banking Association to support the retail credit market.

- legislative or regulatory provisions, such as:

    a) the provisions contained in the Implementing Regulation (adopted with Ministerial Decree no. 132 of 21 June 2010) of the "Solidarity Fund" (so-called Gasparrini Fund) for mortgages for the purchase of a first home established by art. 2 paragraph 475 and following Law 244/2007 (Finance Law 2008);

    b) measures for natural disasters or humanitarian emergencies;

- initiatives undertaken from time to time by the Intesa Sanpaolo Group in favour of customers or in support of credit quality;

- agreements included in the contractual context.

The suspensions normally have a maximum duration of 12 months unless otherwise specified in the contract or on the basis of different legal or regulatory provisions (see for example "Solidarity Fund") with translation of the amortization plan and consequent extension of the final duration of the mortgage for a period corresponding to the duration of the suspension.

The suspension may concern:

- the entire instalment (principal amount and interest portion); in such cases the interest accruing during the suspension will be paid without the application of default interest, upon resumption of amortization of the mortgage, according to the methods agreed with the borrower;

- only the principal amount; in such cases the borrower, during the suspension period, continues to pay the interest calculated according to the contractually envisaged methods.

In the event of arrears, the suspension starts from the first overdue and unpaid instalment included in the suspension and, if the suspension is total, the default interest accrued from this instalment will not be due.

The branch - in compliance with the policy adopted from time to time by the Bank - may also propose to replace the mortgage with a new financing that meets the customer's needs, with the right of subrogation in favour of Intesa Sanpaolo itself.

2.2 Other exposures subject to concessions - Forbearance policies on performing credits

Upon the occurrence of the envisaged conditions, for regulatory and management purposes, the other credit exposures that fall within the category of "Forborne *performing exposures*", referring to *performing* counterparties, as defined, fall into this category.

The terms "exposures subject to concessions" or "*forbearance*", refer to credits modified in the original contractual conditions and/or the partial or total refinancing of the debt in the face of financial difficulties of the customer such as to prevent them from meeting their original contractual commitments.

The notion of "exposures subject to concessions/*forbearance*" is transversal with respect to the classifications of non-performing credit and performing credit, and constitutes a further element of definition of the customer's credit quality, which goes alongside and not overlaps the classifications in use.

An aspect of considerable importance is represented by the minimum period of "monitoring" to which an exposure labeled as *forborne* is subject. This period, which differs on the basis of the administrative

risk status assigned to the counterparty, in the case of performing positions is equal to 24 months ("*probation period*"). The count starts from the date of application of the *forbearance measures*. At the end of the period, the *forborne* attribute may cease, provided that the following conditions are met:

- the debtor has paid a significant amount of principal and interest[4];

- the position does not have an overdue of more than 30 days on the relationship or on one of the relationships constituting the credit being monitored (at NDG/Clone level), applying the tolerance thresholds of € 200 (retail) or € 500 (all other segments).

In the event that the *forbearance* measure (or the set of repeated *forbearance* measures on the same credit line) granted to a performing counterparty results in a loss, in terms of *Net Present Value* (NPV), greater than the 1% threshold, the counterparty is automatically classified as Non-performing Credit[5].

3. THE PROCESS OF MANAGING PROACTIVE AND IMPAIRED CREDITS

3.1.Proactive Credit

Proactive Credit is defined as the set of processes that have as their object the credits due from customers that show potential problems, at the moment not yet openly manifested, but which could, if not promptly resolved, lead to breach of contract with the consequent deterioration in the quality of the risks assumed by the Bank. From the occurrence of this default, depending on the severity and duration, the subsequent classification of the entire Non-performing Credit positions could follow.

3.1.1 Proactive Credit Management Processes

The Proactive Credit management processes represent the model dedicated to customer management that presents potential problems and aims to identify and promptly intervene on anomalies right from their first occurrence. This model is based on some guiding principles:

- making the Branch responsible for managing positions;
- differentiation of processes according to the regulatory segment;
- the establishment of dedicated structures, both peripheral and central, which intervene in the process based on the growing severity of the risk represented;
- the efficiency of credit management processes and statuses with the consequent simplification of the workflow and of the required activities focused on the effective solution of the anomalies detected;
- the revision of the interception criteria to ensure greater efficiency and effectiveness of the new processes by anticipating as much as possible the detection of phenomena that could lead to the deterioration of positions;

[4]A payment is considered "significant" when the following relevance thresholds are met:

- Fin instalments: ((D - N) + I) / D * 100> 5%, where I = interest paid from the finalization date to the observation date at the expiry of 12/24 months (depending on whether the position concerns performing positions or non-performing); D = residual principal at the date of finalization; N = residual capital at the observation date (maturity of 24 months). NOTE: retail mortgages are not subject to the calculation of "more than insignificant"
- Fin not instalments: Use (in absolute value) at time T (finalization date) - Use (in absolute value) at time T1 (observation date) > 0

The calculation is carried out automatically by the dedicated application.

[5]The calculation is made by comparing the Net Present Value before and after the renegotiation.

- the revision of the interception systems with a view to full automation both at the entrance and at the exit of the process, reducing subjective evaluations to a minimum;

- the integration of processes with Early Warning (EW) interception systems to make interception increasingly predictive and intervention increasingly anticipatory;

- the use of the rating to support decision-making activities;

- the use of external companies specialized in recovery;

- Recourse for customers belonging to the Private Retail (RE) regulatory segment to an Internal Collection Unit equipped with tools and processes for the proposal of autonomous negotiation solutions.

Proactive Credit for the management of intercepted customers makes use, as mentioned, of dedicated structures in the Credit supply chain of the Regional Departments for the BdT Division (Banche dei Territori) and the CLO Area (Chief Lending Officer), with the task of supporting the Network in managing customers who show first signs of difficulty.

The process included in the Proactive Credit, which aims to manage intercepted customers in a timely and optimal manner, is differentiated by regulatory segment and more specifically refers to the Retail process.

As regards the interception system, it is guided by the Early Warning system which, by calculating a series of indicators, classifies credit positions according to the deterioration status of the counterparty; the deterioration status of the counterparty is represented/summarized by the attribution of a colour (traffic light result). The calculation engine produces six outputs:

- green
- yellow
- orange
- red
- light blue
- dark blue

The counterparties intercepted in the Proactive Credit process are the counterparties with a Red traffic light outcome with the "overt critical issues" form[6];

3.1.2 The management phases of Proactive Credit

The Proactive Credit process is divided into management phases.

For Private Retail customers, a specific "Retail Private Positions Management" process (also known as "Pulse") has been defined and progressively implemented by the Chief Lending Officer Governance Area.

The process transversally manages the customers of the Private Retail segment with predefined characteristics, developing homogeneous and specialized methods of contact and proposal of negotiated settlement measures.

The managed perimeter includes both performing counterparties intercepted by the EWS scoring engine in the face of first signs of criticality (overdrafts and/or arrears in debt repayment) and those who subsequently "slipped" to non-performing (Past Due or Unlikely to Pay).

[66] The term 'overt criticality' means an unpaid overdue (back instalment) or a current account overrun.

The main features of the Retail Management Process:

- **differentiated process for Retail customers** (RE segment) according to the characteristics of the position and the customer, also with recourse to external resources
- use of advanced **routing logics** based on the **EWS Retail** model
- **structured, centralized and highly automated management process**, with differentiated actions based on the riskiness of the position, defined starting from the management indications that require governance by a specialized unit
- **progressiveness in contact actions** with customers, i.e. telephone reminders and tax collection activities at the customer
- overall management of all **customer relationships at the Group level**
- extensive use of negotiated solutions for customer regularization, for positions deemed "eligible", implemented by a dedicated Bank structure
- **integrated**, unique and, where possible, automated and outsourced procedures
- constant **monitoring** of management through dedicated reporting
- **constant interaction of counterparties** with the Bank's internal specialist structures
- **dedicated workflows** and differentiated contact tools, with decision-making engines and standardizable support products
- **clustering** of customers from a management perspective
- presence of an **algorithm for selecting the most appropriate negotiation solution**
- provision of **a single management platform** with integration and interaction between the management and recovery functions within the new tool

The governance of the activities and the decision-making powers in the process (including the faculty of granting and managing credit) are centralized in the Remediation function of the DC Presidium Value of Credit, while the relationship with customers via telephone (so-called *Phone Collection*) is mainly delegated to the homologous Pulse Function and to external suppliers, the Outsourcers specialized in the collection of debtors, who also intervene with home visits (so-called *Home Collection*).

As the governance structure of the Retail Management process, the Remediation function manages the quotas of customers to be contacted by Pulse and the Outsourcers and monitors their activity. The process and information exchanges with Partners are managed through the Retail Management Portal (PGR), which is the application where the intercepted relationships converge, which defines the steps between the various operational and management phases and which incorporates the results of the activities carried out through the service platforms (Collection and Formalization).

On the basis of pre-established rules relating to the characteristics of the customer, the products owned and the objective criticalities detected (riskiness), an evolved algorithm (the Routing Engine) directs the counterparties to the various actors in the process, including the relevant branches.

The activity is transversal with respect to the administrative status of the customers (therefore regardless of whether the position is classified as performing or non-performing credit).

Remediation therefore:

- oversees **and monitors** the entire portfolio intercepted and routed in the process, also in relation to the other actors involved in the process
- provides **transversal strategic support and coordination** of the operations of Pulse and the Outsourcers
- **manages End to End the most critical positions** (i.e. from contact with the customer and identification of the negotiation solution to the investigation and resolution)
- processes the portfolio **assigned to it**, divided into predefined management phases, with a focus on renegotiation activities and the exercise of credit facilities

- carries out **the credit investigation and approves the** negotiation solutions proposed by Pulse or by the Branches.
- monitors the **improvement of the negotiation solutions** agreed with the customer by the other actors in the process
- provides for the **classification** (including massive) as Unlikely to Pay or Bad credits of positions that are not regularized.

Among the actors in the process there is an internal unit of the Bank for telephone collection (phone collection) and investigation called **PULSE** which maintains "direct contact with customers, according to a standardization of processing cycles (e.g. assignment to specific profiles in the collection unit) focused on proposed solutions to normalize credits"; this structure makes use of specifically provided workflows, tools, decision-making engines and products.

Pulse therefore provides:

- first telephone contact and interview with the customer
- identification and simulation of a negotiation solution
- verification of the sustainability of the solution identified
- preparation and submission of requests for remodeling/suspension
- data update based on the documentation received.

To carry out their business, both PULSE and Remediation make use of some dedicated applications that allow for prompt identification of the possible situations of economic and financial difficulties of Private customers and to be able to centrally manage a good part of any remodeling operation, thus limiting the involvement of the Sales Network.

Commercial collaborations were also initiated aimed at outsourcing the collection activity with partners specialized in both telephone and home collection credit recovery to make the management of overdue and/or arrears customers more efficient.

The outsourcing of these activities was declared an Important Operating Function (FOI) in light of the Bank of Italy guidelines.

The assignments are made on the basis of lots created daily by the procedure and the duration of the management depends on the different recovery phases (from 30 to 90 days).

With reference to the positions assigned, and within the term of the mandate, the external Partner takes care of:

- the scheduled and **frequent contact** of the Customer on the basis of the indications provided by Remediation
- the **recovery activities**
- the **collection of customer interest** in renegotiating, reshaping or consolidating credit in the advanced stages of the process
- the **return of daily feedback** on the results of the activities carried out.

The Outsourcers do not directly carry out the negotiation and/or proposal of remodeling products, limiting themselves to gathering the customer's interest in any negotiation solutions that are instructed and approved by the Remediation Function.

The model contract adopted responds to the dictates of the Bank of Italy Circular 285/2013, and depending on the activity carried out, all Partners are subject to the regulations pursuant to art. 115 of the TULPS, are subject to the license of the Quaestor and are supervised by the Ministry of the Interior;

their operation is bound, in forms and methods, by the deontological code of the category (UNIREC) and by the national legislation on privacy.

The Branch Manager also plays a role in the process by:

- providing **support** to the contact unit for in-depth customer analysis
- **maintaining the relationship** with customers for particular cases (e.g. personal)
- working with customers, taking advantage of **visibility on all the management phases**, internal or outsourced, of their branch and interacting with the specialist for the actions to be carried out in the branch (e.g. meeting with the customer)
- providing for the **formalization** of the negotiation solutions adopted

3.1.3 "Retail Private Positions Management" process - Outsourced Management

For the extrajudicial recovery of Proactive and Impaired Credits that are not bad, and specifically for the process called "Retail Private Positions Management" (RE regulatory segment), Intesa Sanpaolo can make use of, in addition to the competent internal structures of the bank itself, companies external specialized companies and in possession of the necessary regulatory requirements.

There are separate contractual conditions governing the collaboration better described in the commercial collaboration agreement ("Collaboration Agreement"), finalized with external companies.

In general, the external company will perform the services at its expense, organizing and managing, at its own expense and within the scope of its entrepreneurial autonomy, all productive factors and resources.

Without prejudice to the provisions of the Collaboration Agreement, the external Company declares and guarantees that it has - and that it will have for the entire duration of the Collaboration Agreement - the authorizations, licenses and permits necessary for carrying out its commercial activity and to fulfill to his obligations with the utmost professionalism and diligence and in compliance with the legislation in force from time to time, as well as the envisaged "General and Special Conditions".

The Service will specifically focus on the activities of:

- **Phone Collection**: understood as an out-of-court credit recovery activity carried out through telephone contacts.

The activity is divided into two successive phases (Phone Collection 1 and Phone Collection 2), depending on the criticality of the customer. The mandate for the management of the files, for carrying out the recovery activity, will have a duration of thirty days, starting from the date of the assignment, except for any extensions, concerning individual files entrusted, which must be agreed from time to time.

Therefore, the time of assignment may, exceptionally, be changed upon evaluation by the Bank, which will communicate it to the external Company with specific indication of the new term of the assignment, also by means of specific evidence within the Management Portal.

By way of non-exhaustive indication, the activities that the external company will perform during the Phone Collection phase will be:

- communication to the customer of the problem;
- request for regularization and indication of how to proceed with it;
- communication of the possibility of a negotiation solution, subject to the creditworthiness assessment by the BANK;

- obtaining an expression of interest from the customer to define a regularization strategy with the Bank;
- directing the customer to the Bank's reference structure for the effective application of the negotiation solution.

• **Home Collection**: understood as an out-of-court loan recovery activity which also provides for the external Company's home visit to the third party debtor. The activity is divided into three successive phases (Home Collection 1, Home Collection 2, Home Collection 3), depending on the criticality of the customer. The mandate to manage the practices for carrying out the recovery activity will have a duration of sixty days for the phases referred to as Home Collection 1 and Home Collection 2 and a duration of ninety days for the phases of Home Collection 3, starting from the date of the assignment, except for any extensions, concerning individual cases entrusted, which must be agreed from time to time.

Therefore, the time of assignment may, exceptionally, be changed upon evaluation by the Bank, which will communicate this to the external Company with specific indication of the new term of the assignment, also by means of specific evidence within the Management Portal.

By way of non-exhaustive indication, in the Home Collection phases the external Company will perform the following activities:

a. communication to the customer of the problem;
b. request for regularization and indication of how to proceed with it;
c. communication of any possibility of accessing negotiated solutions, subject to the Bank's creditworthiness assessment;
d. obtaining an expression of interest from the customer to define a regularization strategy with the Bank;
e. directing the customer to the Bank's reference structure for the effective application of the negotiation solution.

The Service will consist in carrying out the Phone Collection and/or Home Collection activities aimed at the out-of-court recovery of outstanding receivables falling into the following categories:

- credits relating to overdue and unpaid instalments;

- credits for overdue and unpaid amounts;

- credits relating to default interest;

- credits deriving from use of current accounts in the absence of credit or in excess of the credit granted;

- credits for expenses and accessories and any other amount due in relation to the type of credits claimed, and for which the assignment is conferred.

The process of granting the mandate, and therefore the creation of the so-called trust batches that attribute the mandate to operate, takes place on a daily basis, the management process is also supported by a dedicated IT procedure that allows, always on a daily basis, to have visibility of the recovery actions carried out by external companies and timely monitoring of the evolution of positions given in external collection.

The collaboration agreement for the provision of out-of-court credit recovery, signed with the external companies, provides for the determination of specific operational SLAs and management KPIs.

In particular, the Service levels are distinguished between "High Relevance" and "Medium Relevance".

The main Service levels of "High Relevance" concern:

- Misappropriation/delay in the delivery of valuables
- Well-founded complaints/lawsuits regarding privacy violation and anti-money laundering
- Failure to comply with the rules established by the Privacy Guarantor
- Investigate aggressive behaviour towards customers

The main Service levels of "Medium Relevance" concern:

- Timely start of telephone and home collection activities
- Punctual completion of the activities carried out
- Timely issue of invoices according to the operating instructions given

Failure to comply with the Service levels may result in the application of specific penalties/actions that differ according to both the type of Service level not observed and the extent of the violation.

Furthermore, the Bank will constantly monitor the performance indicators (management KPIs) which are the basis of the commission model and the logic for assigning positions on the different phases, according to the timing useful for the governance of the outsourced process, including but not limited to:

- net performance (amounts collected/amounts granted): ratio between the volumes of amounts collected (excluding the expected collection values, due beyond the mandate) relating to all the relationships within the scope and the volumes of past due amounts relating to the same scope of relationships;
- regularizations: for instalment products, number of contracts which, at the end of the assignment, have zero expired and unpaid instalments; for current account overdrafts, contracts with a final overdue amount equal to zero;
- redemption: percentage of cases that at the end of the assignment have a number of overdue and unpaid instalments lower than the one they had at the beginning of the assignment on the total cases entrusted;
- duration of management: average duration of file management.

3.2 Impaired Credits

The 10th update of Circular no. 272 of the Bank of Italy (subsequently "Circular 272") introduced further clarifications to the definitions and types of "impaired financial assets" to implement the provisions of the 2016/07 EBA Guidelines of 18/01/2017 ("EBA DoD Guidelines") on the application of the Definition of Default contained in art. 178 of Regulation 575/2013 (Capital Requirements Regulation).

The different types of credit statuses that fall within the aforementioned category of "impaired financial assets", referring to the total exposure of the debtor, are discussed below.

"Impaired financial assets" consist of on-balance sheet assets (loans and debt securities) and "off-balance sheet" assets[7]; (guarantees given, irrevocable and revocable commitments to disburse funds, etc.) towards debtors:

1) which have significant exposures past due for more than 90 days, or

[11] An "off-balance sheet" transaction is considered non-performing if, in the case of use, it could give rise to an exposure that presents the risk of not being fully repaid, in compliance with the contractual conditions. The guarantees must, in any case, be classified as non-performing if the guaranteed exposure satisfies the conditions for being classified as non-performing

2) for which full fulfillment of credit obligations is considered unlikely without enforcement of guarantees, regardless of the existence of past due amounts or the number of days past due.

Regardless of the existence of any guarantees (real or personal) made regarding the activities. Financial instruments included in the portfolio "Financial assets held for negotiation" and derivative contracts are excluded from "impaired financial assets".

For the identification of impaired credits, the Bank has chosen the criterion that provides for a "Single debtor" approach.

"Impaired financial assets" are classified, according to a principle of increasing gravity, in the following three categories:

- Impaired past-due/in arrears credits
- Doubtful credits
- Non-performing credits

For the purposes of the classification in default, the recent European provisions on the subject will be applied (so-called "New definition of default") with reference, in particular, to the EBA guidelines on the application and definition of default pursuant to Article 178 of Regulation (EU) no. 575/2013.

Again in compliance with the regulatory provisions, as a detail of the categories of non-performing credit, at the level of specific exposure, the qualification of "Exposures subject to impaired concessions - Forbearance" takes over.

Impaired financial assets are subject to analytical-statistical or analytical valuations for balance sheet purposes.

The process of evaluating impaired credits due to counterparties classified as Past Due and/or Overdue Exposures, Unlikely to Pay, and Non-Performing credits in compliance with the relevant accounting standards and regulatory provisions on the subject, follows from the presence of objective elements of loss that render the contractually expected amount of each individual activity no longer fully recoverable.

Generally speaking, the credits classified:

- between Overdue and/or Impaired overdue periods (regardless of the amount of the exposure) and those classified as unlikely to pay and bad credits (for an amount not exceeding a pre-established relevance threshold, currently equal to € 2,000,000), are subjected to ~~analytical~~ statistical analysis. This assessment is based on the application of specific Loss Given Default statistical grids to which the various Add-On components are added to take into account the management variables, the forward looking elements relating to the macroeconomic scenarios and the permanence in the risk state.

- between Probable Default and the Bad credits (both above the relevance threshold equal to Euro 2,000,000), are subjected to a specific analytical assessment process based on a qualitative-quantitative analysis of the economic, equity, and financial situation of the same. Loss forecasts are formulated analytically for homogeneous types of exposure, on the basis of the implicit riskiness of the relative technical form of use and the correlated degree of dependence on any mitigating factors (guarantees).

3.2.1 Past Due and/or Impaired Overdue Exposures (Overdue or "Past Due")

This category includes cash exposures other than those subsequently defined as non-performing or unlikely to pay, which, at the reporting reference date, have expired or have been continuously overdue for more than 90 days.

The overall exposure to a debtor must be recognized as past due and/or overdue if, on the reference date of the report, the amount of capital, interest and/or commissions not paid on the date on which it was due exceeds both of the following thresholds (hereinafter, jointly defined, "Relevance Thresholds"):

a) absolute limit of € 100 for retail exposures (so-called "Absolute Threshold") to be compared with the debtor's overdue and/or overdue total amount;

b) relative limit of 1% to be compared with the ratio between the total amount past due and/or overrun and the total amount of all the exposures recorded in the financial statements towards the same debtor[8] (so-called "Relative Threshold").

The classification in status is automatically achieved, at the banking Group level, by the persistence of an overdue and/or overdue credit situation above the Relevance Thresholds for a period of more than 90 consecutive days.

The classification in the status is also automatically obtained by dragging the default status from the joint owners to the joint holders or from the joint holders to the joint owners according to specific rules as illustrated in the relative paragraph.

3.2.2 Unlikely to pay

This category includes all cash and "off-balance sheet" exposures of a debtor who the bank, in its opinion, considers unlikely to fully fulfill its credit obligations (in principal and/or interest), without recourse to actions such as enforcement of guarantees. This assessment is independent of the presence of any overdue and unpaid amounts (or instalments).

It is therefore necessary to wait for the explicit symptom of abnormality (default) and, where there are elements that involve a risk of default of the debtor (for example, a crisis in the industrial sector in which the debtor operates). The set of positions for cash and "off balance sheet" towards a same borrower who pays in this situation is called "substandard credit", except that conditions for classification of the debtor among impaired credits do not prevail.

Positions classified as Probable Default are divided into:

- positions under internal management, i.e. portfolios in organizational units of the Intesa Sanpaolo Group and managed by the management structures by competence;

- positions under joint management, i.e. portfolios in organizational units of the Intesa Sanpaolo Group and assigned under joint management to the structures responsible for the CLO Area interface and to a third company.

The processing phases of positions classified as defaulting, regardless of the competent management structure, are supported and tracked through a specific application.

The following positions automatically become "Probable default":

For the purposes of calculating the relative limit, it is necessary to consider, both in the numerator and in the denominator, the exposures transferred and not cancelled for the purposes of the financial statements towards the same debtor towards the bank and the intermediaries included in the prudential consolidation perimeter. Equity exposures are excluded

- those with "Overdue" status, when the expiry date of said status is exceeded and the relative relevance threshold has become greater than 5%;
- those with a misaligned SAG for more than 30 consecutive days classified as "Probable Default" or "Bad" and with exposure, classified in one of the aforementioned states, equal to or greater than 20% of the overall exposure at the banking group level (excluding positions which, at individual Bank/Group level, have an exposure of less than € 1,000);
- in the "Forborne Probable Default" status when the 90 days of continuous overrun above the threshold are exceeded;

- by dragging the default status from joint owners to joint holders or from joint holders to joint owners according to specific rules detailed in the relevant paragraph.

For management purposes, the Bank has also provided for a further classification within "Probable Default", identified as "Probable Default-Forborne"[9], which includes counterparties that show at least one exposure subject to "forbearance" that is duly complied with or that remain in a state of risk pending the expiry of the legally imposed *Cure Period* (minimum 12 months).

The following positions are automatically classified "Forborne Probable Default":

- Forborne performing, originating from non-performing, subject to a subsequent tolerance measure on the same credit line as the previous intervention in the so-called *Probation Period*;

- Forborne performing, originating from non-performing, with non-signal overdue exceeding 30 continuous days (applying a minimum tolerance threshold and with verification carried out on the Forborne line) which occurred in the *Probation Period*;

- with the Forborne flag from Bad credits closed with granted/used residuals in place;

- in the status "Past due and/or impaired overdue exposures" for which forbearance measures have been granted with cleared overdue or less than 30 days or below the threshold;

- those with a misaligned SAG for more than 30 consecutive days classified as "Forborne Probable Default" and with exposure, classified in the state, equal to or greater than 20% of the overall exposure at the banking group level (excluding positions which, at individual Bank/Group level, have an exposure of less than € 1,000);

- performing counterparties, if the calculation of the Diminished Obligation (in the case of a new forborne registration) - upon completion of the transaction on the legacy of reference - records a value higher than a threshold set at 1%.

The manual classification as "Probable Default", whose decision is the responsibility of the Deliberating Body, is possible at any time if, in compliance with the regulatory provisions, this classification better represents the deterioration of the debtor's creditworthiness.

3.2.3 Observation period for impaired past due and/or overdue exposures and for exposures in probable default

Impaired exposures must continue to be classified as such until at least 3 months have elapsed, the so-called *Probation Period*, from the moment in which they no longer satisfy the conditions to be classified, as the case may be, among impaired past due and/or overdue exposures, i.e. among Probable Defaults.

[9]State to which LGD grids appropriate to the risk levels of the exposures are applied

The counterparties classified as Probable *Forborne* Default for which the application of the so-called Cure *Period* of 12 months, during which the remittance of the counterparty is inhibited even if the financial difficulty is overcome.

During the *Probation Period*, the behaviour of the counterparty must be assessed in light of its financial situation (in particular, by verifying the absence of overruns above the Relevance Thresholds)[10].

3.2.4 Effect of classification on other subjects

Possible contagion effects must be taken into account if the occurrence of an event, which results in the classification of a counterparty in a worse risk state within a group, could have repercussions in terms of potential default on the part of other subjects within the same group.

In the light of the consequences (in terms of materiality) that the classification of a counterparty could determine on the ability of the other parties in the group to meet the debt, the evidence of the event is determined among the negative symptoms or prejudicial events, with the relative consequences.

Any repercussions deriving from the classification of a counterparty on other subjects therefore presuppose a distinct legal and financial autonomy between them. In particular, in the case of relationships established with the sole proprietorship and with the natural person who exercises it, given the absence of separate legal subjectivity, the classification among impaired credits will regard the overall exposure in place.

With exclusive reference to the counterparties included in the retail exposures (Retail Segments) that are linked to counterparties classified as Probable Default, or among the past due and/or impaired overdue exposures, in the presence of co-ownership links and upon the occurrence of certain conditions, automatic classification criteria apply.

In particular, in the case of classification of a co-holder among non-performing exposures, the exposures of the individual joint holders will also be automatically classified, unless at least one of the following conditions has occurred:

a) the delay in payment is the consequence of a dispute between the joint holders that has been presented before a judge or has been dealt with in another out-of-court conciliation procedure that has resulted in a binding decision, and there are no fears about the financial situation of the individual joint holders;

b) the credit obligation referable to the co-holder constitutes an insignificant part[11] of the overall exposure of the co-holder.

Apart from the aforementioned automatisms, the effects that the classification among the impaired credits of a joint account may have on the individual joint holders and on any other jointly registered relationships with third parties attributable to the same must be evaluated.

3.3 Exposures subject to impaired concessions - Forbearance policies on *non-performing credits*

[10]Specifically, in the event of a continuous overrun of more than 5 days, calculated when both the Relevance Thresholds are exceeded, the number of days spent in the Probation Period is reset to zero. The counting of the 3-month Probation Period will resume on the first day in which the overrun returns below at least one of the two Relevance Thresholds

[11]"Insignificant part of the overall exposure of the joint holder" means the circumstance in which the exposure of the joint holder does not exceed 20% of the total exposure of the joint holder for a period of time at least equal to 10 continuous days

The individual cash exposures and the revocable and irrevocable commitments to disburse funds that fall, depending on the case, among bad credits, unlikely to pay or among past due and/or overdue impaired exposures and which are subject to "forbearance" measures are called "Impaired exposures subject to concession".

These exposures do not form a separate category of impaired assets but fall, as the case may be, into one of the classifications of non-performing credit.

Agreements - reached between the debtor and a pool of creditor banks - by which existing credit lines are temporarily "frozen" in view of a formal restructuring are not considered concessions. However, these agreements do not interrupt the calculation of past due days relevant for the purposes of classifying exposures among those past due and/or overdue. The overdue calculation is not interrupted even in situations in which the credit lines subject to the "freeze" have been granted by a single bank. In the case of restructuring operations carried out by a pool of banks, those that do not adhere to the restructuring agreement are required to verify whether the conditions are met for the classification of their exposure among bad credits or those unlikely to pay.

For the elimination of the *forborne* labeling of the exposures subject to concession on impaired counterparties, a period of 36 months must elapse for positions classified as impaired, represented by:

- a 12-month *Cure Period*, calculated from the date of application of the *Forbearance* measure or, if later, from the date of entry into the impaired state. It should be noted that, in the event that the restructuring agreement qualified as a *forbearance* measure provides for a period of suspension of payments, the so-called *Grace Period*, the calculation of the *Cure Period* days will start from the date of resumption of payments by the customer (i.e. from the date of the end of the suspension period). During the Cure *Period*, the remittance of the counterparty will be inhibited, even if the state of financial difficulty is overcome.

  During the *Cure Period*, the regularity of the payments envisaged on the line subject to *forbearance measure* must be verified, to be carried out by observing any continuous overdrafts. In the event of a continuous overrun of more than 30 days, calculated when both of the following significance thresholds are exceeded:

  a) Absolute thresholds: 100 euros for Retail positions (RE segment) and 500 euros for the other segments
  b) Relative threshold: 1% of the exposure of the line being monitored

  the count of monitoring days accrued to date is reset to zero. The count will resume on the first day in which the overrun drops once again below at least one of the two thresholds referred to in points a) and b).

  At the end of the 12 months, the position can be reclassified as performing (through a specific resolution), provided that:

  - there are no overruns for the debtor;
  - the debtor has paid a significant amount of principal and interest[12]

[12]A payment is considered "significant" when the following relevance thresholds are met:

- Fin instalments: ((D - N) + I) / D * 100> 5%, where I = interest paid from the finalization date to the observation date at the expiry of 12/24 months (depending on whether the position concerns performing positions or non-performing); D = residual principal at the date of finalization; N = residual capital at the observation date (maturity of 24 months). NOTE: retail mortgages are not subject to the calculation of "more than insignificant"
- Fin not instalments: Use (in absolute value) at time T (finalization date) - Use (in absolute value) at time T1 (observation date) > 0

The calculation is carried out automatically by the dedicated application.

- more generally, the criteria for the return of the counterparties to perform well are still met,

- a further 24 months *of Probation period*, starting from the return of the counterpart in bonis. In this period, the exposures are identified in a special category called *"forborne performing from non-performing"*. At the end of the 24-month *Probation Period*, the exposure may exit monitoring - and therefore the Forborne label may be cancelled - as long as the above conditions are met. (in summary, payment of a not insignificant amount and absence of exposures overdue for more than 30 days).

Non-performing *forborne performing* exposures need special attention. In fact, for such exposures, if during *the Probation period* the exposure:

- is subject to additional *forbearance measures*

- have an overdue/past due date elapsed by more than 30 days

the return to the "*forborne non performing*" registration is automatically provided, with consequent reclassification of the counterpart to Non-performing credits

3.4 The transition to bad

Bad credits include on-balance sheet and off-balance sheet exposures to customers in a state of insolvency (even if not legally ascertained) or in substantially comparable situations, regardless of any loss forecasts made by the company. Regardless of the existence of any guarantees (real or personal) made regarding the exposures. Exposures where abnormal situations are due to sovereign risk are excluded from recognition.

Also included are:

- receivables purchased from third parties whose main debtors are non-performing, regardless of the accounting allocation portfolio.

A customer must be classified as Non-performing if one of the following cases has occurred:

- in the event of a declaration of bankruptcy or other final judicial sentence that ascertains the state of insolvency;
- as a rule, upon the initiation of judicial proceedings by the Bank according to the procedure envisaged in the current legislation and without prejudice to the specificities of the positions originating from Intesa Sanpaolo Personal Finance;

- after an in-depth assessment if the following events have occurred:

  - judicial actions initiated by third parties;
  - when the number of unpaid arrears exceeds the objective limits (12 unpaid monthly instalments for all technical forms) with reference to the counterparties with instalment loans, without prejudice to the presence of out-of-court agreements and/or formalized repayment plans;

In general, as per regulatory provisions (Central Credit Register - Instructions for Intermediaries Participating in the Supervisory Body), the classification as non-performing implies an assessment by the intermediary of the overall financial situation of the customer and cannot arise automatically by a mere delay of the latter in paying the debt. The contestation of the credit is not in itself a sufficient condition for the classification as non-performing.

For the purposes of the Transaction, non-performing credits will be considered **Defaulted Loans** , i.e. those that have an ***Arrears Ratio*** greater than or equal to:

⇒ 10, in the case of mortgages with monthly instalments;

⇒ 4, in the case of mortgages with quarterly instalments;

⇒ 2, in the case of mortgages with half-yearly instalments.

Again in the context of the Transaction and this *Collection Policy*, the"***Arrears Ratio***"indicates at the end of each month of reference the ratio between (a) all amounts due and not paid as principal and interest (excluding default interest) in relation to the Credit and (b) the amount of the instalment relating to the Credit itself due immediately before the end of the month. The classification as a **Defaulted Loan** is irreversible.

3.5 Loan renegotiation policies with payments not up to date

The renegotiation of the rate and/or the duration of the repayment plan is allowed to customers holding mortgages/loans both secured by mortgage and unsecured and who have an arrears in payments.

For positions classified as Proactive Credit, overdue and/or impaired overdue exposures, Probable Default and Forborne Probable Default, it is necessary to agree in advance with the competent Credit Value and/or Management Department, based on the granting or management powers, the possibility of proposing to the customer the renegotiation of the mortgage/financing.

The renegotiation makes it possible to bring the loan back up to date and promotes its future sustainability through the remodeling of the amortization plan of the residual debt with possible extension of the duration, in order to adapt the commitment to the actual cash flows of the customer.

The renegotiation operation must be approved by the competent body in the matter of concession, regardless of the status of the position. If the renegotiation also involves a waiver, the position must be classified in advance as Probable Default and the transaction must be approved by the competent body both in terms of concession and management powers.

For positions intercepted in the "Retail Private Positions Management" process, the renegotiation operation can be resolved at the minimum level of Remediation Specialist within the Central Credit Monitoring Department.

The characteristics of this intervention are the following:

- only for positions classified as Proactive Credit, Overdue or Probable Default/Probable Default-*Forborne* it is possible to provide for a pre-amortization period not exceeding 36 months in which interest-only instalments will be paid, with specific authorization at the minimum level of *Remediation* Specialist in within the Central Management of the Credit Value Presidium or as Credit Specialist for the management of the Regional Management credits, limited to private counterparties;

- for all types of customers, the interest accrued in the last 6 months and the interest on arrears can be deferred on the renegotiated mortgage. In this case, the extension period can last up to a maximum of 36 months and in any case not beyond the residual duration of the renegotiated mortgage. These items will be non-interest bearing, not subject to arrears even in the event of subsequent insolvency and will be collected in instalments starting from the first instalment following those of interest only (in the event of any Pre-amortization).

This solution has important implications, as:

- ✓ it allows for the reshaping of the mortgage repayment burden by extending its residual duration, making the payment of the relative instalments sustainable and more consistent with the actual spending capacity and is characterized by simplicity and flexibility;

- ✓ it allows reporting irregular situations in compliance with the regulations in force, with particular reference to the recent legislative innovations introduced by the Community regulator on the subject of "Forborne" exposure.

In consideration of the various types of mortgages and the numerous possibilities for renegotiation, the interventions in question are assessed and approved on a case-by-case basis, taking into account in particular the creditworthiness of the borrower, as well as the peculiarities of the individual mortgage agreements.

In addition to the usual options for modifying the duration and the type of amortization plan, it is allowed:

- for the positions classified as Overdue, Probable Default and Forborne Probable Default, the rescheduling of mortgage loans/mortgages with payment of part of the principal at the expiry of the last repayment instalment (so-called balloon plan);

The use of the balloon plan allows you to customize the repayment plan based on the customer's current and prospective cash flows; the repayment plan with the final balloon portion therefore provides for the payment of part of the principal on the last instalment of the repayment plan. The interest periodically generated by the balloon portion will be reimbursed together with the instalment of the loan being amortized.

The renegotiation operation with the balloon option can only be resolved by the Remediation Specialist of the Central Credit Control Department or by the BdT Central Credit Department.

- for positions classified as Probable Default/Forborne Probable Default, the renegotiation of mortgage loan/mortgage with partial write-off of the credit:

- if the position is subject to a specific analytical assessment, the write-off is allowed within the limits of the value adjustments already posted on the position, and without prejudice to the limits of management faculties relating to the waiver of credits;

- if the position is subject to analytical assessment on a statistical basis, the write-off is allowed, within the limits of the value adjustments already posted automatically on the position, without prejudice to the limits of management faculties relating to the waiver of credits;

- as a priority, the write-off must always concern the default interest component; the rules for reducing any additional sums written off follow the accounting rules for the instalment collection;

- the LTV ratio of the mortgage being renegotiated must be greater than 70%.

The renegotiation operation with write-off can be resolved at a minimum level Remediation Specialist of the Central Credit Control Department or Credit Specialist for credit management of the Regional Management.

4. THE MANAGEMENT OF NON-PERFORMING CREDITS

Once classified as non-performing, the positions are taken over by the internal or external credit recovery structure, which immediately activates the most appropriate recovery initiatives.

When deciding on the measures aimed at recovering credits, both judicial and extrajudicial solutions are carefully evaluated in terms of cost-benefit analyses, also taking into consideration the financial effect connected to the estimated recovery times.

The analysis is carried out considering all the information elements available and in particular:

- verification of the correct formalization of contracts certifying the existence of credit relationships with the customer (correct completion of credit and guarantees);
- risks of revocation/ineffectiveness of guarantees and/or payments;
- updated value of collateral;
- financial and economic-patrimonial situation of the customer and of any guarantors;
- outcome of any initiatives undertaken by the Bank aimed at speaking with the customer (meeting, replies to any written communications);
- existence of insolvency proceedings.

The extent of the powers conferred, particularly with regard to transactions, to the Head of DC NPE and to the Managers of the structures dependent on it as well as to the Servicer (for positions in external management), allows for flexible and effective management of the recovery activity.

The judicial actions for the recovery of non-performing credits are carried out:

- directly, as far as possible, via party deeds (timely filing of liabilities, credit declarations in bankruptcy proceedings, etc.);

and

- by appointment of external lawyers, chosen from among the lawyers included in the specifically approved Register of Lawyers.

The choice of conferring a mandate on an external lawyer rests, in principle, with the heads of the competent structures. In general, each new assignment can be entrusted only to lawyers included in the Register and signatories of the most recent agreement.

In addition, in the case of positions of high amounts, and of degrees of judgments higher than the first, specific authorizations are provided for both as regards the choice of external lawyer and as regards the procedural strategy to be implemented.

The relationship with external lawyers (regulated, also for economic aspects, by an agreement) provides for (i) frequent updating of documents and information on the main aspects of interest to the Bank (e.g. interest of the debtor in an amicable resolution of the dispute or admission of the requested credit to the passive status) as well as (ii) a monitoring activity on their work by the staff in charge of legal practices, under the supervision and with the help of their own facility managers.

With particular reference to the recovery activity typical of positions of a significant amount, in taking charge of the position an immediate examination of the same is carried out, putting in place all the

urgent and necessary acts to optimize the possibilities of credit recovery, also through the acquisition of new guarantees (e.g. judicial mortgages).

After an initial necessary phase dedicated to the most urgent credit protection actions, the best operational strategy to be implemented is developed in order to maximize credit recovery in the shortest possible time.

With this in mind, the decision can be made to:

- proceed to the direct recovery of the single credit (judicially or out of court);
- proceed with *non-recourse* assignments both of "block" portfolios and of single receivables for a significant amount, to primary national and international operators.

The choice of one of the indicated solutions obviously does not preclude the possible use of the others.

With reference to the possible *transfer* without recourse, the CFO Area regularly maintains relations with the main investors operating in the sector of acquisitions of *Non-Performing Loans* (NPLs) and maintains a list of possible investors.

This knowledge of the market allows - even in the case of the assignment of individual receivables - to close the assignment contract in a very short time and at the best possible conditions.

If, on the other hand, it is considered preferable and more convenient to proceed with the direct recovery of the credit, there is the option, depending on the case:

- of an out-of-court procedure;

that is,

- a judicial procedure (aimed at individual and/or insolvency enforcement).

In relation to receivables of a significant amount, however, it often happens that out-of-court solutions - which however do not exclude the contextual recourse to judicial proceedings - are proposed by the same debtor to the entire banking creditor class.

During these meetings, the policy of the Parent Company, as a rule, is to avoid recourse to "new finance", always preferring solutions that allow - where possible also with the contribution of financial resources from third parties - the rapid definition of the pending amount, as - obviously - the recovery time of a credit certainly represents a burden for the banks of the Group.

If out-of-court recovery is not considered possible or convenient, the opportunity to undertake the path of individual execution is evaluated. If the path of individual execution is preferred, all the activities are put in place to allow a rapid sale of the assets (including through the possibility of entrusting the forced sale procedures to a notary or other professionals).

For the management of non-performing credits entrusted to the Servicer, Brera Sec 3 Srl has assigned the powers to be exercised independently within the scope of the powers indicated below, including the experiment of or the establishment in any type of legal action.

The Servicer will have the right to carry out part of its activities also through the structures of Intesa Sanpaolo.

Collections relating to mortgages Insured by AmTrust International Ltd

The payment of indemnities by the Insurance Company AmTrust International Ltd in relation to high LTV mortgages (LTV from 80.01% to 100% at the time of the mortgage disbursement) covered by an insurance policy is usually requested by the *Servicer* only once all the activities aimed at recovering the credits concerned have been carried out (such as, by way of example, enforcement actions on the assets subject to the real estate guarantee, enforcement of any other ancillary guarantees, practices relating to compensation for other insured damages and related disputes).

4.1 Guarantee Fund for a First Home

The Servicer may make a request for enforcement of *the* guarantee and adopt the other measures referred to in the initiative of *the Guarantee Fund for the Prima Casa,* pursuant to art. 1, paragraph 48, letter (c) of law of 27 December 2013, no. 147, by the inter-ministerial decree of 31 July 2014 and the *Memorandum of Understanding* of 8 October 2014 between the Ministry of Economy and Finance and the Italian Banking Association (ABI), of which Intesa Sanpaolo is a member.

4.2 Faculties attributed to the servicer on non-performing credits sold to Brera Sec 3 srl by Intesa Sanpaolo

A) Faculty regarding transactions and waivers of non-recoverable credits

The *Servicer* will have the right, through its structures and its employees specifically delegated by it, even if seconded by companies of the Intesa Sanpaolo Group, to:

- authorize, in respect of the single credit, write-offs of irrecoverable credits and transactions involving collection in cash or non-cash (for non-cash transactions we mean those involving discharge) on condition that the waiver (gross amount of the credit minus expected collection, including any financial effect from discounting repayment/moratorium plans) does not exceed the amount of Euro 2,000,000.00 (two million); this condition will not apply in the event of write-offs of bad debts following the closure of individual procedures within the scope of the already approved value adjustments, which may be authorized without limits on the amount.

All of the above authorizing:

- waivers under any conditions, within the limits indicated above (including by means of the assignment of credits to third parties in any manner and condition), mortgage terminations as well as debt restructuring agreements, as well as deferred payments/arrears, or the application of favour rates (including zero rates);

- waivers of executive deeds, subrogations, cancellations, postponements, reductions, restrictions, division into shares of loans and splitting of the relative mortgages with guarantee reduction, any other formality relating to mortgages, transcripts - including foreclosures - and privileges, even when the credit has not been extinguished and the authorization itself has not been subject to the full extinction of the credit;
- restitution of sums as a due deed;
- waivers with respect to the gross value of receivables (sum of the accounted for gross of any write-downs), such as disbursements to be made to settle third party claims and accounting for sums having the nature of contingent liabilities and/or non-existence of the credit, when it does not constitute a due deed.

B) Faculty of value adjustments

The *Servicer* will have the right, through its structures and its employees specifically delegated by it, even if seconded by companies of the Intesa Sanpaolo Group, to authorize credit value adjustments for a maximum amount of Euro 2,000,000.00 (two million) to the individual customer.

C) Faculty in matters of transfer to losses in the fiscal, judicial and extrajudicial fields

The *Servicer* will have the right, through its structures and its employees specifically delegated by it, even if seconded by companies of the Intesa Sanpaolo Group, to:

- to authorize budget allocations for judicial and extrajudicial claims made by third parties or in any case against the risk of loss, up to the maximum amount, per single dispute, of Euro 3,000,000 (three million);

- settle judicial or extrajudicial disputes, or prevent the same, by means of disbursements to settle third party claims and arrange for the eventual accounting for contingent liabilities or waivers of credits (without prejudice, however, to the faculties regarding transactions and waivers of non-recoverable credits) within the maximum amount, including interest, legal and ancillary costs, for each dispute, of Euro 1,000,000.00 (one million);

- order the payments relating to the above charges due as a result of judicial, administrative or tax Authorities within the maximum amount of Euro 2,500,000.00 (two million and five hundred thousand) for single effect.

D) Faculty with regard to the payment of taxes and fees

The Servicer will have the right, through its structures and the employees specifically delegated by it, even if detached from companies of the Intesa Sanpaolo Group, to arrange payments to the Financial Administration for indirect taxes connected with non-performing credits.

E) Further faculties

The *Servicer* is also given the power to authorize any judicial, administrative and executive action in any competent venue and in any degree of jurisdiction with the right to abandon it, to withdraw from the acts and actions and to accept similar withdrawals or waivers from the other parties involved, with all the consequent faculties and more generally to do everything necessary - in every location - for the best protection, including judicial, of credits.

F) Faculty regarding legal fees

The *Servicer* may arrange spending uses up to a limit of Euro 200,000.00 (two hundred thousand) for each individual customer.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 15 September 2017 as a *società a responsabilità limitata* for the purpose of carrying out securitisation transactions and issuing asset backed securities. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via V. Alfieri n. 1, 31015 Conegliano (TV) Italy. The fiscal code and enrolment number with the companies' register of Treviso-Belluno is 04899480265. The Issuer's LEI number is 815600713B74D1CCD334. The Issuer's telephone number is +390438360926. The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration No. 35393.8.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is Euro 10,000 fully paid up and held by Stichting Saronno for the amount of Euro 9,500 and Intesa Sanpaolo S.p.A. for the amount of Euro 500. Stichting Saronno is a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

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

First Previous Securitisation

In December 2017 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the **First Previous Securitisation**). In the context of the First Previous Securitisation the Issuer has purchased five portfolios of receivables deriving from residential mortgage loans originated by each of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (before its merger into ISP occurred on 26 November 2018), Cassa di Risparmio in Bologna S.p.A., Cassa di Risparmio del Friuli Venezia Giulia S.p.A. and Cassa dei Risparmi di Forlì e della Romagna S.p.A. (the **First Previous Securitisation Portfolio**). The outstanding principal of the First Previous Securitisation Portfolio as at the relevant effective date (being 23 October 2017) was equal to Euro 7,111,794,663.70.

Under the First Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071; and (b) Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071 (the **First Previous Securitisation Notes**).

Second Previous Securitisation

In December 2018 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the **Second Previous Securitisation**). In the context of the Second Previous Securitisation the Issuer has purchased four portfolios of receivables deriving from secured loans and unsecured loans granted to small and medium-sized enterprises and originated by each of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (before its merger into ISP occurred on 26 November 2018), Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A. (the **Second Previous Securitisation Portfolio**). The outstanding principal of the Second Previous Securitisation Portfolio as at the relevant effective date (being 22 October 2018) was equal to Euro 5,289,492,033.84.

Under the Second Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070; and (b) Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070 (the **Second Previous Securitisation Notes**).

Third Previous Securitisation

In November 2019 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the **Third Previous Securitisation** and together with the First Previous Securitisation and the Second Previous Securitisation, the **Previous Securitisations**). In the context of the Third Previous Securitisation the Issuer has purchased fifteen portfolios of receivables deriving from residential mortgage loans originated by each of (1) ISP; or (2) Banca Cassa di Risparmio di Firenze S.p.A. which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (3) Banco di Napoli S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (4) Cassa di Risparmio in Bologna S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (5) Cassa di Risparmio del Veneto S.p.A., which was taken over by ISP as legal successor from 23 July 2018, as result of a merger; or (6) Banca di Credito Sardo S.p.A., which was taken over by Intesa Sanpaolo as legal successor from 10 November 2014, as result of a merger; or (7) Banca dell'Adriatico S.p.A., which was taken over by ISP as legal successor from 16 May 2016, as result of a merger; or (8) Cassa di Risparmio di Pistoia e della Lucchesia S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (9) Cassa di Risparmio di Venezia S.p.A., which was taken over by ISP as legal successor from 10 November 2014, as result of a merger; or (10) Cassa dei Risparmi di Forlì e della Romagna S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (11) Banca di Trento e Bolzano S.p.A., which was taken over by ISP as legal successor from 20 July 2015 following a merger; or (12) Cassa di Risparmio di Viterbo S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 November 2015; or (13) Cassa di Risparmio di Rieti S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 November 2015; or (14) Cassa di Risparmio dell'Umbria S.p.A. which was taken over by ISP as universal successor, as result of a merger from 21 November 2016; or (15) Cassa di Risparmio del Friuli Venezia Giulia S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 July 2018 (the **Third Previous Securitisation Portfolio** and together with the First Previous Securitisation Portfolio and the Second Previous Securitisation Portfolio, the **Previous Securitisations Portfolios**). The outstanding principal of the Third Previous Securitisation Portfolio as at the relevant effective date (being 15 September 2021) was equal to Euro 5,184,137,308.00.

Under the Third Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072; and (b) Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072 (the **Third Previous Securitisation Notes** and, together with the First Previous Securitisation Notes and the Second Previous Securitisation Notes, the **Previous Securitisations Notes**).

Apart from the Previous Securitisations and the purchase of the Portfolio, the Issuer did not trade during the period from 15 September 2017 to the date hereof, nor did it receive any income nor, save as otherwise described in this Prospectus, did it incur any indebtedness (other than the Issuer's costs and expenses of incorporation and costs related to the purchase of the relevant portfolios recorded as credits towards the Previous Securitisations and the Securitisation), nor did it pay any dividends.

Issuer's principal activities

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

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

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Chairman of the board of directors	Andrea Fantuz, an employee of Banca Finanziaria Internazionel S.p.A., a company providing services related to securitisation transactions. The domicile of Andrea Fantuz, in his capacity of chairman of the board of directors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Director	Fabio Povoledo, an employee of Banca Finanziaria Internazionale S.p.A., a company providing services related to securitisation transactions. The domicile of Fabio Povoledo, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Director	Alessandro Chieffi, lawyer. The domicile of Alessandro Chieffi, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The current statutory auditors of the Issuer are:

Chairman of the board of statutory auditors	Lodovico Tommaseo Ponzetta, accountant and auditor (*commercialista e revisore contabile*). The domicile of Lodovico Tommaseo Ponzetta, in his capacity of chairman of the board of statutory auditors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Vittorio Da Ros, accountant and auditor (*commercialista e revisore contabile*). The domicile of Vittorio Da Ros, in his capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Elena Fornara, accountant and auditor. The domicile of Elena Fornara, in her capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The Quotaholders' Agreement

In the context of the First Previous Securitisation, on 11 October 2017, the Issuer and the Quotaholders entered into the Quotaholders' Agreement pursuant to which each of the Quotaholders has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The provisions of the Quotaholders' Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Quotaholders' Agreement entered into on or about the date on which the Second Previous Securitisation Notes have been issued by the Issuer.

The provisions of the Quotaholders' Agreement have been further extended to the Third Previous Securitisation by the Second Agreement for the Extension of the Quotaholders' Agreement entered into on or about the date on which the Third Previous Securitisation Notes have been issued by the Issuer.

The provisions of the Quotaholders' Agreement have been further extended to the Securitisation by the Third Agreement for the Extension of the Quotaholders' Agreement entered into on or about the Issue Date.

The Quotaholders' Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

The Issuer believes that the provisions of the Quotaholders' Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholders in the quota capital of the Issuer is not abused.

Accounts of the Issuer and accounting treatment of the Portfolio

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year. The first fiscal year ended on 31 December 2017.

Capitalisation and indebtedness statement

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

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000.00
Loan Capital (First Previous Securitisation)	**Euro**
Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071	4,771,446,995
Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071	1,067,309,000
Subordinated Loan	122,862,998
Loan Capital (Second Previous Securitisation)	**Euro**
Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070	1,890,210,450
Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070	1,529,719,000

Subordinated Loan	45,282,512
Loan Capital (Third Previous Securitisation)	**Euro**
Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072	6,650,000,000
Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072	859,500,000
Subordinated Loan	133,000,000
Loan Capital (Securitisation)	Euro
Euro 6,940,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due May 2072	6,940,000,000
Euro 725,400,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072	725,400,000
Subordinated Loan	69,400,000

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

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. For the Issuer's financial statement dated 31 December 2019 and 31 December 2020 please see section "*Documents Incorporated by Reference*" below. So long as any of the Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the annual financial statements of the Issuer will be audited by an auditing company appointed by the Issuer and copies thereof shall be made available, upon publication, at the registered offices of the Issuer and at the website of the Corporate Services Provider.

EY S.p.A. has been appointed as the external auditors of the Issuer.

EY S.p.A. is a member of Assirevi, the Italian association of auditors, and is included in the register of certified auditors (*Registro dei revisori legali*) at the Ministry of Economy and Finance pursuant to Legislative decree No. 39/10 and established by Ministerial Decree No.145 of 2012.

THE CALCULATION AGENT, THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE CORPORATE SERVICES PROVIDER

Banca Finanziaria Internazionale S.p.A. (*breviter* Banca Finint S.p.A.) is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy share capital of Euro 71,817,500.00 fully paid-up, having its registered office at Via Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno number 0404058963, VAT Group "Gruppo IVA FININT S.P.A." - VAT No. 04977190265, registered in the bank's register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under No. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Inerbancario di Tutela dei Depositi"* and of the "*Fondo Nazionale di Garanzia*".

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

In the context of this transaction, Banca Finanziaria Internazionale S.p.A. acts as Calculation Agent, Representative of the Noteholders and Corporate Services Provider.

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

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

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 7,665,400,000.00 and will be applied by the Issuer to pay to the Originator the principal component of the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement. Any remaining amount (deriving from any rounding adjustment) will be credited to the Payment Account.

COMPLIANCE WITH STS REQUIREMENTS

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

No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time.

Without prejudice to the above, prospective investors in the Notes should be aware that, on the basis of the information available with respect to the EU Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations at the time of this Prospectus (including with regard to the risk retention requirements under article 6 of the EU Securitisation Regulation, transparency obligations imposed under article 7 of the EU Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the EU Securitisation Regulation), and subject to any changes that may be made therein after the date of this Prospectus:

(a) for the purpose of compliance with article 20(1) of the EU Securitisation Regulation, pursuant to the Receivables Purchase Agreement the Originator has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 131, Part II, of 4 November 2021, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 26 October 2021 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arranger, which may be disclosed to any relevant competent authority referred to in article 29 of the EU Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20(2) and 20(3) of the EU Securitisation Regulation, under the Subscription Agreement the Originator has represented that is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) in the Republic of Italy (see also the section headed "*Description of the Transaction Documents – The Subscription Agreement*"); therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20(4) of the EU Securitisation Regulation, the Receivables arise from Mortgage Loans that have been granted by ISP (for further details, see the section headed "*The Portfolio - The Criteria*"). Consequently, the requirement provided for under article 20(4) of the EU Securitisation Regulation is met.

(d) with respect to article 20(5) of the EU Securitisation Regulation, the transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the

Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 131, Part II, of 4 November 2021, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 26 October 2021 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"); therefore, the requirements of article 20(5) of the EU Securitisation Regulation are not applicable;

(e) with respect to article 20(6) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Receivables Purchase Agreement, and is freely transferable to the Issuer. (for further details, see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(f) for the purpose of compliance with article 20(7) of the EU Securitisation Regulation, the disposal of Receivables from the Issuer is permitted solely following the delivery of a Trigger Notice or in case of an early redemption of the Notes pursuant to Condition 8.3 (*Optional redemption*) or 8.4 (*Optional redemption for taxation reasons*), provided that the Originator under the Transaction Documents has certain option rights connected with the purchase of single Receivables or, as the case may be, the Portfolio in accordance with the provisions of the relevant Transaction Documents. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the sections headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*")

(g) for the purpose of compliance with article 20(8) of the EU Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by the Originator, as lender, in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by the Originator according to similar servicing procedures; (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over Real Estate Assets and therefore fall in the asset category named "residential mortgages" provided under article 2(a) of the Regulatory Technical Standards on the homogeneity of the underlying exposures; and (iv) within the category "residential mortgages" pursuant to article 2(a) of the Regulatory Technical Standards on the homogeneity for the underlying exposures, the Receivables met the homogeneity factor provided for by article 3(c) of the Regulatory Technical Standards on the homogeneity for the underlying exposures, i.e. the Receivables are secured by Mortgages over Real Estate Assets located in the Republic of Italy. In addition, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) as at the Signing Date, the Receivables comprised in the Portfolio contain obligations

that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, the Guarantors; (ii) as of the Cut-Off Date, the payment of the instalments of each Mortgage Loan was made on a monthly, as provided for in the relevant Mortgage Loan Agreement; and (iii) as at the Signing Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (for further details, see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

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

(i) for the purpose of compliance with article 20(10) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) the Receivables have been originated by the Originator in the ordinary course of its business; (ii) as at the Signing Date, the Receivables comprised in the Portfolio have been selected by the Originator in accordance with credit policies that are not less stringent than the credit policies applied by the Originator at the time of origination to similar exposures that are not assigned under the Securitisation; (iii) as at the Signing Date, the Portfolio does not comprise loans that are marketed and underwritten on the premise that the loan applicant was made aware that the information provided by the loan applicant might not be verified by the Originator; (iv) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC; and (v) the Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables. In addition, there are no exposures that can be sold to the Issuer after the Issue Date in respect of which the Originator should fulfil the obligation to disclose without undue delay any material changes from prior underwriting standards (for further details, see the sections headed "*The Portfolio" and "Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

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

(k) for the purpose of compliance with article 20(12) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Signing Date, the Receivables arise from Mortgage Loans in respect of which at least one payment has been made by the relevant Debtor for whatever reason (for further details, see the

section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(l) for the purpose of compliance with article 20(13) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted as at the Signing Date that, in order to determine the creditworthiness of the relevant Debtor, the Originator has not based its assessment predominantly on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of the Real Estate Assets (for further details, see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

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

(n) for the purpose of compliance with article 21(2) of the EU Securitisation Regulation, in order to mitigate any interest rate risk connected with the Senior Notes, the Conditions provide that the Senior Notes Interest Rate is subject to (i) a floor of 0 (zero) so that, if the Senior Notes Interest Rate falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), and (ii) a cap at a fixed rate of 1.50 per cent. per annum so that the Senior Notes Interest Rate shall never exceed such fixed rate (for further details, see Condition 7.5 (*Rate of interest*)). In addition, (i) pursuant to the Criteria, the Receivables arise from Loans having a fixed interest rate, (ii) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Signing Date, the Portfolio does not comprise any derivatives, and (iii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes of any Class, it shall not enter into derivative contracts save as expressly permitted by article 21(2) of the EU Securitisation Regulation (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*" and Condition 5 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that all Mortgage Loan Agreements are denominated in Euro and do not contain provisions which allow for the conversion into another currency, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*", and "*Terms and Conditions of the Notes*");for the purpose of compliance with article 21(3) of the EU Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, pursuant to the Mortgage Loan Agreements, the interest calculation methodologies related to the Mortgage Loans are based on or generally used sectoral rates reflective of the cost of funds, and do not refer to complex formulae or derivatives; and (ii) the rate of interest applicable to the Senior Notes is calculated by reference to Euribor (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*" and Condition 7.5 (*Rate of interest*)); therefore, any referenced interest payments under the Receivables and the Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(o) for the purpose of compliance with article 21(4) of the EU Securitisation Regulation, (A) following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post Enforcement Priority

of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of a Trigger Notice; and (iii) the Issuer shall, if so directed by the Representative of the Noteholders, sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and the relevant provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 6.2 (Post Enforcement Priority of Payments), Condition 12.2 (*Delivery of a Trigger Notice*), Condition 12.4 (*Consequences of delivery of Trigger Notice*), Condition 13.3 (*Sale of Portfolio*) and the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*");

(p) both prior and following the service of a Trigger Notice, the Senior Notes will rank, as to repayment of principal, in priority to the Junior Notes (for further details, see Condition 6.1 (*Pre Enforcement Priority of Payments*) and Condition 6.2 (*Post Enforcement Priority of Payments*)); the payment of interest on the Junior Notes is fully subordinated to repayment of principal on the Senior Notes when the Post Enforcement Priority of Payments applies and after the occurrence of a Pass-Through Condition which occurs when the Default Ratio is higher than 8%, consistently with the requirements of article 21(5) of the EU Securitisation Regulation;

(q) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"); therefore, the requirements of article 21(6) of the EU Securitisation Regulation are not applicable;

(r) for the purpose of compliance with article 21(7) of the EU Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*", "*Description of the Transaction Documents – The Corporate and Administrative Services Agreement*", "*Description of the Transaction Documents – The Mandate Agreement*" *and* "*Terms and Conditions of the Notes*"). In addition, the Servicing Agreement contain provisions aimed at ensuring that a default by or an insolvency of the Servicer does not result in a termination of the servicing activities, including provisions regulating the replacement of the defaulted or insolvent Servicer with any successor servicer (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*"). Finally, the Cash Allocation, Management and Payments Agreement contain provisions aimed at ensuring the replacement of the Account Bank in case of its default, insolvency or other specified events (for further details, see the sections headed "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*");

(s) for the purpose of compliance with article 21(8) of the EU Securitisation Regulation, under the Servicing Agreement (i) the Servicer has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with article 21(8) of the EU Securitisation Regulation and in accordance with the EBA Guidelines; and (ii) the successor servicer shall, *inter alia*, have expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation

and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*");

(t) for the purpose of compliance with article 21(9) of the EU Securitisation Regulation, the Servicing Agreement and the Credit and Collection Policy attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*" and "*Credit and Collection Policy"*). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Servicing Agreement, the Servicer has undertaken to provide, without delay, the Issuer, the Reporting Entity and the Calculation Agent with the information referred to under article 7, paragraph 1, letter (f) and (g), of the EU Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards (for further details, see the section headed "*Description of the Transaction Documents – The Servicing Agreement*"). Furthermore, pursuant to the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement, (i) the Calculation Agent has undertaken to prepare, on or prior to each Investors Report Date, the SR Investors Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the SR Investors Report from the Calculation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the Data Repository (for further details, see the sections headed, "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*");

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

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

(w) for the purposes of compliance with article 22(2) of the EU Securitisation Regulation, an appropriate and independent party has verified prior to the Issue Date, (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT

systems in respect of each selected position of a representative sample of the Portfolio; (ii) the accuracy of the data relating to the Portfolio disclosed in the sub-section headed "*Characteristics of the Portfolio*"; and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Originator in relation to the Receivables comprised in the Portfolio with the Criteria that are able to be tested prior to the Issue Date (for further details, see the section headed "*The Portfolio – Pool Audit*");

(x) for the purposes of compliance with article 22(3) of the EU Securitisation Regulation, under the Intercreditor Agreement the Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by ISP to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the Data Repository a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer (for further details, see the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*").

(y) for the purposes of compliance with article 22(4) of the EU Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare the Loan by Loan Report setting out information relating to each Mortgage Loan as at the end of the immediately preceding Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report) to the investors in the Notes by no later than one month after each Payment Date through the Data Repository (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*");

(z) for the purposes of compliance with article 22(5) of the EU Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents. Each of the Issuer and the Originator has agreed that the Originator is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information on the Data Repository. As to pre-pricing disclosure requirements set out under articles 7 and 22 of the EU Securitisation Regulation, under the Intercreditor Agreement: (a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage 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, including data on the environmental performance of the Real Estate Assets (if available)) and, in draft form, the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between

the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and (b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing: (A) through the Data Repository, (i) the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and (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 EBA Guidelines on STS Criteria; and (B) through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*").

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. THE RECEIVABLES PURCHASE AGREEMENT

On 20 October 2021, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Portfolio.

The Purchase Price for the Portfolio payable pursuant to the Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Portfolio. The Individual Purchase Price for each Receivable is equal to the nominal amount of the Receivables as at the Effective Date under the relevant Mortgage Loan Agreement, plus the interest accrued but unpaid as at the Effective Date. Under the Receivables Purchase Agreement, the Purchase Price of the Portfolio is payable by the Issuer to the Originator on the Issue Date, provided that the tramsfer formalities set out in the Receivables Purchase Agreement have been completed.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio – The Criteria*". The sale of the Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer of the Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 131, Part II, of 4 November 2021 and was registered in the companies register of Treviso-Belluno on 26 October 2021.

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

Furthermore, under the Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase the Portfolio (in whole but not in part) from the Issuer, without recourse (*pro soluto*) and in accordance with article 58 of the Consolidated Banking Act, on the Clean Up Option Date (included) and on any Payment Date thereafter, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Senior Notes and the Junior Notes (unless the Junior Noteholders consent to a partial redemption), (b) any accrued but unpaid interest due in respect of the Senior Notes and the Junior Notes (unless the Junior Noteholders consent to a partial payment) and (c) any amount required to be paid under the Pre Enforcement Priority of Payments in priority to or *pari passu* with the Junior Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by the Originator, and (b) a certificate

issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator. The above certificates must be dated not earlier than 10 Business Days before the date of the exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to article 12.1 of the Receivables Purchase Agreement).

In addition, under the Receivables Purchase Agreement, in order to allow the Originator to maintain good relationships with its customers and for other commercial needs of the Originator and with a view at avoiding, to the extent possible, discriminations between the Debtors and the other borrowers of the Originator, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limit of (a) in respect of the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date, and (b) in respect of Receivables other than the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date. In addition, such option right may be exercised subject to the Originator delivering to the Issuer (with copy to Representative of the Noteholders and the Rating Agencies) (a) a solvency certificate issued by the Originator, and (b) unless already provided in the preceding 3 (three) months, a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator, in each case dated not earlier than 10 Business Days before the date of the relevant exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to article 12.2 of the Receivables Purchase Agreement).

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

Pursuant to the Receivables Purchase Agreement there are no exposures that can be sold by the Originator to the Issuer after the Issue Date.

2. THE SERVICING AGREEMENT

On 20 October 2021, the Originator and the Issuer entered into the Servicing Agreement pursuant to which the Issuer has appointed the Originator as Servicer of the Receivables included in the Portfolio. The receipt of the Collections related to the Portfolio is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit to the Collection Account any amounts collected from the Receivables included in the Portfolio, within the second Business Day following the date on which such amounts have been so collected. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law.

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

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

(b) prepare and deliver:

(i) to the Issuer, the Administrative Services Provider, the Corporate Services Provider and the Reporting Entity, the Monthly Servicer Report (including any further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the EU Securitisation Regulation and in compliance with the Regulatory Technical Standards);

(ii) to the Issuer, the Account Bank, the Calculation Agent, the Representative of the Noteholders, the Paying Agent, the Administrative Services Provider, the Corporate Services Provider, the Reporting Entity, the independent auditor from time to time appointed by the Issuer and the Rating Agencies, the Quarterly Servicer's Report (including any further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the EU Securitisation Regulation and in compliance with the Regulatory Technical Standards,

each of the above report containing a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio.

The Servicer has also undertaken to prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date.

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

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

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

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

The Servicing Agreement further provides for the possibility for the Servicer to renegotiate,

subject to certain limitations and conditions specified in the Servicing Agreement and in accordance with the Credit and Collection Policy, the Mortgage Loan Agreements. In addition, under certain circumstances, the Servicer is permitted to grant to the Debtors the suspension of payment of the instalments due under the relevant Mortgage Loans.

For further details, see the section headed "Risk factors", paragraphs "*Changes in the Portfolio composition*" and "*Yield and payment considerations*".

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

Under the Servicing Agreement, the Servicer has representated to the Issuer that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures, in accordance with article 21(8) of the EU Securitisation Regulation and in accordance with the EBA Guidelines on STS Criteria.

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

(a) for the activity of administration, management and collection of the performing Receivables (*crediti in bonis*), an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(b) for the activity of administration, management, collection and recovery of the non performing Receivables (*crediti non in bonis*) different from the Receivables classified as Defaulted Receivables, an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

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

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

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

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

(c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is, or will be,

a party, has been proved to be untrue, false or deceptive in any material respect and such default (at sole discretion of the Representative of the Noteholders) may materially prejudice the interests of the Issuer or the Noteholders;

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

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

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

The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the obligations arising from the Servicing Agreement if on such date a successor servicer is not appointed by the Issuer or it has not accepted the appointment.

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

Promptly after the date on which the revocation of the Servicer produces its effects, the Servicer shall, *inter alia*, (i) make available, at its costs and expenses, to the Issuer or the relevant successor servicer, all the Documentation, (ii) transfer to the Collection Account, any and all amounts received in respect of the Receivables but not already credited on it, and (iii) promptly deliver to the successor servicer the bill of exchange, the promissory notes and the cheques not presented for collection. In addition, the Servicer (failing which, the relevant successor servicer) shall, within 15 days (or, in case of Insolvency Event, 5 (five) Business Days from the date of receipt of a notice of termination, shall instruct the Debtors, the Guarantors and the relevant insurance companies to make any future payment relating to the Receivables directly to the account opened in the name of the Issuer with the substitute or on a different account in the name of the Issuer and opened with an Eligible Institution indicated by the Issuer or by the Representative of the Noteholders..

Following the occurrence of a Servicer Termination Event, the Issuer is entailed to appoint as successor servicer, any entity which fulfils the following requirements:

(a) it is an entity meeting the requirements set out under the Securitisation Law, the EU Securitisation Regulation, the Regulatory Technical Standards, the EBA Guidelines on STS Criteria and the Bank of Italy applicable regulation to act as a servicer in a securitisation transaction;

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

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

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

(e) it is an entity that has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures, in accordance with article 21(8) of the EU Securitisation Regulation and in accordance with the EBA Guidelines on STS Criteria.

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

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 20 October 2021, the Issuer and the Originator entered into the Warranty and Indemnity Agreement pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

Representation and warranties given by the Originator

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

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

(b) existence and legal ownership of the Receivables;

(c) transfer of the Receivables and Transaction Documents;

(d) Mortgage Loan Agreements and Guarantees;

(e) Mortgage Loans;

(f) compliance with the Applicable Privacy Law;

(g) Mortgages;

(h) Insurance Policies;

(i) Real Estate Assets; and

(j) other representations and warranties.

Under the Warranty and Indemnity Agreement the Originator has represented and warranted, inter alia, as follows:

Existence and legal ownership of the Receivables:

- the Receivables are existing and constitute valid, legitimate, enforceable obligations for the full nominal amount assigned (as indicated in the List of the Receivables

(*Prospetto dei Crediti*), binding and enforceable with full right of recourse against the Debtors and, where applicable, the Guarantors;

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

- the Originator has not assigned, participated, charged, transferred (whether absolutely or by way of security) or otherwise disposed of any of the Mortgage Loan Agreements, the Mortgages, the Collateral Guarantees, the Insurance Policies, or terminated, waived or amended any of the Mortgage Loan Agreements, the Collateral Guarantees and the Insurance Policies other than as provided in the Transaction Documents to which it is a party;

- there are no clauses or provisions in the Mortgage Loan Agreements, pursuant to which any right or faculty is recognised to the Debtors as a consequence of the transfer of the Receivables;

- the Receivables arise from Mortgage Loan Agreements which, as at the Cut-Off Date, did not present instalment that are due but not have not been paid (also partially), for more than 30 calendar days, on the basis of the accounting findings of the Originator;

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

Transfer of the Receivables and Transaction Documents:

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

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

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

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

- there are no clauses or provisions in the Mortgage Loan Agreements and in the other agreements, deeds, agreements or documents connected to them (i) by virtue of which

it is prohibited for the Originator, even partially, to transfer, assign or otherwise dispose of the relative Receivables, or (ii) which are in any case in conflict with certain provisions of the Warranty and Indemnity Agreement, the Receivables Purchase Agreement or the other Transaction Documents. The assignment of the Receivables to the Issuer under the terms of the Receivables Purchase Agreement does not in any way affect or invalidate the obligations of the Debtors and any other person otherwise obliged to the Originator by virtue of a contract, deed, agreement entered into in relation to the Mortgage Loan Agreement, concerning the payment of the amounts due in respect of the Receivables;

- the payment obligations assumed by the Originator under the Warranty and Indemnity Agreement and under all the other Transaction Documents of which it is or will become a party, constitute claims against it at least equal in rank to the claims of all its other creditors not subordinated or guaranteed under Italian law, with the exception of those whose claims are privileged by virtue of applicable laws and to the extent that such laws provide;

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

Mortgage Loan Agreements and Guarantees

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

- each Mortgage Loan Agreement and each Guarantee and each related document is valid, existing and enforceable according to their provisions (except for the application of bankruptcy laws and other similar laws generally affecting the rights of creditors) and complies in all respects with the Italian laws and regulations currently in force; the Debtors, the Guarantors, the Mortgage providers (*datori di ipoteca*) or the grantees of the Collateral Guarantees and, in each case, the signatories of any agreement, deed or document on the subject, each had, at the relevant date of conclusion, the full powers and authorizations for the conclusion and signing of the relevant Mortgage Loan Agreement, Mortgage and Collateral Guarantee. Each Mortgage Loan and each Guarantee has been diligently renewed and maintained; and each other action necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Mortgage Loan Agreement, and/or Guarantee has been diligently and unconditionally undertaken;

- all the Mortgage Loan Agreements have been signed: (i) in compliance with the standard form agreements used from time to time by the Originator; (ii) with counterparties selected on the basis of credit procedures adopted in full compliance with the applicable supervisory regulations and instructions which has been regularly applied; (iii) in compliance with the internal criteria adopted by the Originator for the

disbursement of Mortgage Loans. After the date on which each Mortgage Loan Agreement was entered into, no Mortgage Loan Agreement was amended, even if only potentially, in such a way as to prejudice the rights and claims of the Originator, without prejudice to the effects of renegotiations carried out by the Originator up to the Cut-Off Date;

- each Mortgage Loan Agreement has been drawn up in the form of public deed (*atto pubblico*) drawn up by an Italian Notary Public or private deeds subsequently notarised (*scrittura privata autenticata*);

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

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

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

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

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

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

Mortgage Loans

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

- none of the Debtors is a public entity, public administration nor a company belonging to the Intesa Sanpaolo Group.

- all the Debtors are natural persons, are resident in Italy and were resident in the European Economic Area (as defined in Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 (on the implementation of the monetary policy framework of the Eurosystem)) upon the disbursement of the relevant Mortgage Loan.

- all the Debtors belong to the categories of consumer households (*famiglie consumatrici*) (SAE 600) resident in Italy. All Mortgage Loans related to the Mortgage Loan Agreements have been granted to the Debtors upon submission of documentation proving their income sources.

- all the Guarantors (who are natural persons) are resident in the European Economic Area and were resident in the European Economic Area upon the disbursement of the relevant Mortgage Loan.

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

- as of the Signing Date, none of the Receivables have been repaid in full.

- the Receivables have been granted (i) on the basis of a valuation of the Real Estate Asset(s) as a Guarantee to the same - assessment carried out and signed, prior to the approval of each Mortgage Loan Agreement, by a qualified expert who, if external to the Originator, to the best of his/her knowledge and belief, has not at any time had any direct or indirect interest in the Real Estate Asset(s) and the related Mortgage Loan Agreement and whose remuneration was not in any way connected with the approval of the relevant Mortgage Loan Agreement; and (ii) on the basis of an assessment of the additional assets subject to Collateral Guarantees where these are to be taken into account for the purposes of determining their real estate value.

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

- at each stage of the granting of each mortgage included in the Mortgage Loans and limited to Receivables arising from Mortgage Loan Agreements, the maximum limit on the amount of the loan in relation to the value of the relevant Real Estate Asset was respected for the purposes of qualifying the receivable as residential mortgage loan (*fondiario*) pursuant to article 38 of the Consolidated Banking Act and the decisions and resolutions referred to therein. In particular, with regard to Receivables qualified by the Originator as a "mortgage loan" (*mutuo fondiario*) within the meaning of the aforementioned article 38 granted in a percentage greater than 80% (eighty percent) of the lower of the purchase price and the estimated value of the relevant Real Estate Assets, the insurance policies taken out by the Originator or its predecessors in title (in

which the latter took over) as additional guarantees in order to raise the limit of financing in the context of loans referred to in article 38 et seq. of the Consolidated Banking Act, meets all applicable legal and regulatory requirements.

- as of the Cut-Off Date, each Real Estate was fully built and completed and in compliance with the provisions on building, urban planning and legal regulations, or, based on the best knowledge of the Originator, if these regulations were not complied with and except in the case where irregularities and/or incompleteness are of minor importance, as of the date of disbursement of each Mortgage Loan under the relevant Mortgage Loan Agreement, an application for amnesty (*condono*) had been duly submitted to the competent authority and such application could not be rejected on the basis of unfulfilled payments of taxes, duties, penalties or sanctions, or on the grounds of non-compliance with the law.

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

- as of the Cut-Off Date, the payment of the instalments of each Mortgage Loan was made on a monthly, as provided for in the relevant Mortgage Loan Agreement.

- no Receivable provides for full repayment of the principal at the expiration date of the relevant Mortgage Loan Agreement.

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

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

Compliance with the Applicable Privacy Law

- in the administration and management of the Mortgage Loans and the Mortgage Loan Agreements, the Originator has complied and complies with the applicable provisions of the Applicable Privacy Law.

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

Mortgages

- each Mortgage has been duly granted, constituted, registered, renewed (if necessary) and preserved and is therefore valid and effective and can be enforced. Each Mortgage also meets all the requirements of all the laws and regulations in force and applicable to such matter and is not affected by any defect. Each Mortgage was established on a voluntary basis and at the same time (substantially) as the granting of the relevant Mortgage.

- any consolidation period applicable to the Mortgages has expired and the related guarantee thus created is not likely to be affected by any law or regulation in force in Italy, either through a claw-back action or otherwise, including, by way of example, in accordance with article 67 of the Bankruptcy Law.

- the Originator has not cancelled, released, reduced, even partially, any Mortgage, nor has it consented to its cancellation, release or reduction, except (i) to the extent that the cancellation, release or reduction in case it was made in accordance with the prudential credit practice in force in Italy, and (ii) when requested by the Debtor or the Mortgagor (*datore di ipoteca*) in circumstances where the cancellation, release or reduction is required by applicable laws or contractual clauses of the relevant Mortgage Loan Agreement. No Mortgage Loan Agreement contains clauses that give the Debtor(s) or the Mortgagor(s) (*datori di ipoteca*) the right to cancel, release or reduce the Mortgage in question unless and to the extent required by applicable laws and/or regulations.

- each Mortgage is an "economic" first-level mortgage (*ipoteca di primo grado economico*): there are no other mortgages granted on the Real Estate Assets in favour of third parties who have the same ranking or priority ranking to the Mortgages or, if there are such mortgages, the relevant secured creditors have been fully satisfied and the related debt has already been extinguished or is in the process of being cancelled having obtained the relevant consent to the cancellation of the previous mortgage or having the Debtor given the Originator an irrevocable mandate to extinguish the previous mortgage debt with the retraction of the mortgage loan. The Mortgages have not been set up to guarantee other mortgage loans other than those granted on the basis of the Mortgage Loan Agreements.

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- the Originator has not released or exonerated any Debtor or Mortgagor (*datore di ipoteca*) or Guarantor from their obligations, nor has it subordinated its rights to the rights of other creditors, nor has it waived any of its rights, except in relation to payments made for the corresponding amount to satisfy the relevant Receivables.

Insurance Policies

- Insurance Policies are governed by Italian law, are in full force and effect and, where provided for in the relevant Mortgage Loan Agreements, all insurance premia are paid in advance by the Originator. The Originator is the beneficiary of each Insurance Policy.

- under the Insurance Policies, the Originator has the right to require that the relevant insurance company make payments due under the said Insurance Policy directly to the Originator or their assignees and not to the relevant Debtor, and that the interests and rights of the Originator under the aforesaid Insurance Policy may be assigned to the Issuer and this shall not affect the validity of each Insurance Policy.

- each Insurance Policy covers the risk deriving from fires, explosions and lightning for an amount at least equal to 100% of the amount of reconstruction of the insured asset.

- the risks of damage or destruction of each Real Estate Asset for events occurring up to the Effective Date have been covered by Insurance Policies (covering at least the fire and explosion risks, for a value equal to the reconstruction value of the relevant asset) executed by the Debtors and/or the Mortgagors and (i) bound in favour of the Originator or (ii) subject to an irrevocable mandate to collect in favour of the

Originator, or (iii) which provide for the Originator as beneficiary, and/or by a global policy (covering the same risks and for the same amount as above) stipulated by the Originator whose premium has been regularly and punctually paid by the same Originator.

Real Estate Assets

- any Real Estate Asset, at the time of the inscription of the relevant Mortgage, was owned by the relevant Mortgagor (*datore di ipoteca*).

- as far as the Originator is aware and informed, no claims or actions by third parties, including acquisitive prescription (*usucapione*), have been brought against any of the Real Estate Assets nor are there any prejudicial registrations or transcripts in relation to any of the Real Estate Assets, which may prejudice or have a negative effect on the relevant Mortgage, the relevant enforceability and the relevant degree or which may prejudice the rights of the Issuer as a mortgage creditor (*creditore ipotecari*o). At the date of registration of each Mortgage, there are no preliminary agreements for the purchase of the relevant Real Estate Assets entered into and transcribed in the relevant Territory Agencies or Register of Real Estate (*Conservatorie dei Registri Immobiliari*) between the relevant Mortgagor and third parties.

- at the time of disbursement of the relevant Mortgage Loans and perfection of the relevant Mortgage, the Real Estate Assets were in compliance with all laws and regulations on hygiene, safety and environmental protection. The Originator is not aware of the presence of harmful or polluting substances pursuant to Italian legislation on safety and environmental protection in relation to the Real Estate Assets, nor of the non compliance of certain Real Estate Asset, as of the Signing Date, with the laws and regulations in force regarding hygiene and safety and environmental protection.

- the Originator is not aware of any defects in or damage to each Real Estate Asset.

- all Real Estate Assets comply with the legal requirements for habitability or practicability, as the case may be, is free from defects that could cause it to become non-marketable and is not otherwise subject to defects pursuant to Law No. 47 of 28 February 1985 ("*Norme in materia di controllo dell'attività urbanistico-edilizia, sanzioni, recupero e sanatoria delle opere edilizie*") and Law No. 298 of 21 June 1985, as subsequently amended or supplemented and/or extended, or any other relevant regulation.

- at the time of the disbursement of the Mortgage Loans pursuant to the Mortgage Loan Agreements and the registration of the relevant Mortgage, the relevant Real Estate Asset was in compliance with all the legal provisions, including the town planning and building legislation (legislazione edilizia, urbanistica e vincolistica), even if as a result of building amnesty (condono edilizio).

- at the time of the disbursement of the Mortgage Loans pursuant to the Mortgage Loan Agreements and the registration of the relevant Mortgage, granted either on proprietary rights or on surface rights, each Real Estate Asset was duly registered with the competent Territorial Agency, Register of Real Estate and/or Urban Land and Land Registry Office (*Ufficio del Catasto Urbano e dei Terreni*) or in any case a valid application had been submitted to make such registration, in compliance with all town planning, building and boundary regulations and with all possible laws applicable to the registration of real estate assets with the competent Agency for the Territory,

Conservatory of Real Estate Registers and/or Urban Land and Land Registry Office (*Ufficio del Catasto Urbano e dei Terreni*).

- to the Originator's best knowledge, no Real Estate Asset is subject to legal proceedings, nor the Originator has been notified of the pending legal proceedings by third party creditors pursuant to article 498 of the Italian code of civil procedure. Furthermore, to the Originator's best knowledge there are no pending proceedings or petitions to obtain the release, seizure or confiscation, even only in part, of the Real Estate Assets.

- to the Originator's best knowledge, each Real Estate Asset complies with all applicable Italian laws regarding its destination use (*destinazione d'uso*) as a residential property.

- each Real Estate Asset is located in the territory of the Republic of Italy.

- at the time of disbursement of the funds in accordance with, or following, each Mortgage Loan and the perfection of the relevant Mortgage, the relevant Real Estate Asset was in compliance with the regulations in force at that time regarding the landscape, the environment and the protection of the assets of historical interest.

- each Real Estate Asset has a certificate of habitability and/or usability (*certificato di abitabilità e/o agibilità*).

Other representations and warranties

- 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 applied by the Originator to similar non-securitised exposures at the time of their origination. The Originator has more than 5 (five) years expertise in originating exposures of a similar nature to the Receivables.

- the Originator has assessed the Debtor's creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC or article 18(1) to (4), (5)(a) and (6) of Directive 2014/17/EU and, in order to determine the creditworthiness of the relevant Debtor, the Originator has not based its assessment primarily on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage.

- the Portfolio does not include (i) any transferable securities within the meaning of Article 4(1)(44) of Directive 2014/65/EU, (ii) any securitisation positions, (iii) any derivatives,

- any loans marketed was marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the Originator.

- the Portfolio does not include default exposures within the meaning of Article 178(1) of Regulation (EU) No 575/2013. or exposures to a credit-impaired debtor or guarantor who, to the Originator's knowledge:

  (i) has been declared insolvent or has seen a court grant its creditors a final non-appealable right of enforcement or 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 Signing Date;

(ii) was at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments is significantly higher than the ones of comparable exposures held by the Originator and not transferred under the Securitisation.

- the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type, including their contractual, credit risk and prepayment characteristics, given that:

  (i) the Receivables have been originated from the Originator, as lender, in accordance with loan disbursement policies which apply similar approach to the assessment of credit risk associated with the Receivables;

  (ii) the Receivables have been services by the Originator according to similar servicing procedures;

  (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over one or more Real Estate Assets and therefore fall within the asset category named "residential loans" as provided for by Article 2(a) of the Regulatory Technical Standards on the homogeneity of the underlying exposures; and

  (iv) within the category "residential loans" pursuant to Article 2(a) of the Regulatory Technical Standards on the homogeneity of underlying exposures, the Receivables satisfy the homogeneity factor provided for in Article 3(c) of the Regulatory Technical Standards on the homogeneity of underlying exposures, i.e. the Receivables are secured by Mortgages on Real Estate Assets located in the Republic of Italy.

- the Receivables arise from Mortgage Loans in relation to which, on the Signing Date, at least one payment has been made in any way by the relevant Debtor.

- under the terms of the Mortgage Loan Agreements, the calculation methods of interest on Mortgage Loans are based on general market interest rates or general sector interest rates that reflect the cost of financing and do not refer to complex formulas or derivatives.

Indemnity obligations of the Originator

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Mortgage Loan Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated banking Act; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Mortgage Loan Agreements.

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

4. THE CORPORATE AND ADMINISTRATIVE SERVICES AGREEMENT

In the context of the First Previous Securitisation, on 31 October 2017, the Issuer, the Corporate Services Provider and the Administrative Services Provider entered into the Corporate and Administrative Services Agreement pursuant to which each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide certain corporate administration and management services to the Issuer in relation to the First Previous Securitisation.

The parties of the Corporate and Administrative Services Agreement have also agreed, *inter alia*, that any remuneration, cost and expense incurred by the Corporate Services Provider and/or the Administrative Services Provider which are exclusively related to a specific securitisation transaction shall be entirely paid out of the available funds of the Issuer in accordance with the priority of payments applicable to the relevant securitisation transaction while any other sum which is not exclusively related to a specific securitisation shall be divided by the number of securitisation transactions then outstanding and each payment so calculated shall be made by the Issuer utilising the issuer available fund of each such securitisation transactions in accordance with the relevant priority of payments.

The provisions of the Corporate Services Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Corporate and Administrative Services Agreement entered into on 29 October 2018.

The provisions of the Corporate Services Agreement have been further extended to the Third Previous Securitisation by the Second Agreement for the Extension of the Corporate and Administrative Services Agreement entered into on 25 September 2019.

The provisions of the Corporate Services Agreement have been further extended to the Securitisation by the Agreement for the Extension of the Corporate and Administrative Services Agreement entered into on or about the Issue Date.

The Corporate and Administrative Services Agreement, the First Agreement for the Extension of the Corporate and Administrative Services Agreement, the Second Agreement for the Extension of the Corporate and Administrative Services Agreement and the Third Agreement for the Extension of the Corporate and Administrative Services Agreement and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian law.

5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Account Bank, the Calculation Agent, the Paying Agent, the Representative of the Noteholders, the Corporate Services Provider, the Administrative Services Provider and the Servicer entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

(a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Cash Reserve Account, the Expenses Account the Corporate Account, the Collection Account, the Investment Account and the Payment Account and to provide the Issuer with certain reporting services together with account handling

services in relation to monies from time to time standing to the credit of the above mentioned Accounts;

(b) the Calculation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report, the Investors Report, to make available the SR Investors Report and the Inside Information and Significant Event Report provided by the Originator (acting also in its capacity as Reporting Entity) by means of the Data Repository and to provide the Issuer with certain calculation services in relation to the Notes;

(c) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Euribor on each Interest Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

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

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of any Agent by giving not less than 90 calendar days written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred, provided that no revocation of the appointment of any Agent shall take effect until a successor has been duly appointed. The appointment of an Agent may terminate in accordance with article 1456 of the Italian civil code if the relevant Agent fails to comply with certain obligations under the Cash Allocation, Management and Payments Agreement.

The appointment of an Agent may terminate in accordance with article 1373 of the Italian civil code or 78 of the Bankruptcy Law, as applicable, if an Insolvency Event occurs in relation to any Agent. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 90 calendar days (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders, it being understood that in the event the prior notice is given with at least 90 calendar days or such other shorter period agreed with the Representative of the Noteholders which is an adequate notice ("*congruo preavviso*") for the purpose of article 1727 of the Italian civil code, the relevant Agent may resign without giving any reason and without being responsible for liabilities whatsoever which may be caused as a result of such resignation. Such resignation will be subject to and conditional upon: (i) if such resignation would otherwise take effect less than ten days before or after any Payment Date (or any other date on which the Issuer is allowed or obliged for whatever reason to effect payments in respect of the Notes), such resignation not taking effect until the tenth day following such date; (ii) a substitute Calculation Agent, Paying Agent or Account Bank, as the case may be, being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement (in particular, the substitute Paying Agent or Account Bank must be an Eligible Institution); (iii) no Agent being released from its obligations under the Cash Allocation, Management and Payments Agreement until a substitute Agent has entered into such new agreement and it has become a party to the Intercreditor Agreement and the other relevant Transaction Documents; and (iv) notice of such resignation having been given to the Rating Agencies by the Issuer or the Representative of the Noteholders or the resigning Agent.

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

6. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

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

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

With reference to risk retention requirements set out under article 6 of the EU Securitisation Regulation, under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in not less than 5% of the total nominal value of each of the tranches sold or transferred to investors (i.e. the Senior Notes and the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the 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 Calculation Agent to be disclosed in the SR Investors Report; and

(d) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the 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(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

With reference to transparency requirements set out under articles 7 and 22 of the EU Securitisation Regulation, under the Intercreditor Agreement, the Originator and the Issuer have

designated among themselves the Originator as the Reporting Entity and the Parties have acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

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

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

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage 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, including data on the environmental performance of the Real Estate Assets (if available)) and, in draft form, the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing:

    (A) through the Data Repository, (i) the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and (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 EBA Guidelines on STS Criteria; and

    (B) through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

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

article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare:

(i) the SR Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;

(ii) the Inside Information and Significant Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository (simultaneously with the Loan by Loan Report and the SR Investors Report) by no later than one month after each Payment Date; it remains understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation has been notified to the Originator pursuant to clause 12.2(h) of the Intercreditor Agreement or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Data Repository without undue; and

(c) the Issuer will 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 in its possession),

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

In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes, upon request, through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

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

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

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

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the EU Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) has undertaken to provide the Reporting Entity with any further information which from time to time is required under the EU Securitisation Regulation that is not covered under the Intercreditor Agreement.

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

7. THE SUBORDINATED LOAN AGREEMENT

Under the terms of the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the Subordinated Loan for an amount of Euro 69,400,000.00 for the purpose of establishing, on the Issue Date, the Cash Reserve in accordance with the Transaction Documents and the Priority of Payments.

The Subordinated Loan will be repaid by the Issuer in accordance with the Subordinated Loan Agreement and the applicable Priority of Payments.

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

8. THE MANDATE AGREEMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement under which, subject to a Trigger Notice being served upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents and subject to the fulfilment of certain conditions, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's

non-monetary rights arising out of certain of the Transaction Documents to which the Issuer is a party.

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

9. THE QUOTAHOLDERS' AGREEMENT

In the context of the First Previous Securitisation, on 11 October 2017, the Issuer and the Quotaholders entered into the Quotaholders' Agreement pursuant to which each of the Quotaholders has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The provisions of the Quotaholders' Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Quotaholders' Agreement entered into on 12 December 2018.

The provisions of the Quotaholders' Agreement have been further extended to the Securitisation by the Second Agreement for the Extension of the Quotaholders' Agreement entered into on 26 November 2019.

The provisions of the Quotaholders' Agreement have been further extended to the Securitisation by the Third Agreement for the Extension of the Quotaholders' Agreement entered into on or about the Issue Date.

The Quotaholders' Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

THE ACCOUNTS

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

(1) *Collection Account*

(a) *in:*

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

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

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

(2) *Investment Account*

(a) *in*:

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

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

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

(iv) the proceeds deriving from the sale, if any, of the Portfolio in accordance with the Transaction Documents;

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

(vi) on the Business Day following the Issue Date, the difference between: (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio transferred from the Payment Account;

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

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

(b) *out*:

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

(ii) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of the Initial Principal Portfolio shall be transferred to the Payment Account;

(iii) on the Issue Date, an amount equal to Euro 120,000.00 shall be transferred to the Corporate Account; and

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

(3) *Payment Account*

(a) *in*:

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

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

(iii) pursuant to clause 3.4(d)(ii) of the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of an amount equal to the Initial Principal Portfolio transferred from the Investment Account;

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

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

(b) *out*:

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

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

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

(iv) on the Business Day following the Issue Date, the difference between (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio shall be transferred to the Investment Account.

(4) *Cash Reserve Account*

(a) *in*:

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

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

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

(b) *out*:

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

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

(5) *Expenses Account*

(a) *in*:

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

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

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

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2 of the Cash Allocation, Management and Payments Agreement; and

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

(6) *Corporate Account*

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 120,000.00 shall be credited from the Investment Account;

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

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

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2 of the Cash Allocation, Management and Payments Agreement; and

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

In accordance with the Securitisation Law, the Issuer is a special purpose vehicle and in the context of the issuance of the notes of the Previous Securitisations has opened certain bank accounts. The sums standing from time to time to the credit of such bank accounts will not be available to the Other Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

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

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published in the Official Gazette number 201 of 30 August 2018, as amended and supplemented from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.*

In these Conditions, references to (i) any agreement or other document shall include such agreement or other document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 6,940,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due May 2072 (the **Class A Notes** or the **Senior Notes**) and the Euro 725,400,000.00 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**) are issued by Brera Sec S.r.l. (the **Issuer**) on 1 December 2021 (the **Issue Date**) pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the **Securitisation Law**), to finance the purchase by the Issuer of a portfolio (the **Portfolio**) of monetary claims and connected rights arising under residential mortgage loan agreements (the **Receivables**) originated by ISP, pursuant to a receivables purchase agreement entered into on 20 October 2021 (the **Receivables Purchase Agreement**).

The principal source of payment of interest and Additional Return (if any) and repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents from the Effective Date. By operation of the Securitisation Law and the Transaction Documents, the Issuer's Rights, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer (including the assets relating to the Previous Securitisations (as defined in the Conditions) and any further securitisation undertaken by the Issuer) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the **Priority of Payments**).

Any reference below to a **Class** of Notes or a **Class** of Noteholders shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective ultimate owners thereof. Any reference below to the **Class A Noteholders** or **Senior Noteholders** are to the beneficial owners of the Senior Notes and references to the **Junior Noteholders** are to the beneficial owners of the Junior Notes and references to the **Noteholders** are to the beneficial owners of the Senior Notes and Junior Notes.

1. INTRODUCTION

1.1 *Noteholders deemed to have notice of Transaction Documents*

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

1.2 *Provisions of Conditions subject to Transaction Documents*

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

1.3 *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents are available for inspection by the Noteholders:

(b) during normal business hours at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi, 8, 20121 Milan (MI), Italy; and

(c) on the Data Repository.

1.4 *Description of Transaction Documents*

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

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

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

1.4.4 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains certain provisions relating to, *inter alia*, the calculation (by the Calculation

Agent) and the payment (by the Paying Agent) of any amounts in respect of the Notes of each Class.

1.4.5 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolio and the Transaction Documents.

1.4.6 Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the Subordinated Loan for an amount equal to the Initial Cash Reserve for the purpose of establishing, on the Issue Date, the Cash Reserve.

1.4.7 Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

1.4.8 Pursuant to the Corporate and Administrative Services Agreement, as amended and supplemented under the Third Agreement for the Extention of the Corporate and Administrative Services Agreement, each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide, respectively, certain corporate and administrative services to the Issuer in relation to the Securitisation.

1.4.9 Pursuant to the Quotaholders' Agreement, as amended and supplemented under the Third Agreement for the Extention of the Quotaholders' Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.5 *Acknowledgement*

Each Noteholder, by reason of holding the Notes, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Senior Noteholders as a result of the performance by Banca Finanziaria Internazionale S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1 *Definitions*

In these Conditions, the following expressions shall, except where the context otherwise requires and save where otherwise defined, have the following meanings:

Accounts means collectively the Collection Account, the Investment Account, the Payment Account, the Cash Reserve Account, the Expenses Account and the Corporate Account, and **Account** means any of them.

Account Bank means ISP or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

Additional Return means: (i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds

available on such Payment Date after payment of items from *First* to *Eleventh* (included) of the Pre Enforcement Priority of Payments; or (ii) on each Payment Date on which the Post Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments; *plus*, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.

Administrative Services Provider means ISP or any other person for the time being acting as Administrative Services Provider pursuant to the Corporate and Administrative Services Agreement.

Arranger means ISP.

Arrears Ratio means, at the end of each monthly reference period with reference to each Receivable, the ratio between (a) all amounts due and unpaid as Principal Instalment and/or Interest Instalment (excluding any default interest) in relation to the relevant Receivable, and (b) the amount of the instalment of the relevant Receivable which was due immediately prior to the end of that month.

Banca Finint means Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the companies register of Treviso-Belluno No. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered in the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under No. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

Bankruptcy Law means Italian Royal Decree number 267 of 16 March 1942, as the same may be amended, modified or supplemented from time to time.

Benchmark Regulation means the Regulation (EU) No. 2016/1011, as the same may be amended, modified or supplemented from time to time.

Business Day means a day on which banks are generally open for business in Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

Calculation Agent means Banca Finint or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

Calculation Date means the date falling 5 (five) Business Days prior each Payment Date.

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

Cash Reserve Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT51C0369097861000000001528), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

Cash Reserve Released Amount means, with reference to each Payment Date, an amount equal to the positive difference between (i) the balance of the Cash Reserve Account three Business Days before such Payment Date, and (ii) the Cash Reserve Required Amount with reference on such Payment Date.

Cash Reserve Required Amount means, with reference to each Payment Date, an amount equal to 1% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

Class A Noteholders or **Senior Noteholders** means the persons who are, from time to time, the holders of the Class A Notes.

Class A Notes or **Senior Notes** means the Euro 6,940,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due May 2072.

Class B Noteholders or **Junior Noteholders** means the persons who are, from time to time, the holders of the Class B Notes.

Class B Notes or **Junior Notes** means the Euro 725,400,000.00 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072.

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

Clearstream means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

Collateral Guarantee means any guarantee granted to the Originator securing the repayment of the Receivables, with the exception of the Mortgages and of the so-called "*fideiussioni omnibus*" or similar (and therefore not specifically related to the transferred Receivable).

Collection Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT30Z0306909786100000001525).

Collection Date means the last calendar day of January, April, July and October of each year, provided that the first Collection Date shall fall on 30 April 2022.

Collection Period means each quarterly period commencing on (and excluding) a Collection Date and ending on (and including) the next succeeding Collection Date and, in the case of the first Collection Period, commencing on (and including) the Effective Date and ending on (and including) the Collection Date falling on 30 April 2022.

Collections means all amounts collected and recovered by the Issuer through the Servicer in respect of the Receivables.

Conditions means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

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

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

Corporate Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT77W0306909786100000001530), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

Corporate and Administrative Services Agreement means the corporate and administrative services agreement entered into on 31 October 2017 between the Issuer, ISP and Banca Finint in the context of the First Previous Securitisation, as amended and supplemented by the First Agreement for the Extension of the Corporate and Administrative Services Agreement, the Second Agreement for the Extension of the Corporate and Administrative Services Agreement and the Third Agreement for the Extention of the Corporate and Administrative Services Agreement and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

Corporate Services Provider means Banca Finint or any other person for the time being acting as pursuant to the Corporate and Administrative Services Agreement and its permitted successors and assignees from time to time.

Critical Obligations Rating or **COR** means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

Cut-Off Date means 23 May 2021.

Data Repository means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the EU Securitisation Regulation appointed in respect of the Securitisation.

DBRS means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes and for the purpose of any notice to be sent under the Transaction Documents, DBRS Ratings GmbH, and (ii) in any other case, any entity of DBRS Ratings Limited which is either registered or not under the EU CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

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

DBRS	*Moody's*	*S&P*	*Fitch*

AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

DBRS Minimum Rating means:

(a) if a Fitch long term public senior debt rating, a Moody's long term public senior debt rating and an S&P long term public senior debt rating (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor means any person who entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan or who has assumed the Debtor's obligation under an *accollo*, or otherwise.

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

Decree number 239 means Italian Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time, and any related regulations.

Defaulted Receivable means a Receivable deriving from a Mortgage Loan (a) which at any time has been classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and/or (b) has, or at any time had, an Arrear Ratio (i) equal to or greater than 10, in case of Mortgage Loans payable on a monthly basis, (ii) equal to or greater than 4, in case of Mortgage Loans payable on a quarterly basis, and (iii) equal to or greater than 2, in case of Mortgage Loans payable on a semi-annual basis.

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

EBA means the European Banking Authority.

EBA Guidelines on STS Criteria means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

ECB Guidelines means the Guideline (EU) 2015/510 of the European Central Bank (ECB) of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) as subsequently amended and supplemented.

Effective Date means 00:01 of 18 October 2021.

Eligible Institution means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) with respect to DBRS:

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

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

(iii) if there is no such public rating, at least "BBB" in respect of the greater of (a) the rating one notch below the institution's private long-term COR supplied by DBRS and (b) the private long-term senior unsecured debt rating of the institution supplied by DBRS; or

(iv) if neither the private long-term COR nor the private long-term senior unsecured debt rating of the institution is available, the DBRS Minimum Rating of a least "BBB";

(b) with respect to Moody's:

(i) "Baa3" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long-term deposit rating by Moody's, "P-3" in respect of short term debt.

EU Securitisation Regulation means the Regulation (EU) No. 2402 of 12 December 2017, as amended and supplemented from time to time.

Euribor means the month Euro-Zone Inter-bank offered rate administered by EMMI - European Money Markets Institute (or any other entity which takes over the administration of that rate) which appears on the display page designated Euribor 01 on Thomson Reuters, or such other page which may replace it in the future or any replacement Thomson Reuters page which displays that rate, (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month Euro-Zone Inter-bank offered rate administered by the European Money Markets Institute which appears on the display page designated Euribor 01 on Thomson Reuters will be applied) on the Interest Determination Date (the **Screen Rate** or, in the case of the First Interest Period, the **Additional Screen Rate** and, the relevant page which displays the Screen Rate or the Additional Screen Rate, the **Relevant Screen Page**).

If the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time, then the rate for any relevant Interest Period shall be the rate determined in accordance with Condition 7.16 (*Benchmark Replacement*).

Euro, **euro** and **€** refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) number 974 of 3 May 1998 on the introduction of the euro, as amended.

Euroclear means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

EUWA means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

Expenses Account means the Euro denominated account established in the name of the Issuer with ISP (IBAN: IT28D 0306909786100000001529), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

ExtraMOT Market means the multilateral trading facility "ExtraMOT" managed by Borsa Italiana.

ExtraMOT Market Regulation means the regulation related to the management and functioning of the ExtraMOT Market issued by Borsa Italiana and in force since 8 June 2009 (as amended and/or supplemented from time to time).

ExtraMOT PRO means the professional segment of ExtraMOT Market managed by Borsa Italiana on which financial instruments are traded and accessable only to professional investors (as defined the ExtraMOT Market Regulation).

Extraordinary Resolution has the meaning ascribed to it in the Rules of Organisation of the Noteholders.

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

Final Maturity Date means the Payment Date falling in May 2072.

First Agreement for the Extension of the Corporate and Administrative Services Agreement means the first agreement for the extension of the Corporate and Administrative Services Agreement, entered into on 29 October 2018 between the Issuer, the Administrative Services Provider and the Corporate Services Provider.

First Agreement for the Extension of the Quotaholders' Agreement means the first agreement for the extension of the Quotaholders' Agreement, entered into on 12 December 2018 between the Issuer and the Quotaholders.

First Interest Period means the period starting from (and including) the Issue Date and ending on (but excluding) the First Payment Date.

First Payment Date means the Payment Date falling on 31 May 2022.

First Previous Securitisation means the securitisation transaction carried out in December 2017 by the Issuer through the issuance of the First Previous Securitisation Notes pursuant to articles 1 and 5 of the Securitisation Law.

First Previous Securitisation Notes means the Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071 and the Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071.

First Previous Securitisation Portfolio means the portfolios of receivables purchased by the Issuer in the context of the First Previous Securitisation.

FSMA means the Financial Services and Markets Act 2000.

Initial Cash Reserve means Euro 69,400,000.00.

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

Inside Information and Significant Event Report means the report named as such to be prepared and delivered by the Originator (also in its capacity as Reporting Entity) pursuant to the Cash Allocation, Management and Payments Agreement.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of the Previous Securitisations or any further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

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

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

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

Instalment means, in respect of each Mortgage Loan Agreement, each monetary amount due periodically by the relevant Debtor pursuant to the relevant Mortgage Loan Agreement, including a Principal Instalment and an Interest Instalment.

Insurance Policy means any insurance contract entered into in relation to each Real Estate Asset and the relevant Mortgage Loan.

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

Interest Determination Date means (a) with respect to the First Interest Period, the date falling two Business Days prior to the Issue Date; and (b) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

Interest Instalment means the interest component of each Instalment.

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

Interest Period means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the First Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date.

Interest Rate shall have the meaning ascribed to it in Condition 7.5 (*Rate of Interest*).

Investment Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT97A0306909786100000001526), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

Investors Report means the report to be prepared and delivered on each Investors Report Date by the Calculation Agent, pursuant to the Cash Allocation, Management and Payments Agreement.

Investors Report Date means the 10th Business Day following each Payment Date, and if such day is not a Business Day, the immediately following Business Day.

ISP means Intesa Sanpaolo S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 10.084.445.147,92 fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, Representative of the VAT Group "Intesa Sanpaolo" with VAT number 11991500015 (IT11991500015), enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

Issue Date means 1 December 2021.

Issue Price means 100% of the aggregate principal amount as at the Issue Date of the Notes.

Issuer means Brera Sec S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

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

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

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

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

(iv) all the proceeds deriving from the repurchase, if any, of individual Receivables in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;

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

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

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

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

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

Issuer Disbursement Amount means (a) on Issue Date the amount of Euro 100,000.00 and (b) on each Payment Date, the difference between (i) Euro 100,000.00 and (ii) any amount standing to the credit of the Expenses Account on the Collection Date immediately preceding such Payment Date.

Issuer Retention Amount means (a) on the Issue Date the amount of Euro 120.000,00 and (b) on each Payment Date, the difference between (i) Euro 120.000,00 and (ii) any amount standing

to the credit of the Corporate Account on the Collection Date immediately preceding such Payment Date.

Issuer's Rights means all of the Issuer's rights under the Transaction Documents.

Joint Regulation means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazette number 201 of 30 August 2018, as amended and supplemented from time to time.

Junior Notes Principal Payment Amount means, on each Calculation Date, the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date, being the lesser of:

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

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

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

Junior Notes Retained Amount means an amount equal to (a) 100,000 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

Liabilities means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

List of Receivables means the list of the Receivables comprised in the Portfolio sold to the Issuer and contained in the CD-ROM (compact disc – read-only memory) that the Issuer and the Originator have undertaken to exchange between themselves pursuant to the terms of the Receivables Purchase Agreement.

Loan by Loan Report means the quarterly report setting out certain information about the Receivables requested by article 7(1) and article 22(4) of the EU Securitisation Regulation, which shall be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

Mandate Agreement means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

Margin means 0.90% *per annum*.

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

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

Monthly Servicer's Report means the monthly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

Monthly Servicer's Report Date means the 10th calendar day of each month of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Monthly Servicer's Report Date shall fall in May 2022.

Moody's means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, Moody's Investors Service España, S.A, and (ii) in any other case, any entity of Moody's Investors Service, Inc which is either registered or not under the EU CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

Mortgage means any mortgage created on the Real Estate Assets to secure the relevant Receivables and the obligations arising from the relevant Mortgage Loan Agreement.

Mortgage Loan means each mortgage loan granted by the Originator to a Debtor, pursuant to a Mortgage Loan Agreement, whose Receivables have been transferred by such Originator to the Issuer pursuant to the Receivables Purchase Agreement.

Mortgage Loan Agreement means each mortgage loan agreement between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

Mortgagor means any person, whether a borrower or a third party, who has granted a Mortgage in favour of the Originator, as security for the Receivables arising from any of the Mortgage Loan Agreements, and/or his successors and assigns.

Most Senior Class of Notes means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

Noteholders means, collectively, the Senior Noteholders and the Junior Noteholders.

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

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

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

Organisation of the Noteholders means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

Originator means ISP.

Other Issuer Creditors means collectively the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative

Services Provider, the Paying Agent, the Account Bank, the Underwriter and any party who at any time accedes to the Intercreditor Agreement.

Outstanding Principal means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

Pass-Through Condition means the condition which occurs when, prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Default Ratio is higher than 8%.

Paying Agent means ISP or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

Payment Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT74B0369097861000000001527), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

Payment Date means the First Payment Date and, thereafter, the last calendar day of February, May, August, November in each year or, if such day is not a Business Day, the immediately preceeding Business Day, provided that the first Payment Date will fall on 31 May 2022.

Payments Report means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

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

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

Portfolio means the portfolio of Receivables purchased by the Issuer from the Originator, under the Receivables Purchase Agreement.

Post Enforcement Priority of Payments means the order of priority of payments set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

Pre Enforcement Priority of Payments means the order of priority of payments set out in Condition 6.1 (*Pre Enforcement Priority of Payments*).

Previous Securitisations means the First Previous Securitisation, the Second Previous Securitisation and the Third Previous Securitisation.

Previous Securitisations Notes means the First Previous Securitisation Notes, the Second Previous Securitisation Notes and the Third Previous Securitisation Notes.

Previous Securitisations Portfolio means the First Previous Securitisation Portfolio, the Second Previous Securitisation Portfolio and the Third Previous Securitisation Portfolio.

Principal Instalment means the principal component of each Instalment.

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

Priority of Payments means the Pre Enforcement Priority of Payments and/or the Post Enforcement Priority of Payments, as the case may be.

Prospectus means this prospectus.

Purchase Price means the purchase price of the Portfolio paid by the Issuer to the Originator, pursuant to the Receivables Purchase Agreement, being equal to Euro 7,672,321,902.34.

Quarterly Servicer's Report means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

Quarterly Servicer's Report Date means the 13rd calendar day of February, May, August and November in each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer's Report Date will fall in May 2022.

Quota Capital Account means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT42 R030 6909 4001 0000 0012 758), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

Quotaholders means, jointly, ISP and Stichting Saronno, in their capacity as quotaholders of the Issuer.

Quotaholders' Agreement means the Quotaholders' agreement entered into on 11 October 2017 between the Quotaholders and the Issuer in the context of the Previous Securitisation, as amended and supplemented pursuant to the First Agreement for the Extension of the Quotaholders' Agreement, the Second Agreement for the Extension of the Quotaholders' Agreement and the Third Agreement for the Extension of the Quotaholders' Agreement and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

Rating Agencies means DBRS and Moody's.

Real Estate Assets means any residential real estate property which has been mortgaged in favour of the Originator to secure the Receivables.

Receivables means any and all current, future or potential monetary claims which have arisen or will arise in connection with any Mortgage Loan Agreements and any relevant security interest and mortgages.

Receivables Purchase Agreement means the Receivables purchase agreement entered into between the Issuer and the Originator on 20 October 2021, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

Reference Rate means Euribor or any such alternative rate determined according to Condition 7.16 (*Benchmark Replacement*) which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities.

Regulatory Technical Standards means:

(i) the implementing technical standards and/or the regulatory technical standards adopted, as appropriate, by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(ii) with reference to the risk retention, 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.

Reporting Entity means ISP.

Representative of the Noteholders means Banca Finint or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

Risk Retention U.S. Persons means "U.S. persons" as defined in the U.S. Risk Retention Rules.

Rules of the Organisation of the Noteholders or **Rules** means the rules governing the Organisation of the Noteholders, attached to these Conditions.

Sanctions means any economic or financial sanctions (of a nature similar to sanctions directly issued by OFAC) or trade embargoes or related restrictive measures imposed by a Sanctioning Body each as amended, supplemented or substituted from time to time.

Second Agreement for the Extension of the Corporate and Administrative Services Agreement means the second agreement for the extension of the Corporate and Administrative Services Agreement, entered into on 25 September 2019 between the Issuer, the Administrative Services Provider and the Corporate Services Provider.

Second Agreement for the Extension of the Quotaholders' Agreement means the second agreement for the extension of the Quotaholders' Agreement, entered into on or about the Issue Date between the Issuer and the Quotaholders.

Second Previous Securitisation means the securitisation transaction carried out in December 2018 by the Issuer through the issuance of the Second Previous Securitisation Notes pursuant to articles 1 and 5 of the Securitisation Law.

Second Previous Securitisation Notes means the Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070 and the Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070.

Second Previous Securitisation Portfolio means the portfolios of receivables purchased by the Issuer in the context of the Second Previous Securitisation.

Securitisation means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

Securitisation Law means the Italian law No. 130 dated 30 April 1999, as amended and supplemented from time to time.

Security Interest means:

(i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(ii) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(iii) any other type of preferential arrangement having a similar effect.

Segregated Assets means the Portfolio, the Collections and any other monetary claim arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation.

Senior Notes Principal Payment Amount means, on each Calculation Date, the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date, being the lesser of:

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

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

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

Servicer means ISP.

Servicing Agreement means the servicing agreement entered into on 20 October 2021 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

Signing Date means 20 October 2021.

SR Investors Report means the report named as such to be prepared and delivered by the Originator (also in its capacity as Reporting Entity) pursuant to the Cash Allocation, Management and Payments Agreement.

Subordinated Loan Agreement means the subordinated loan agreement entered into on or about the Issue Date between the Subordinated Loan Provider, the Representative of the Noteholders and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

Subordinated Loan Provider means ISP.

Subscription Agreement means the agreement for the subscription of the Notes entered into on or about the Issue Date between the Issuer, the Underwriter, the Originator, the Arranger and the Representative of the Noteholders, as from time to time modified in accordance with

the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

Subsidiary of any Italian company means any *società controllata* (subsidiary) and/or *società collegata* (affiliate company) of such company within the meaning of the article 2359 of the Italian Civil Code.

Target Amortisation Amount means, on each Payment Date, an amount equal to the difference between: (A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, and (B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

TARGET System means the TARGET2 system.

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

TARGET2 Day means any day on which the TARGET System is open.

Tax means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

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

Third Agreement for the Extention of the Corporate and Administrative Services Agreement means the third agreement for the extension of the Corporate and Administrative Services Agreement, entered into on or about the Issue Date between the Issuer, the Administrative Services Provider and the Corporate Services Provider.

Third Agreement for the Extention of the Quotaholders' Agreement means the third agreement for the extension of the Quotaholders' Agreement, entered into on or about the Issue Date between the Issuer and the Quotaholders.

Third Previous Securitisation means the securitisation transaction carried out in November 2019 by the Issuer through the issuance of the Third Previous Securitisation Notes pursuant to articles 1 and 5 of the Securitisation Law.

Third Previous Securitisation Notes means the Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072 and the Euro 859,500,000 Class B Residential Mortgage Backed Fixed and Additional Return Notes due October 2072.

Third Previous Securitisation Portfolio means the portfolios of receivables purchased by the Issuer in the context of the Third Previous Securitisation.

Three Month Euribor means the Euribor 3 month tenor.

Transaction Documents means, collectively, the Receivables Purchase Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate and Administrative Services Agreement (as amended and supplemented by the First Agreement for the Extension of the Corporate and Administrative Services Agreement, the Second Agreement for the Extension of the Corporate and Administrative Services Agreement and the Third

Agreement for the Extension of the Corporate and Administrative Services Agreement), the Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Subordinated Loan Agreement, the Quotaholders' Agreement (as amended and supplemented by the First Agreement for the Extension of the Quotaholders' Agreement, the Second Agreement for the Extension of the Quotaholders' Agreement and the Third Agreement for the Extension of the Quotaholders' Agreement), the Conditions, this Prospectus and any other document which may be entered into in order to perfect the Securitisation.

Transaction Party means any party to any of the Transaction Documents (other than the Issuer).

Trigger Event means any of the events described in Condition 12.1 (*Trigger Events*).

Trigger Notice means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Condition 12.2 (*Trigger Events*).

Underwriter means ISP.

UK Benchmark Regulation means Regulation (EU) no. 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA.

UK CRA Regulation means Regulation (EC) no. 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

UK Prospectus Regulation means Regulation (EU) no. 2017/1129 as it forms part of domestic law by virtue of the EUWA.

UK Securitisation Regulation means Regulation (EU) no. 2402 of 12 December 2017 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

Usury Law means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

UTP Receivable means a Receivable towards a Debtor classified as "*unlikely to pay*" (*credito in sofferenza*) in compliance with the applicable supervisory reports (*segnalazioni di vigilanza*).

U.S. Risk Retention Rules means the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended.

VAT means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

Warranty and Indemnity Agreement means the agreement entered into on 20 October 2021 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2 *Interpretation*

2.2.1 *References in Condition*

Any reference in these Conditions to:

- "holder" and **Holder** mean the ultimate holder of a Note and the words **holder**, **Noteholder** and related expressions shall be construed accordingly;

- a **law** shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

- **person** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

- a **successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2 *Transaction Documents and other agreements*

Any reference to a document defined as a **Transaction Document** or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3 *Transaction parties*

A reference to any person defined as a **Transaction Party** in these Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

3. DENOMINATION, FORM AND TITLE

3.1 *Denomination*

The denomination of the Senior Notes will be Euro 100,000. The denomination of the Junior Notes will be Euro 100,000 and integral multiples of Euro 100,000 in excess thereof.

3.2 *Form*

The Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the Joint Regulation.

3.3 *Title and Monte Titoli*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title will be issued in respect of the Senior Notes.

3.4 *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3.5 *The Rules*

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which shall constitute an integral and essential part of these Conditions.

4. STATUS, SEGREGATION AND RANKING

4.1 *Status*

The Notes constitute direct, secured and limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights as further specified in Condition 9.2 (*Limited recourse obligations of the Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

4.2 *Segregation by law*

By virtue of the Securitisation Law and the Transaction Documents, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer (ncluding the assets relating to the Previous Securitisations and any further securitisation undertaken by the Issuer) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation.

4.3 *Ranking and subordination*

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

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

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

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

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

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

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

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

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

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) the exercise of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii)

the exercise of an optional redemption for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) on the Final Maturity Date:

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

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

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

4.3.2 The Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4 *Obligations of Issuer only*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person, including the Originator, the Quotaholders or any Other Issuer Creditor. Furthermore, no person and none of such Transaction Parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

5. COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in or contemplated by any of the Transaction Documents:

5.1 *Negative pledge*

Create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisations permitted pursuant to Condition 5.11 (*Further securitisation*) below; or

5.2 *Restrictions on activities*

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Condition 5.11 (*Further securitisation*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset (including in the context of enforcement proceedings relating to a Real Estate Asset); or

5.2.5 become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

5.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to any of its Quotaholders (or successor quotaholder(s)), or increase its capital, save as required by applicable law; or

5.4 *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

5.6 *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

5.7 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the

Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Quota Capital Account or any bank account opened in relation to the Previous Securitisations and to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10 *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity, or, in general, cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.11 *Further securitisations*

carry out any other securitisation transaction pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law. In accordance with the Securitisation Law, the Issuer is a special purpose vehicle and it has already engaged three securitisation transactions carried out in accordance with the Securitisation Law, completed in: (i) December 2017 and involving the issue of residential mortgage backed securities in an aggregate amount of Euro 7,092,309,000 (i.e. the First Previous Securitisation and the First Previous Securitisation Notes); (ii) December 2018 and involving the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (i.e. the Second Previous Securitisation and the Second Previous Securitisation Notes) and (iii) November 2019 and involving the issue of residential mortgage backed securities in an aggregate amount of Euro 7,509,500,000 (i.e. the Third Previous Securitisation and the Third Previous Securitisation Notes); or

5.12 *Derivatives*

enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the EU Securitisation Regulation.

6. PRIORITY OF PAYMENTS

6.1 *Pre Enforcement Priority of Payments*

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

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

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

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

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

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

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

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

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

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

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

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

Eleventh, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

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

6.2 *Post Enforcement Priority of Payments*

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

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

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

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

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

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

Sixth, to pay all amounts of interest due and payable on such Payment Date to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement;

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

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

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

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

7. INTEREST

7.1 *Accrual of interest*

Each Note bears interest on its Principal Outstanding Amount from (and including) the Issue Date.

7.2 *Payment Dates and Interest Periods*

Interest on each Note will accrue on a daily basis and will be payable quarterly in arrear in Euro on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date will fall on 31 May 2022.

7.3 *Termination of interest accrual*

Each Note (or the portion of the Principal Outstanding Amount due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

7.4 *Calculation of interest*

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360-day year.

7.5 *Rate of interest*

7.5.1 The rate of interest applicable from time to time in respect of the Senior Notes (the **Senior Notes Interest Rate**) will be the Three Month Euribor (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.90% *per annum* (the **Margin**), *provided that* the

Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 1.50% *per annum* and shall not be negative.

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

7.6 *Determination of Interest Rate and calculation of Interest Payment Amounts*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

7.6.1 the Interest Rate applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the First Interest Period, beginning on and including the Issue Date);

7.6.2 the Euro amount (the **Interest Payment Amount**) due as interest on a Note in respect of the following Interest Period calculated by applying the relevant Interest Rate to the Principal Outstanding Amount of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary.

7.7 *Notification of the Interest Rate, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

7.7.1 the Interest Rate applicable for the relevant Interest Period;

7.7.2 the Interest Payment Amount for each Note for the relevant Interest Period; and

7.7.3 the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, Monte Titoli, Euroclear, Clearstream and will cause the same to be published in accordance with Condition 16.1 (*Notices given through Monte Titoli*) on or as soon as possible after the relevant Interest Determination Date.

In addition, as long as the Senior Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the Issuer shall forthwith notify the information under this Condition 7.7 to Borsa Italiana.

7.8 *Amendments to publications*

The Interest Rate and the Interest Payment Amount for each Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

In addition, as long as the Senior Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the Issuer shall forthwith notify the information under this Condition 7.8 to Borsa Italiana.

7.9 *Determination by the Representative of the Noteholders*

If the Issuer (or the Paying Agent on behalf of the Issuer) does not at any time for any reason determine (or cause to be determined) the Interest Rate or calculate the Interest Payment Amount for the Notes in accordance with this Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1 determine (or cause to be determined) the Interest Rate at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or (as the case may be)

7.9.2 determine (or cause to be determined) the Interest Payment Amount for each Note in the manner specified in Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*),

and any such determination shall be deemed to have been made by the Paying Agent.

7.10 *Unpaid interest with respect to the Notes*

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

7.11 *Additional Return*

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

7.12 *Calculation of the Additional Return*

7.12.1 The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Calculation Agent to calculate the Euro amount (the **Additional Return Amount**) payable on each Junior Note in respect of such Interest Period.

7.12.2 The Additional Return Amount payable in respect of any Interest Period in respect of each Junior Note will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Additional Return on the Junior Notes in accordance with the applicable Priority of Payments.

7.13 *Publication of the Additional Return*

The Issuer will, on each Calculation Date, cause the determination of the Additional Return Amount in respect of each Junior Note to be notified forthwith by the Calculation Agent through the delivery of the Payments Report to, *inter alios*, the Servicer, the Representative of the

Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider and will cause notice of the Additional Return Amount in respect of each Junior Note to be given in accordance with Condition 16 (*Notices*).

In addition, as long as the Senior Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the Issuer shall forthwith notify the information under this Condition 7.13 (*Publication of the Additonal Return*) to Borsa Italiana.

Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

7.14 *Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Servicer has been appointed. If a new Paying Agent is appointed notice of its appointment will be published in accordance with Condition 16 (*Notices*).

7.15 *Benchmark Replacement*

7.15.1 If the Issuer or the Paying Agent determines at any time prior to, on or following any Interest Determination Date, that the Relevant Screen Page on which the Reference Rate appears has been discontinued or it is materially changed, or following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of Benchmark Regulation, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint an agent (the **Reference Rate Determination Agent**), which will not later than the date which falls 15 (fifteen) calendar days before the end of the Interest Period relating to the relevant Interest Determination Date (the **Interest Determination Cut-off Date**) determine, in a commercially reasonable manner, whether any comparable rate, replacing in customary market usage the Reference Rate which has been discontinued or is materially changed, is available. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will use such successor rate to replace the Reference Rate as benchmark for the calculation of the Senior Notes Interest Rate. If the Reference Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the **Replacement Reference Rate**), for purposes of determining the Reference Rate on each Interest Determination Date falling on or after such determination:

(i) the Reference Rate Determination Agent will also determine changes (if any) to the so called business day convention, the definition of "Business Day", the definition of "Interest Determination Date", the day count fraction and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate

comparable to the discontinued Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate;

(ii) references to the Reference Rate in the Conditions will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in this Condition 7.16.1;

(iii) the Reference Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and

(iv) the Issuer will give notice as soon as reasonably practicable to the Representative of the Noteholders, the Noteholders, the Paying Agent and the Calculation Agent specifying the Replacement Reference Rate, as well as the details described in this Condition 7.16.1.

7.15.2 The determination of the Replacement Reference Rate and the other matters referred to above by the Reference Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent and the Noteholders, unless the Issuer considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Reference Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall re-appoint a Reference Rate Determination Agent (which may or may not be the same entity as the original Reference Rate Determination Agent) for the purpose of confirming the Replacement Reference Rate or determining a substitute Replacement Reference Rate in an identical manner as described in the Condition 7.16.1 above, which will then (in the absence of manifest error) be final and binding on the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent and the Noteholders. If the Reference Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the last known Replacement Reference Rate will apply.

7.15.3 If the Reference Rate Determination Agent determines that the Relevant Screen Page on which appears the Reference Rate has been discontinued or a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation has been adopted, but for any reason a Replacement Reference Rate has not been determined later than the Interest Determination Cut-off Date, the Relevant Screen Page on which appears the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

7.15.4 The Reference Rate Determination Agent may be (i) a leading bank, (ii) an independent financial advisor internationally recognized, (iii) the Calculation Agent (if agreed in writing by the Calculation Agent itself) or (iv) any other entity which the Issuer considers has the necessary competences to carry out such role.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer shall redeem the Notes of each Class at their Principal Outstanding Amount, plus any accrued but unpaid interest and Additional Return (if any), on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).

8.2 *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause:

8.2.1 the Senior Notes to be redeemed on such Payment Date in an amount equal to the Senior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.6.1.; and

8.2.2 the Junior Notes to be redeemed on such Payment Date in an amount equal to the Junior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.6.1.

8.3 *Optional redemption*

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

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

8.3.2 having produced, prior to the notice referred to in Condition 8.3.1 above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

8.4 *Optional redemption for taxation reasons*

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

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

8.4.2 any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to

be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

subject to the following:

8.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4 that prior to giving such notice, the Issuer:

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

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

8.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.6 *Calculation of Principal Payment Amount and Principal Outstanding Amount*

8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) the Principal Payment Amount due on each Note of each Class on the next following Payment Date; and

(c) the Principal Outstanding Amount of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of each Class).

8.6.2 The principal amount redeemable in respect of each Note of each Class (the **Principal Payment Amount**) on any Payment Date shall be a *pro rata* share of the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) due in respect of such Class of Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment

Amount (as the case may be) on such date by a fraction, the numerator of which is the then Principal Outstanding Amount of each Note of such Class and the denominator of which is the then Principal Outstanding Amount of all the Notes of the same Class, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Outstanding Amount of the relevant Note.

8.7 *Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent and will cause notice of each calculation of a Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be given in accordance with Condition 16 (*Notices*) not later than three Business Days prior to each Payment Date.

In addition, as long as the Senior Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, the Issuer shall forthwith notify the information under this Condition 8.7 to Borsa Italiana.

8.8 *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than three Business Days prior to such Payment Date.

8.9 *Notice Irrevocable*

Any such notice as is referred to in Conditions 8.3 (Optional redemption), 8.4 (Optional redemption for taxation reasons) and 8.6 (*Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes in the amount so published.

8.10 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.11 *Cancellation*

All the Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1 *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents. In particular,

9.1.1 (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) is entitled, otherwise than as permitted by the Transaction Documents, to directly enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents;

9.1.2 no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition shall not prevent the Noteholders - in compliance with the Rules - from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which do not amount to the commencement or to the threat of commencement to initiating an Insolvency Event in relation to the Issuer;

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

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

9.2 *Limited recourse obligations of the Issuer*

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

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

9.2.2 sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums

which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and

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

10. PAYMENTS

10.1 *Payments through Monte Titoli*

Payment of any amounts in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 *Payments on Business Days*

The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Condition 16 (*Notices*).

11. TAXATION

11.1 *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative

of the Noteholders or the Paying Agent or any paying agent, as the case may be, appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Condition (*Change of Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

11.3 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

12. TRIGGER EVENTS

12.1 *Trigger Events*

Each of the following events is a **Trigger Event**:

12.1.1 *Non-payment*

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

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

12.1.2 *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, and such breach is not remedied within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

12.1.3 *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other

than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to 12.1.1 above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.4 *Insolvency of the Issuer*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of the Previous Securitisation or any further securitisation transactions undertaken by the Issuer), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

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

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

12.1.5 *Winding up etc.*

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

12.1.6 *Unlawfulness*

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

12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 13 (*Enforcement*) the Representative of the Noteholders:

12.2.1 in the case of a Trigger Event under Conditions 12.1.1, 12.1.4 and 12.1.5 above, shall; and

12.2.2 in the case of a Trigger Event under Conditions 12.1.2, 12.1.3 and 12.1.6 above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3 (*Conditions to delivery of a Trigger Notice*) are met, shall,

deliver a written notice (the **Trigger Notice**) to the Issuer.

12.3 *Conditions to delivery of a Trigger Notice*

Notwithstanding Condition 12.2.2 (*Delivery of a Trigger Notice*), the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4 *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Additional Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Outstanding Amount, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

Upon the delivery 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, paragraph 4, letter a), of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

No provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter d), of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

13. ENFORCEMENT

13.1 *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been

indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1 to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2 if the Representative of the Noteholders is not of that opinion, such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3 *Sale of Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and clause 7.2 of the Intercreditor Agreement.

14. THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. NOTICES

16.1 *Notices given through Monte Titoli*

Any notice regarding the Notes of each Class, as long as such Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2 *Notices to the ExtraMOT PRO*

As long as the Senior Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, all notices will be given also in accordance with the rules of such multilateral trading facility and published on the website of the Corporate Services Provider (being, as at the date of this Prospectus, https://www.securitisation-services.com).

16.3 *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default or bad faith) be binding on the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18. GOVERNING LAW AND JURISDICTION

18.1 *Governing Law of Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2 *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3 *Jurisdiction of courts in relation to the Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4 *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Noteholders is created concurrently with the issue by Brera Sec S.r.l. (the **Issuer**) of and subscription for the Euro 6,940,000,000.00 Class A Residential Mortgage Backed Floating Rate Notes due May 2072 (the **Class A Notes** or the **Senior Notes**) and the Euro 725,400,000.00 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due May 2072 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**) and is governed by the Rules of the Organisation of the Noteholders set out therein (**Rules**).

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules, the terms set out below have the following meanings:

Basic Terms Modification means any proposal:

(a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;

(b) save as provided for in Condition 7.16 (*Benchmark Replacement*), to reduce or cancel the amount of principal, interest or Additional Return due, on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to alter the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against the Issuer*); or

(h) to change this definition.

Blocked Notes means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

Block Voting Instruction means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

Chairman means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

Conditions means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

Extraordinary Resolution means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

Holder in respect of a Note means the ultimate owner of such Note.

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

Monte Titoli means Monte Titoli S.p.A.

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

Most Senior Class of Noteholders means, at any Payment Date, (i) the Senior Noteholders, and (ii) at any date following the date of full repayment of all the Senior Notes, the Junior Noteholders.

Most Senior Class of Notes means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

Ordinary Resolution means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

Proxy means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

Resolutions means Ordinary Resolutions and Extraordinary Resolutions collectively.

Specified Office means (i) with respect to the Paying Agent (a) the office specified against its name in clause 21.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 16.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

Transaction Party means any person who is a party to a Transaction Document.

Trigger Event means any of the events described in Condition 12 (*Trigger Events*).

Trigger Notice means a notice described as such in Condition 12.2 (*Delivery of a Trigger Notice*).

Voter means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Paying Agent or a Proxy named in a Block Voting Instruction.

Voting Certificate means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the Joint Regulation; or

(b) a certificate issued by the Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

Written Resolution means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

24 hours means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

48 hours means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an **Article** shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A **successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a **Transaction Party** in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the Joint Regulation.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Paying Agent) held to its order or

under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 Deemed Holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof in the case of a Voting Certificate issued by the Paying Agent and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other

place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Outstanding Amount of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place (located in the European Union) selected or approved by the Representative of the Noteholders.

6.4 Meetings via audio conference or teleconference

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may, also through its chairman office (if any), ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (provided that such place shall be located in the European Union).

7. NOTICE

7.1 Notice of meeting

At least 21 days' notice (exclusive of the day on which the relevant notice is delivered and of the day on which the relevant Meeting is to be held), specifying the date (falling no later than 30 (thirty) days after the date of delivery of such notice), time and place (located in the European Union) of the Meeting, must be given to the relevant Noteholders, the Paying Agent and any other agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Joint Regulation and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Outstanding Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. CHAIRMAN OF THE MEETING

8.1 Appointment of Chairman

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 **Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. **QUORUM**

The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent. of the Principal Outstanding Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Outstanding Amount of the Notes so held or represented in such Class.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to Articles 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and not later than 42 days after the original date of such Meeting, and to such place (located in the European Union) as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except

business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of quorum*).

13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Outstanding Amount of the outstanding Notes conferring the right to vote at the

Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. **VOTES**

16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each Euro 100,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he/she exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. ORDINARY RESOLUTIONS

18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Ordinary Resolution of the Holders of the Junior Notes

No Ordinary Resolution of the Holders of the Junior Notes shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of the Senior Notes (to the extent that there are Senior Notes outstanding), unless the Representative of the Noteholders considers that none of the Holders of the Senior Notes would be materially prejudiced by the absence of such sanction.

19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise or instruct the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 (*Trigger Events*);

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.1.11 terminate the appointment of the Originator in its capacity as Servicer;

19.1.12 direct the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of the other Class of Notes then outstanding.

19.3 **Extraordinary Resolution of the Holders of the Junior Notes**

No Extraordinary Resolution of the Holders of the Junior Notes to approve any matter (other than a Basic Terms Modification) shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of the Senior Notes (to the extent that there are Senior Notes outstanding), unless the Representative of the Noteholders considers that none of the Holders of the Senior Notes would be materially prejudiced by the absence of such sanction.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Articles 18.2 (*Ordinary Resolution of the Holders of the Junior Notes*), 19.2 (*Basic Terms Modification*) and 19.3 (*Extraordinary Resolution of the Holders of the Junior Notes*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and all of the Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of the other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited Recourse and Non Petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Article 26 (*Individual Actions and Remedies*) shall not prejudice the right if any Noteholder, under Condition 9.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Banca Finint.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 **Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 **After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of the Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue and subscription of the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three calendar months from the written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 Consents given by Representative of Noteholders

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

The Representative of the Noteholders, save as expressly otherwise provided herein or in any other Transaction Document, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Paying Agent or any other person in respect of the Portfolio;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damage, claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a Trigger Notice pursuant to Condition 12.3.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their

interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 Notes held by Issuer

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 Illegality

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 **Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 **Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any Transaction Party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such Transaction Party; or

32.8.3 as to such Transaction Party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

33. **MODIFICATIONS**

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 (*Further securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Outstanding Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to notices and the relevant Transaction Documents.

35. **INDEMNITY**

Pursuant to the Subscription 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 and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

38. GOVERNING LAW

The Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

38.1 JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated maturity and weighted average life of the Senior Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolio and a number of other relevant facts are unknown.

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

Calculations as to the expected maturity and average life of the Senior Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The following table shows the estimated weighted average life and the estimated maturity of the Senior Notes and was prepared based on the characteristics of the Receivables included in the Portfolio as at the Effective Date and on additional assumptions, including the following:

(i) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(ii) the constant prepayment rate as per table below, has been applied to the Portfolio in homogeneous terms;

(iii) no Trigger Event occurs in respect of the Notes;

(iv) no optional redemption for taxation reasons pursuant to Condition 8.4 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(v) the terms of the Mortgage Loans will not be affected by any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(vi) no variation in the interest rates;

(vii) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

(viii) all the Receivables included in the Portfolio bearing a fixed rate as at the Effective Date have been considered to bear such rate until their maturity date;

(ix) all the Receivables included in the Portfolio bearing a floating rate as at the Effective Date have been considered to bear such rate until their maturity date;

(x) the fees and the costs payable under the Transaction Documents by the Issuer in connection with the Securitisation under the items from First to Third of the Pre-Enforcement Priority of Payments have been included;

(xi) no positive or negative interest accrues on the accounts;

(xii) no Pass-Through Condition occurs;

(xiii) the Issue Date has been assumed to be 1 December 2021;

(xiv) no permitted variations of the Mortgage Loans in accordance with the servicing agreement occur.

The actual performance of the Receivables is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown below are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Constant prepayment rate (%)	Estimated weighted average life (years)	Estimated maturity (Payment Date falling on)
0%	12.07	May 2047
2.5%	9.36	August 2044
5%	7.48	May 2041
7.5%	6.13	November 2038
10%	5.15	May 2036
15%	3.85	February 2033
20%	3.03	August 2030

The table above assumes that the Issuer will not exercise its option to redeem the Senior Notes pursuant to Condition 8.3 (*Optional Redemption*).

Constant prepayment rate (%)	Estimated weighted average life (years)	Estimated maturity (Payment Date falling on)
0%	11.89	November 2043
2.5%	9.18	May 2040
5%	7.29	May 2037
7.5%	5.96	November 2034
10%	4.99	November 2032
15%	3.72	February 2030
20%	2.93	May 2028

The table above assumes that the Issuer will exercise its option to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption*) on the Clean Up Option Date.

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies, inter alia, to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including, for the avoidance of doubt, any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's Accounts under the Securitisation and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 (**Law 116/2014**) in order to include not only the relevant receivables but also (i) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (ii) the cash-flows deriving from the relevant receivables and such monetary rights and (iii) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (A) will not be subject to the suspension of

payments; and (B) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to file any petition in the relevant insolvency proceeding and outside any distribution plan.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration of the transfer in the companies register for the place where the Issuer has its registered office, so avoiding the need for individual notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment *vis-à-vis* the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

   (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw back action according to article 67 of the Bankruptcy Law. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

Notice of the sale of the Receivables pursuant to the Receivables Purchase Agreement by the Originator to the Issuer was respectively published on the Official Gazette No. 131, Part II, of 4 November 2021 and registered with the companies' register of Treviso-Belluno on 26 October 2021.

The Issuer

Under the provisions of Article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (Articles from 2410 to 2420) are inapplicable to the Issuer. According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Enforcement proceedings of mortgaged properties

The Italian civil code provides that mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

In accordance with the Italian code of civil procedure, as amended and supplemented, a mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence enforcement proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed (*atto pubblico*) or a notarised private deed (*scrittura privata autenticata*), a mortgage lender can serve a copy of the Loan Agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the

debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be.

Within ten days of filing, but not later than ninety days from the date on which notice of the *atto di precetto* is served, the mortgage lender may request the attachment of the mortgaged property.

The property will be attached by a court order to be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. Law number 302 of 3 August 1998 should reduce the duration of the foreclosure proeedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing the latter to conduct various activities which were before exclusively within the powers of the courts.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction and, on the basis of the expert's valuation, the court shall determine the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after the deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage

of the enforcement proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings, from the court order or injunction of payment to the final sharing out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the duration of the procedure can significantly exceed the average.

Mutui fondiari enforcement proceedings

Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by article 38 (and following) of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of *mutui fondiari* is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

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

Pursuant to article 58 of the Consolidated Banking Act, as amended by article 12 of Legislative Decree number 342 of 4 August 1999, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutui fondiari* loan.

Enforcement proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by Royal Decree number 646 of 16 July 1905 which confers on the *mutuo fondiario* lender rights and privileges which are not conferred by the Consolidated Banking Act with respect to enforcement proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has replaced the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert valuation.

With respect to the borrowers, such *mutuo fondiario*'s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the mortgage loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a mortgage loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to

prove that the remaining assets would be sufficient to ensure a loan to value of at least 80% (or, according to an interpretation, the original loan to value, if higher).

Attachment of Debtor's credits

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

Early redemption of mortgage loans and equitable reduction of prepayment penalties under the ABI - Consumers agreement entered into in accordance with article 7, paragraph 5, of the Bersani Decree and other miscellaneous measures relating to mortgage liens.

Legislative Decree of 13 August 2010, No. 141 (the **Legislative Decree 141**) has introduced in the Consolidated Banking Act article 120-*ter*, which replicates the provisions of article 7 of the Bersani Decree, now repealed. Article 120-*ter* of the Consolidated Banking Act provides that any contractual clause imposing a prepayment penalty in case of early redemption of mortgage loans is void with respect to mortgage loan agreements entered into, with an individual as borrower for certain purposes. According to new article 161, paragraph 7-*ter* of the Consolidated Banking Act, the above-mentioned article 120-*ter* is applicable to (i) mortgage loan agreements entered into for the purchase of the primary residence ("*prima casa*"), on or after 2 February 2007 and (ii) mortgage loan agreements entered into for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity, on or after 3 April 2007. With respect to loan agreements entered into prior to 2 February 2007, article 7, paragraph 5 of the Bersani Decree, now repealed by Legislative Decree 141, provided that the Italian banking association (**ABI**) and the main national consumer associations were entitled to reach, within three months from 2 February 2007, an agreement regarding the equitable renegotiation of prepayment penalties within certain maximum limits calculated on the residual amount of the loans (in each instance, the **Substitutive Prepayment Penalty**). Had ABI and the relevant consumer associations failed to reach an agreement, the Bank of Italy would have determined the Substitutive Prepayment Penalty by 2 June 2007.

The agreement reached on 2 May 2007 between ABI and national consumer associations (the **Prepayment Penalty Agreement**) contains the following main provisions (as described in an ABI press release dated May 2007):

(iii) with respect to variable rate loan agreements - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(iv) with respect to fixed rate loan agreements entered into before 1 January 2001 - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(v) with respect to fixed rate loan agreements entered into after 31 December 2000 - the Substitutive Prepayment Penalty should be equal to: (a) 1.90 per cent. if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50 per cent. if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20 per cent., in case of early redemption of the loan carried out within three years from the

final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the **Clausola di Salvaguardia**) in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that:

(c) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001, the amount of the relevant prepayment penalty shall be reduced by 0.20 per cent.;

(d) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25 per cent. if the agreed amount of the prepayment penalty was equal or higher than 1.25 per cent.; or (y) 0.15 per cent., if the agreed amount of the prepayment penalty was lower than 1.25 per cent.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

In relation to the provisions of the Prepayment Penalty Agreement, it is expected that further interpretative and supplemental indications may be issued, the specific impact of which cannot be accurately anticipated at this time.

Notwithstanding the fact that Legislative Decree 141 repealed article 7 of the Bersani Decree, Article 161, paragraph 7-*ter* of the Consolidated Banking Act disposes that with respect to loan agreements entered into prior to 2 February 2007, the provisions provided for under the Prepayment Penalty Agreement continue to be applicable.

Simplified procedures for cancellation of mortgages of *mutui fondiari*

Article 40-*bis* of the Consolidated Banking Act, as amended by Legislative Decree 141 replicates some provisions (now repealed by Legislative Decree 141) of article 13 of the Bersani Decree, and provides for a simplified procedures meant to allow a more prompt cancellation of mortgages securing loans (more precisely, *mutui fondiari* only) granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

Subrogation

Legislative Decree 141 has introduced in the Consolidated Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Bersani Decree, replicating though, with some additions, such repealed provisions. The purpose of article 120 *quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the **Subrogation**), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will

succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

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

Restructuring arrangements in accordance with Law number 3 of 27 January 2012

Following the enactment of Italian Law number 3 of 27 January 2012 (as amended by Decree of the Italian Government number 179 of 18 October 2012 coordinated with the conversion Italian Law number 221 of 17 December 2012), a debtor who is neither subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors provided that (i) he/she has not been entered into any such restructuring arrangement in the last five years; (ii) the previous restructuring arrangements have not been annulled or revoked for reasons directly or indirectly ascribable to him/her; (iii) he/she has not provided a documentation suitable to reconstruct and figure out his/her patrimonial and economic situation.

Such law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over-indebtedness, being a situation recognisable when the "continuing imbalance between the debtor's obligations and his/her highly liquid assets" determines "the relevant difficulties of performing his/her obligations" or the "definitive non capability of duly performing such obligations".

A debtor in a state of over-indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement providing that, among others, those creditors not adhering to such arrangement and those creditors having security interests over the debtor's assets will be repaid in full.

Such draft arrangement must set out, among others, the revised terms for payments due to the creditors, the security interests which may be created to secure such payments and the conditions for the dismissal of the debtor's assets. If the debtor's assets and income are not sufficient to ensure the implementation of the draft arrangement, the draft arrangement must be endorsed by one or more third-parties who undertake to provide, also by way of security, additional assets or income.

Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those secured creditors not adhering to such arrangement for a period of up to one year since the court's certification ("*omologa*").

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order a hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

In order to be eligible for the court's certification, the agreement must be reached with a number of creditors representing at least 60% of the relevant claims.

Once the draft restructuring arrangement is reached with 60% of claims, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

Upon expiry of such term, the competent body will deliver the relevant report (including any challenge received and a feasibility assessment of the draft restructuring arrangement) to the competent judge who will be entitled, subject to appropriate final verification, to certify (*omologa*) the restructuring arrangement.

Once the restructuring arrangement has been certified, should the debtor be subject to bankruptcy afterwards (indeed, the debtor could become eligible for bankruptcy due to a modification of the size of the enterprise) the payments, agreements and, in general, any deed enacted under the certified restructuring agreement is not subject to claw back.

The competent body will be in charge of supervising the due performance of the obligations arising from the relevant restructuring arrangement. Such arrangement, however, may be terminated or declared null and void in specific circumstances provided for by applicable law.

No severe claw-back

The Italian insolvency laws do not contain provisions within the meaning of articles 20(2) and 20(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding Italian taxation are based on the laws in force and published practices of the Italian tax authorities issued as at the date of this Prospectus and are subject to any changes in law and interpretation occurring after such date, which changes could be made on a retroactive basis.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to additional or special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of the Notes. This summary will not be updated to reflect changes in laws or interpretation and if such a change occurs the information in this summary may become invalid.

In any case, Italian legal concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended and supplemented (**Decree No. 239**) sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as **Interest**) deriving from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917**) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are securities that:

(a) incorporate an unconditional obligation to pay, at redemption or maturity, an amount not lower than their nominal value;

(b) attribute to the holders no direct or indirect right to control or participate in the management of the issuer or in the management of the business in respect of which the notes have been issued; and

(c) not provide for a remuneration which is entirely linked to the profits of the issuer, or other companies belonging to the same group or to the business in respect of which the Notes have been issued.

Decree No. 239 regulates the tax treatment of Interest related to bonds or similar securities to the extent they are, *inter alia*:

(a) issued by companies whose shares are listed on a regulated market or on a multi-lateral trading platform of an EU Member State or of a State party to the EEA Agreement included in the list provided for by Italian Ministerial Decree dated 4 September 1996, as amended from time to time (possibly further amended by future Ministerial Decrees to be issued under Article 11, paragraph 4, let. c) of Decree No. 239) (the **White List**); or

(d) listed on a regulated market or on a multilateral trading platform of an EU Member State or of a State party to the EEA Agreement included in the White List; or

(e) subscribed, transferred to and held by qualified investors (as defined under Article 100 of Consolidated Financial Act) only.

Italian resident Noteholders

Where an Italian resident Noteholder is the beneficial owner of Interest payments under the Notes and is:

(i) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(ii) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities;

(iii) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities or the Italian State or other pubic and territorial entity;

(iv) an investor exempt from Italian corporate income taxation,

Interest deriving from the Notes and accrued during the relevant holding period is subject to a substitutive tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or obtained by the holder upon disposal of the Notes), unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and, under certain conditions, has validly opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of November 21, 1997 (**Decree No. 461**) (see "*Capital gains tax*" below).

Where the resident holders of the Notes described above under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due.

Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be exempt from any income taxation (including from the 26 per cent. *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 and the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Where (a) an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an Intermediary (as defined below), Interest from the Notes will not be subject to *imposta sostitutiva* but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) and, in certain circumstances, depending on the status of the Noteholder, also to regional tax on productive activities (**IRAP**).

Payments of Interest deriving from the Notes made to Italian resident real estate investment funds and Italian resident real estate investment companies with fixed capital (*società di investimento a capitale fisso*) complying with the relevant legal and regulatory requirements and subject to the regime provided for by, *inter alia*, Law Decree No. 351 of 25 September 2001, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of such Real Estate Funds, provided that the Notes are timely deposited directly or indirectly with an Intermediary (as defined below). Subsequent distributions made

in favour of unitholders or shareholders of the Real Estate Fund and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.. Moreover, subject to certain conditions, depending on the status of the investor and the percentage of its participation, income realised by Real Estate Funds may be attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

Where the Italian resident Noteholder is an open-ended or closed-ended investment fund (other than a Real Estate Fund), an investment company with fixed capital (*società di investimento a capitale fisso*, other than a Real Estate Fund) or an investment company with variable capital (*società di investimento a capitale variabile*) (together, the **Funds**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority and the Notes are deposited with an Intermediary (as defined beow), payments of Interest on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. may in certain circumstances apply to distributions made in favour of unitholders or shareholders or in case of redemption or sale of the units or shares in the Fund.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an Intermediary (as defined below), payments of Interest relating to the Notes accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to a 20 per cent. substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, investment companies (*società di intermediazione mobiliare*, **SIMs**), fiduciary companies, management companies (*società di gestione del risparmio*), stock brokers and other qualified entities identified by a decree of the Ministry of Finance (together the **Intermediaries** and each an **Intermediary**). An Intermediary must (a) be (i) resident in Italy, (ii) a permanent establishment in Italy of a non-Italian resident Intermediary or (iii) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Italian tax authorities having appointed an Italian representative for the purposes of Decree No. 239, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary meeting the requirements under (a) and (b) above, *imposta sostitutiva* is applied and withheld by any Italian intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the suffered *imposta sostitutiva* from income taxes due.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident Noteholder is either:

(a) the beneficial owner of relevant Interest and is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy listed in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an institutional investor which is established in a country which allows for a satisfactory exchange of information with Italy listed in the White List, even if it does not possess the status of taxpayer therein and provided that it timely files with the relevant depositary an appropriate self-declaration confirming its status of institutional investor.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of Interest (institutional investors not subject to tax are deemed to be beneficial owners of the payments of Interest by operation of law) and:

(A) deposit, in due time, directly or indirectly, the Notes with a resident bank or a SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economy and Finance having appointed an Italian representative for the purposes of Decree No. 239 (*Euroclear* and *Clearstream* qualify as such latter kind of depositary); and

(B) file with the relevant depository a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not required for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign central banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on Interest payments to such non resident holder of the Notes.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any, and subject to timely filing of the required documentation) in respect to Interest accrued in the hands of Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy included in the White List.

Capital gains tax

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities, or (iii) a non-commercial private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an imposta sostitutiva provided for by Decree No. 461, levied at the rate of 26 per cent.. Under certain conditions and limitations Noteholders may set off capital losses with their capital gains.

In respect of the application of *imposta sostitutiva*, taxpayers under (i) to (iii) above may opt for one of the three regimes described below:

(a) under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the investor holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

(b) as an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (ii) a valid express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted only from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return;

(c) any capital gains realised by Italian Noteholders under (i) to (iii) above entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have validly opted for the so called *risparmio gestito* regime provided for by Article 7 of Decree No. 461 will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including a minimum holding period requirement) and limitations, Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale, transfer or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law as amended and supplemented from time to time.

Any capital gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income for IRES purposes and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes, if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign

entities to which the Notes are connected), an Italian resident commercial partnership or an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected.

Any capital gains realised by a Noteholder that is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund. Subsequent distributions made in favour of unitholders or shareholders of the Real Estate Fund and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.. Moreover, subject to certain conditions, depending on the status of the investor and the percentage of its participation, income realised by Real Estate Funds may be attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

Any capital gains realised by an Italian Noteholder that is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio accrued at the end of the relevant tax period which is exempt from income tax. Subsequent distributions made in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent..

Any capital gains realised by a Noteholder that is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law, as amended and supplemented from time to time.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets in Italy or abroad are neither subject to the *imposta sostitutiva* nor to any other Italian income tax (subject to timely filling of required documentation (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty). Italian tax authorities have clarified that the notion of multilateral trading facility (MTF) under EU Directive 2014/65/CE (so called MiFID II) can be assimilated to that of "regulated market" for income tax purposes; conversely, organized trading facilities (OTF), not falling in the definition of MTF under MiFID II, cannot be assimilated to "regulated market" for income tax purposes.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of the Notes not traded on regulated markets and held in Italy are not subject to *imposta sostitutiva* provided that the Noteholder (i) qualifies as the beneficial owner of the capital gain and is resident for income tax purposes in a country included in the White List; or (ii) is an international entity or body set up in accordance with international agreements ratified in Italy; or (iii) is a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is incorporated in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of incorporation, in any case, to the extent all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable. In this case, if the non Italian Noteholders have opted for the *risparmio amministrato* regime or the Asset Management

Regime, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above.

If none of the conditions described above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes not traded on regulated markets and held in Italy are subject to *imposta sostitutiva* at the current rate of 26 per cent..

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of the Notes provided all the conditions for its application are met. In this case, if the non-Italian resident Noteholders have opted for the *risparmio amministrato* regime or the Asset Management Regime, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian Noteholders.

Transfer tax

Contracts relating to the transfer of securities are subject to registration tax as follows: (a) public deeds and notarised deeds are subject to a fixed registration tax of €200; (b) private deeds are subject to registration tax only in case of voluntary registration, explicit reference (*enunciazione*) or case of use (*caso d'uso*).

Inheritance and gift taxes

Pursuant to Law No. 346 of 31 October 1990 and Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including the Notes) as a result of gift, donation or succession of Italian residents and non-Italian residents (but in such latter case limited to assets held within the Italian territory – which, for presumption of law, includes bonds issued by Italian resident issuers) are subject to Italian inheritance and gift taxes as follows:

(i) transfers in favour of the spouse and direct descendants or ascendants are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of the brothers or sisters are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000;

(iii) transfers in favour of all other relatives up to the fourth degree or relatives-in-law up to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift; and

(iv) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, a threshold of €1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account

(*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by Italian law, as amended and supplemented from time to time.

Stamp duties

Pursuant to Article 13(2-ter) of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended (**Decree No. 642**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to its clients in respect of any financial product and instrument (including the Notes) which may be deposited with such financial intermediary in Italy. The stamp duty is collected by the resident banks and other financial intermediaries and applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers other than individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which it is not mandatory the deposit, the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary (and not directly held by the investor outside Italy, in which case Italian wealth tax (see below under "*Wealth tax on financial products held abroad*") applies to Italian resident Noteholders only).

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted with amendments by Law No. 227 of 4 August 1990, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of the instrument.

No disclosure requirements exist, *inter alia*, for investments and financial activities (including the Notes) under management or administration entrusted to Italian resident intermediaries and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subject to Italian withholding or substitute tax by intermediaries themselves.

Wealth tax on financial products held abroad

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted with amendments by Law No. 214 of 22 December 2011, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes holding financial products – including the Notes – outside of the Italian

territory are required to declare in their own annual tax return and pay a wealth tax at the rate of 0.2 per cent. (***IVAFE***). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial products held outside of the Italian territory. Taxpayers can generally deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree No. 642 does apply.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

Pursuant to a subscription agreement entered into on or about the Issue Date between the Issuer, the Undewriter, the Arranger and the Representative of the Noteholders (the **Subscription Agreement**), the Underwriter has agreed to subscribe and pay the Issuer for the Notes at their issue price of 100 per cent. of their respective principal amounts upon issue (the **Issue Price**) and to appoint Banca Finint to act as the representative of the Noteholders (the **Representative of the Noteholders**), subject to the conditions set out therein.

The Conditions

Under the Conditions the obligations of the Issuer to make payments in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

General

Persons into whose hands this Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

On the Issue Date, the Notes may only be purchased by persons that are not "U.S. person" as defined in the U.S. Risk Retention Rules (the **Risk Retention U.S. Persons**). Consequently, except with the prior written consent of the Originator (a **U.S. Risk Retention Consent**) and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Originator, (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 (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_.20 of the U.S. Risk Retention Rules).

Under the Subscription Agreement, each of the Issuer and the Underwriter has undertaken that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession, distributes or publishes such offering material, or in each case purports to do so, in all cases at its own expense. Furthermore, each of the Issuer and the Underwriter has undertaken that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any of the Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction, except under circumstances that will result in compliance with any

applicable laws and regulations. Unless otherwise herein provided, each of the Issuer and the Underwriter has undertaken that it will not take any action to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

Prohibition of Sales to EEA Retail Investors

Each of the Issuer and the Underwriter has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this 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**);

(ii) a customer within the meaning of Directive (UE) 2016/97 (as amended, the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In relation to each Member State of the EEA, each of the Issuer and the Underwriter has represented and warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(C) at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision:

(i) the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

(ii) the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Each of the Issuer and the Underwriter has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom (**UK**).

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 (Withdrawal Agreement) Act 2020) (**EUWA**);

(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 the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each of the Issuer and the Underwriter has represented and warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(A) at any time to any legal entity which is a qualified investor as defined in article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of the UK Prospectus Regulation); or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

(i) the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

(ii) the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Issuer and the Underwriter has agreed that it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the offering of the Notes, within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, any U.S. person.

In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Republic of Italy

Pursuant to the Subscription Agreement, each of the Issuer and the Underwriter has represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any Notes, copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Consolidated Financial Act and article 34-*ter*, paragraph 1, letter (b) of the CONSOB Regulation no. 11971 of 14 May 1999 and in accordance with any applicable Italian laws and regulations.

Any offer of the Notes to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act, CONSOB Regulation no. 20307 of 15 February 2018, the Consolidated Banking Act and any other applicable laws and regulations.

In addition, each of the Issuer and the Underwriter has undertaken to comply with any other applicable laws and regulations or requirement 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.

France

Under the Subscription Agreement, each of the Issuer and the Underwriter has represented and agreed that:

(b) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Notes to the public in the Republic of France;

(c) offers, sales and transfers of the Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*), other than individuals, provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with article L. 411-2 and article D. 411-1 of the French Monetary and Financial Code; and

(d) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

In accordance with the provisions of article L. 214-170 of the French Monetary and Financial Code, the Notes may not be sold by way of unsolicited calls (*démarchage*) save with qualified investors within the meaning of article L. 411-2 of the French Monetary and Financial Code.

United Kingdom

Under the Subscription Agreement, each of the Issuer and the Underwriter has represented, warranted and undertaken that:

(e) *Financial promotion*: (i) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(f) *General compliance*: furthermore, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, 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 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.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 6 July 2021.

(2) Application has been made for the Senior Notes to be admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana. No application has been made to list or admit to trading the Junior Notes on any stock exchange.

(3) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.

(4) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2020 that is material in the context of the issue of the Notes.

(5) Save as disclosed in section entitled "*The Issuer*" above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(6) Since 15 September 2017 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the Previous Securitisations and the purchasing of the Portfolio, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan (MI), Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN code	*Common code*
Class A Notes	IT0005467698	241827291
Class B Notes	IT0005467706	N/A

(8) The Issuer's LEI number is 815600713B74D1CCD334.

(9) Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the luxeSecuritisation Regulation by making available the relevant information on the Data Repository (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*").

(10) As long as the Notes are outstanding, copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Prospectus at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi n. 8, 20121 Milan (MI), Italy and also on the Data Repository:

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the financial statements of the Issuer as at 31 December 2019 and 31 December 2020 and approved from time to time;

(iii) the following agreements:

- Receivables Purchase Agreement;
- Servicing Agreement;
- Warranty and Indemnity Agreement;
- Intercreditor Agreement;
- Cash Allocation, Management and Payments Agreement;
- Subordinated Loan Agreement;
- Mandate Agreement;
- Third Agreement for the Extension of the Quotaholders' Agreement (to which (i) the First Agreement for the Extension of the Quotaholders' Agreement executed in the context of the Second Previous Securitisation and the Second Agreement for the Extension of the Quotaholder's Agreement executed in the context of the Third Previous Securitisation are attached, and (ii) the Quotaholders' Agreement executed in the context of the First Previous Securitisation is attached); and
- Third Agreement for the Extension of the Corporate and Administrative Services Agreement (to which (i) the First Agreement for the Extension of the Corporate and Administrative Services Agreement executed in the context of the Second Previous Securitisation and the Second Agreement for the Extension of the Corporate and Administrative Services Agreement executed in the context of the Third Previous Securitisation are attached, and (ii) the Corporate and Administrative Services Agreement executed in the context of the First Previous Securitisation is attached); and
- this Prospectus.

(11) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 240,000 (excluding fees due to the Servicer and auditors appointed for the Issuer's balance sheet and Quarterly Servicer's Report audit).

(12) The total expenses payable in connection with the admission of the Senior Notes to trading on the ExtraMOT PRO of the ExtraMOT Market amount to approximately Euro 2,500 and will be borne by Intesa Sanpaolo S.p.A.

(13) So far as the Issuer is aware, there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Notes that are material to the issue of the Notes.

(14) The Notes will be issued at the Issue Price of 100% of the aggregate principal amount of the Notes as at the Issue Date; consequently, the yield on the Notes will be represented by the interest accruing thereon as specified in Condition 7 (*Interest*).

(15) Even though it is expected that the Securitisation will be, after the Issue Date, included in the list published by ESMA referred to in article 27, paragraph 5, of the EU Securitisation Regulation (the **ESMA STS Register**), the STS status of a transaction is not static and investors should verify the current status of the transaction on ESMA STS Register.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited financial statements of the Issuer for the financial years ended on 31 December 2019 and 31 December 2020, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Paying Agent.

Copies of documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Corporate Servicer being, as at the date of this Prospectus, www.securitisation-services.com (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Issuer

BRERA SEC S.R.L.
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Italy

Arranger

INTESA SANPAOLO S.P.A.
Piazza San Carlo, 156
10121 Turin
Italy

Originator, Servicer, Subordinated Loan Provider, Account Bank, Paying Agent, Administrative Services Provider and Underwriter

INTESA SANPAOLO S.P.A.
Piazza San Carlo, 156
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Italy

Representative of the Noteholders, Calculation Agent and Corporate Services Provider

BANCA FINANZIARIA INTERNAZIONALE S.P.A.
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Legal advisers to the Arranger

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