# PROFAMILY SPV S.R.L.

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

## Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040

Issue price: 100 per cent.

## Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040

Issue price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by ProFamily SPV S.r.l., a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law (the **Issuer**) of Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040 (the **Class A Notes** or the **Senior Notes**).

In connection with the issue of the Class A Notes, the Issuer will issue Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040 (the **Class J Notes** or the **Junior Notes** and, together with the Class A Notes, the **Notes**).

This Prospectus constitutes a "*prospetto informativo*" for the purposes of article 2, paragraph 3, of Italian Law no. 130 of 30 April 1999 (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. **Neither the *Commissione Nazionale per le Società e la Borsa* (CONSOB) or Borsa Italiana have examined or approved the content of this Prospectus.**

The Notes will be issued on 24 February 2021 (the **Issue Date**). The Notes will be issued in dematerialised form (*in forma dematerializzata*) on behalf of the ultimate owners, until redemption or cancellation thereof, through Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83-*bis* of the Consolidated Financial Act, through the authorised institutions listed in article 83-*quarter* of the Consolidated Financial Act. Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act; and (ii) the CONSOB and Bank of Italy Joint Resolution. No physical document of title will be issued in respect of the Notes.

The Notes will be subject to mandatory redemption (*pro-rata* within each Class) in whole or in part on each Payment Date during the Amortisation Period, to the extent that the Issuer will have sufficient Issuer Available Funds for such purpose and in accordance with the applicable Priority of Payments. The Issuer shall redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, in accordance with the applicable Priority of Payments, on the Payment Date falling in December 2040 (the **Final Maturity Date**). The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided in Condition 6(c) (*Mandatory redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) and Condition 6(e) (*Early redemption at the option of the Issuer*), but without prejudice to Condition 10 (*Trigger Events*) and Condition 11 (*Enforcement*).

Each Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided in Condition 6 (*Redemption, purchase and cancellation*). The rate of interest applicable from time to time in respect of the Notes (the **Rate of Interest**) will be (a) in respect of the Class A Notes, a fixed rate equal to 1 per cent. per annum; and (b) in respect of the Class J Notes, a fixed rate equal to 5 per cent. per annum. Interest on the Notes will accrue on a daily basis and will be payable in Euro in arrear by reference to successive Interest Periods on each date falling on (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the 20$^{st}$ (twentieth) calendar day of each month in each year (or, if such day is not a Business Day, the immediately following Business Day), or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, any such Business Days as determined by the Representative of the Noteholders on which payments are to be made under the Securisation (each a **Payment Date**), in each case in accordance with the applicable Priority of Payments. The first payment of interest on the Notes will be due on the Payment Date falling on 22 March 2021 in respect of the Interest Period from (and including) the Issue Date up to (but excluding) such date.

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

The principal source of payments of interest and repayment of principal on the Notes will be the Collections received or recovered in respect of the Aggregate Portfolio and the other Securisation Assets. Pursuant to the Master Transfer Agreement, the Originator has transferred without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the Initial Portfolio. The Advanced Purchase Price for the Initial Portfolio will be financed by the Issuer through the issuance of the Notes. In addition, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios during the Revolving Period, provided that (i) no Purchase Termination Event has occurred; (ii) the Transfer Limits are met; and (iii) the Advanced Purchase Price for each Subsequent Portfolio does not exceed the relevant Target Collateral Amount. The Advanced Purchase Price for each Subsequent Portfolio will be financed by the Issuer through the Issuer Available Funds and paid in accordance with the Pre-Enforcement Priority of Payments. In addition, on each Payment Date the Originator may or may not receive, as Deferred Purchase Price, an amount equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. The Notes benefit of the provisions of the Securitisation Law pursuant to which the Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor. Under the Intercreditor Agreement, the Other Issuer Creditors have agreed or, in the case of the Noteholders, the Conditions provide and the Noteholders are deemed to have agreed, that amounts deriving from the Aggregate Portfolio and the other Securisation Assets will be applied by the Issuer in accordance with the applicable Priority of Payments.

The Class A Notes are expected, on issue, to be rated "A(high) sf" by DBRS Ratings GmbH and "A- sf" by Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*). The Class J Notes are not expected to be assigned any credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation.** In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended and supplemented (the **CRA Regulation**). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation, as evidenced in the latest update of the list published by ESMA on its website (being, as at the date of this Prospectus, www.esma.europa.eu).

Under the Intercreditor Agreement, ProFamily, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, from the Issue Date, it will: (a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes; (b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the 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 will be required to do so only 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 warranted and undertaken, *inter alia*, 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.

ProFamily 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, but rather 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 securitization 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 Securitisation is intended to qualify as a simple, transparent and standardised (**STS**) securitisation within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (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, prior to the Issue Date, has been notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the **STS Notification**). Pursuant to article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation). The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS (PCS), as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR (the **CRR Assessment** and, together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Prospectus, https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on ESMA website. None of the Issuer, ProFamily (in any capacity), the Representative of the Noteholders or any other Transaction Party 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.

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 and Sale*".

**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 (**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.

**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 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 (**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.

**Capitalised words and expressions used in this Prospectus shall, unless defined in any other section and except so far as the context otherwise requires, have the meanings set out in the section headed "*Glossary of Terms*".**

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

The date of this Prospectus is 23 February 2021.

***Responsibility for information***

*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) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in respect of which each of ProFamily (in its capacities as Originator, Servicer, Reporting Entity, Administrative Servicer, Cash Manager and Subscriber), Banca Finanziaria Internazionale S.p.A. (in its capacities as Back-up Servicer Facilitator, Calculation Agent, Corporate Servicer and Representative of the Noteholders) and The Bank of New York Mellon SA/NV, Milan Branch (in its capacities as Account Bank and Paying Agent) accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Class A Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.*

*None of the Issuer, the Representative of the Noteholders or any other Transaction Party other than the Originator has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables transferred by the Originator to the Issuer, nor have the Issuer, the Representative of the Noteholders or any other Transaction Party other than the Originator undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor in respect of the Receivables.*

*ProFamily S.p.A. accepts, jointly with the Issuer, responsibility for the information relating to itself, the Receivables, the Loan Agreements, the Debtors, the Loans, the Credit and Collection Policies and any other information relating to the Aggregate Portfolio contained in the sections headed "The Principal Parties", "The Aggregate Portfolio", "The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber", "Credit and Collection Policies", "Risk Retention and Transparency Requirements", "Description of the Transaction Documents - The Servicing Agreement" and "Estimated Weighted Average Life of the Class A Notes". To the best of the knowledge and belief of ProFamily S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Banca Finanziaria Internazionale S.p.A. accepts, jointly with the Issuer, responsibility for the information relating to itself contained in the sections headed "The Principal Parties" and "The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders". To the best of the knowledge and belief of Banca Finint S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The information relating to Banca Finanziaria Internazionale S.p.A. contained in the sections headed "The Principal Parties" and "The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders" has been provided by Banca Finanziaria Internazionale S.p.A. solely for use in this Prospectus and Banca Finanziaria Internazionale S.p.A. is only responsible for the accuracy of the information relating to itself contained in those sections. Except for the information relating to itself contained in the sections headed "The Principal Parties" and "The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders", Banca Finanziaria Internazionale S.p.A. and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.*

*The Bank of New York Mellon SA/NV, Milan Branch accepts, jointly with the Issuer, responsibility for the information relating to itself contained in the sections headed "The Principal Parties" and "The Account Bank and the Paying Agent". To the best of the knowledge and belief of The Bank of New York Mellon*

*SA/NV, Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The information relating to The Bank of New York Mellon SA/NV, Milan Branch contained in the sections headed "The Principal Parties" and "The Account Bankand the Paying Agent" has been provided by The Bank of New York Mellon SA/NV, Milan Branch solely for use in this Prospectus and The Bank of New York Mellon SA/NV, Milan Branch is only responsible for the accuracy of the information relating to itself contained in those sections. Except for the information relating to itself contained in the sections headed "The Principal Parties" and "The Account Bank and the Paying Agent", The Bank of New York Mellon SA/NV, Milan Branch and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.*

***Representation about the Notes***

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Representative of the Noteholders or any other Transaction Party. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Class A Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or any other Transaction Party or in any of the other information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof. No person other than the Issuer (or in the case of ProFamily S.p.A., Banca Finanziaria Internazionale S.p.A., Banco BPM S.p.A. and The Bank of New York Mellon SA/NV, Milan Branch, solely to the extent described above) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.*

***Limited recourse***

*The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer will be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. The Notes benefit of the provisions of the Securitisation Law pursuant to which the Aggregate Portfolio and the other Securitisation Assets will be segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other Further Securitisation and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor.*

***Interest material to the offer***

*Save as described under the section headed "Subscription and Sale" and in the section headed "Risk factors- Counterparty risks - Conflicts of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.*

***Selling Restrictions***

*The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law and by the Transaction Documents, in particular, as provided by and described in the Subscription Agreement. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.*

*This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Aggregate Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.*

*The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other 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, except under circumstances that will result in compliance with all applicable laws, orders, rules 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 headed "Subscription and Sale".*

*The Notes have not been, and will not be, registered under the Securities Act or the "blue sky" laws of any state of the U.S. or other jurisdiction and the securities, may not be offered, sold or delivered 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. The Notes are in dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section headed "Subscription and Sale"). Neither the United States Securities and Exchange Commission, nor any state securities commission or any other regulatory authority, has approved or disapproved the Notes or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.*

*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. The Notes may not be transferred to any person who is a Risk Retention U.S. Person. 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) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (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 10 of the U.S. Risk Retention Rules).*

*The Issuer will be relying on an exclusion or exemption from the definition of "Investment Company" under the Investment Company Act contained in Section 3(c)(1) of the Investment Company Act, although there may be additional statutory or regulatory exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule".*

***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 (**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.*

***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 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 (**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.*

***Interpretation***

*Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section headed "Glossary of Terms". These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

*All references in this Prospectus to Euro, euro, EUR or € are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.*

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

*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.*

*Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective Noteholders are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.*

*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.*

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

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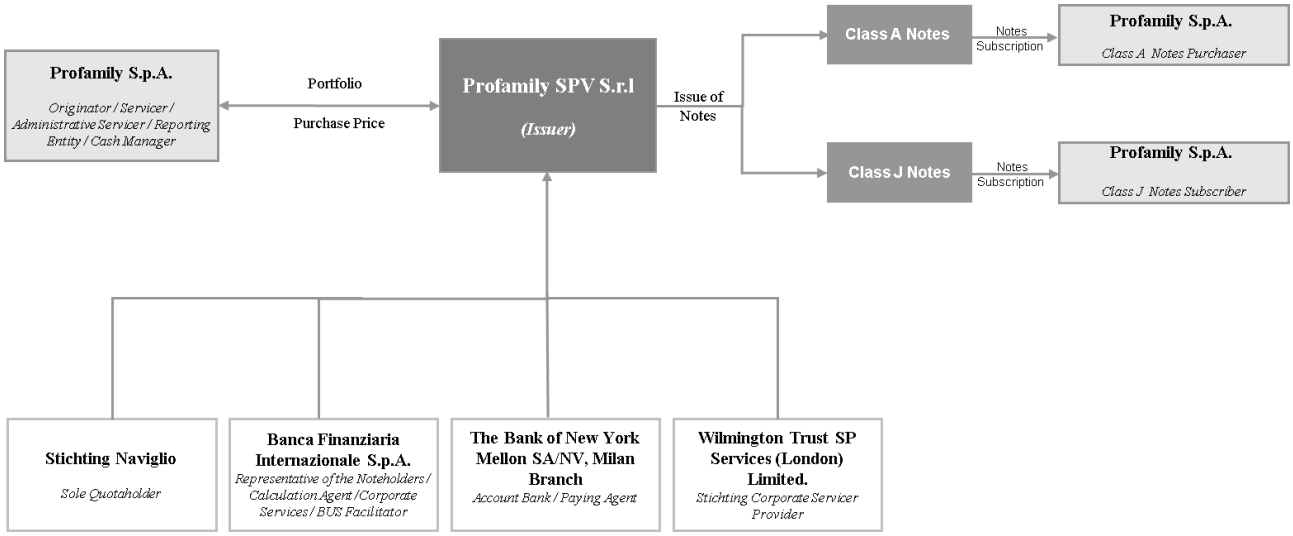
## TRANSACTION OVERVIEW

**The following information is an overview of the transactions and assets underlying the Notes 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.**

**Capitalised terms used, but not defined, in the overview below shall bear the meanings given to them in the section headed "*Glossary of Terms*".**

### 1. TRANSACTION DIAGRAM




### 2. THE PRINCIPAL PARTIES

**Issuer**

**Profamily SPV S.r.l.**, a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities in the context of one or more securitisation transactions, subject to Condition 4(b) (*Further securitisations and corporate existence*).

For further details, see the section headed "*The Issuer*".

**Originator**

**ProFamily S.p.A.**, a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via Massaua 6, 20146 Milan, Italy, tax

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| | code no. 10884890962, VAT Group no. 10537050964 and enrolment with the Rea. MI no. 2563796, registered with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under no. 233, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) of Banco BPM S.p.A. pursuant to articles 2497 and following of the Italian civil code, belonging to the Banco BPM Group (**ProFamily**).<br><br>For further details, see the section headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*". |
| **Servicer** | **ProFamily**.<br><br>The Servicer will act as such pursuant to the Servicing Agreement.<br><br>For further details, see the section headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*". |
| **Reporting Entity** | **ProFamily**.<br><br>The Reporting Entity will act as such pursuant to the Intercreditor Agreement.<br><br>For further details, see the section headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*". |
| **Administrative Servicer** | **ProFamily**.<br><br>The Administrative Servicer will act as such pursuant to the Administrative Services Agreement.<br><br>For further details, see the section headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*". |
| **Back-up Servicer Facilitator** | **Banca Finanziaria Internazionale S.p.A.**, *breviter* **Banca Finint S.p.A.**, a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*" (**Banca Finint**).<br><br>For further details, see the section headed "*The Back-up Servicer* |

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| | *Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders*". |
| **Representative of the Noteholders** | **Banca Finint**.<br><br>The Representative of the Noteholders will act as such pursuant to the Intercreditor Agreement and the Rules of the Organisation of the Noteholders.<br><br>For further details, see the section headed "*The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders*". |
| **Corporate Servicer** | **Banca Finint**.<br><br>The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.<br><br>For further details, see section headed "*The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders*". |
| **Calculation Agent** | **Banca Finint**.<br><br>The Calculation Agent will act as such pursuant to the Agency and Accounts Agreement.<br><br>For further details, see the section headed "*The Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders*". |
| **Cash Manager** | **ProFamily**.<br><br>The Cash Manager will act as such pursuant to the Agency and Accounts Agreement.<br><br>For further details, see the section headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*". |
| **Account Bank** | **The Bank of New York Mellon SA/NV, Milan Branch**, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan under no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (**BNYM, Milan Branch**).<br><br>The Account Bank will act as such pursuant to the Agency and Accounts Agreement.<br><br>For further details, see section headed "*The Account Bank and the* |

*Paying Agent*".

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| **Paying Agent** | **BNYM, Milan Branch**.<br><br>The Paying Agent will act as such pursuant to the Agency and Accounts Agreement.<br><br>For further details, see the section headed "*The Account Bank and the Paying Agent*". |
| **Quotaholder** | **Stichting Naviglio**, a Dutch law foundation (*stichting*) incorporated under the laws of The Netherlands, having its registered office at Locatellikade 1, 1076AZ Amsterdam, The Netherlands, with Italian fiscal code no. 97851590154 and enrolled with the Chamber of Commerce in Amsterdam under no. 75248980.<br><br>For further details, see the section headed "*The Issuer*". |
| **Stichting Corporate Services Provider** | **Wilmington Trust SP Services (London) Limited**, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, enrolled with the Trade Register of the Chamber of Commerce of England and Wales under no. 02548079.<br><br>The Stichting Corporate Services Provider will act as such pursuant to the Stichting Corporate Services Agreement. |
| **Subscriber** | **ProFamily**. |

As at the date of this Prospectus, there are no relationships of direct or indirect control or ownership among the parties listed above, except for (i) the relationships between ProFamily and Banco BPM as described in the sections headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*"; and (ii) the relationships between the Issuer and Stichting Naviglio as described in the section headed "*The Issuer*".

## 3. PRINCIPAL FEATURES OF THE NOTES

**The Notes**

On the Issue Date, the Issuer will issue:

(a) Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040 (the **Class A Notes** or the **Senior Notes**); and

(b) Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040 (the **Class J Notes** or the **Junior Notes** and, together with the Class A Notes, the **Notes**).

**Issue Price**

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

(a) Class A Notes: 100 per cent.;

(b) Class J Notes: 100 per cent.

**Form and denomination**

The minimum denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

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

**Interest on the Notes**

Each Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided in Condition 6 (*Redemption, purchase and cancellation*).

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

(a) in respect of the Class A Notes, a fixed rate equal to 1 per cent. per annum; and

(b) in respect of the Class J Notes, a fixed rate equal to 5 per cent. per annum.

Interest on the Notes will accrue on a daily basis and will be payable in Euro in arrear by reference to successive Interest Periods on each date falling on (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the 20th (twentieth) calendar day of each month in each year (or, if such day is not a Business Day, the immediately following Business Day), or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation (each, a **Payment Date**), in each case in accordance with the applicable Priority of Payments. The first payment of interest on the Notes will be due on the Payment Date falling on 22 March 2021 in respect of the Interest Period from (and including) the Issue Date up to (but excluding) such date.

**Interest deferral**

Payments of interest on the Class J 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-Enforcement Priority of Payments to pay in full the relevant Interest Amount which would otherwise be payable on such Class of Notes. The amount by which the aggregate amount of interest paid on the Class J Notes on any Payment Date in accordance with Condition 5 (*Interest*) falls short of

the aggregate amount of interest which otherwise would be payable on the Class J Notes on that date shall be aggregated with the amount of, and treated for the purposes of, Condition 5 (*Interest*) as if it were interest due on such Class of Notes and, subject as provided below, payable on the next succeeding Payment Date. If, on the Cancellation Date, there remains any such shortfall, the amount of such shortfall will become due and payable on such date, subject in each case to the amounts of Issuer Available Funds and, to the extent unpaid, will be cancelled.

Any Interest Amount due but not payable on the Class A Notes on any Payment Date prior to the Cancellation Date will not be deferred and any failure to pay such Interest Amount will constitute a Trigger Event pursuant to Condition 10 (*Trigger Events*).

**STS-securitisation**

The Securitisation is intended to qualify as a simple, transparent and standardised (**STS**) securitisation within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (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, prior to the Issue Date, has been notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the **STS Notification**). Pursuant to article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation).

The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS (**PCS**), as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR (the **CRR Assessment** and, together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Prospectus, https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the**

**Securitisation on ESMA website**. None of the Issuer, ProFamily S.p.A. (in any capacity), the Representative of the Noteholders or any other Transaction Party 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.

**Transparency Requirements under 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.

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at the following website: https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf. In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation.

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

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

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

Criteria; and

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

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(a) the Servicer shall:

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

(ii) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation (including, *inter alia*, any material change of the Priority of Payments and of the credit policies relating to the Receivables to be included in any Subsequent Portfolio and the occurrence of any Trigger Event), and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the

occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, on each Quarterly Report Date (simultaneously with the Loan by Loan Report and the SR Investors Report);

(b) the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date; and

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

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

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

For further details, see the sections headed "*Risk Retention and Transparency Requirements*" and "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Credit Rating**

The Class A Notes are expected, on issue, to be assigned the following ratings:

(a) "A(high) sf" by DBRS Ratings GmbH; and

(b) "A- sf" by Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*).

The Class J Notes are not expected to be assigned any credit rating.

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

With reference to the rating specified above to be assigned by DBRS Ratings GmbH, in accordance with DBRS definitions available as at the date of this Prospectus on the website https://www.dbrs.com/understanding-ratings/#about-ratings, "A (high)" means debt obligations of good credit quality.

With reference to the ratings specified above to be assigned by Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*), in accordance with Fitch's definitions available as at the date of this Prospectus on the website https://www.fitchratings.com/site/definitions, "A-" means high credit quality.

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 **CRA Regulation**). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation, as evidenced in the latest update of the list published by ESMA on its website (being, as at the date of this Prospectus, www.esma.europa.eu).

**Status**

The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes.

**Ranking and Subordination**

In respect of the obligation of the Issuer to pay interest on the Notes, both prior to and following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event:

(a) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes, the payment of interest on the Class J Notes and the repayment of principal on the Class J Notes;

(b) the Class J Notes will rank *pari passu* without preference or priority amongst themselves and in priority to repayment of principal on the Class J Notes, but subordinated to the payment of interest on the Class A Notes and the repayment of principal on the Class A Notes.

In respect of the obligation of the Issuer to repay principal on the Notes both prior to and following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event:

(a) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest on the Class J Notes and the repayment of principal on the Class J Notes, but subordinated to the payment of interest on the Class A Notes;

(b) the Class J Notes will rank *pari passu* without preference or priority amongst themselves, but subordinated to the payment of interest on the Class A Notes, the repayment of principal on the Class A Notes and the payment of interest on the Class J Notes.

The rights of the Noteholders in respect of priority of payment of interest and principal are set out in Condition 3(a) (*Priority of Payments - Pre-Enforcement Priority of Payments*) or Condition 3(b) (*Priority of Payments - Post-Enforcement Priority of Payments*), as the case may be, are subject to the provisions of the Intercreditor Agreement and are subordinated to certain prior ranking amounts due by the Issuer as set out therein.

**Withholding tax**

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

According to the provisions of article 6 of Decree 239, a holder of a Note who (i) is not a person resident for tax purposes (or an institutional investor incorporated) in a country which allows an adequate exchange of information with the Republic of Italy, or (ii) is resident or incorporated in such a country but has not fulfilled all the requisite documentary requirements under Decree 239, will receive amounts of interest payable on the Notes net of the Decree 239 Withholding.

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

**Final Maturity Date**

The Issuer shall redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, in accordance with the applicable Priority of Payments, on the Payment Date falling in December 2040 (the **Final Maturity Date**).

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided in Condition 6(c) (*Mandatory redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) and Condition 6(e) (*Early redemption at the option of the Issuer*), but without prejudice to Condition 10 (*Trigger Events*) and Condition 11 (*Enforcement*).

**Cancellation Date**

The Notes will be finally and definitively cancelled:

(a) on the earlier of (A) the Final Maturity Date if the Notes are redeemed in full, and (B) the date on which the Notes are finally redeemed following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*); or

(b) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, on the later of (i) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the date on which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having determined that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the other Securitisation Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes,

(the applicable date of cancellation, the **Cancellation Date**).

**Estimated Weighted Average Life of the Class A Notes**

Calculations as to the estimated weighted average life of the Class A Notes are based on various assumptions relating also to unforeseeable circumstances.

For further details, see sections headed "*Risk factors - Yield and Prepayment Considerations*" and "*Estimated Weighted Average Life of the Class A Notes*".

**No assurance can be given that such assumptions and estimates will be accurate and, therefore, calculations as to the estimated weighted average life of the Class A Notes must be viewed with**

**considerable caution.**

**Mandatory redemption**

The Notes will be subject to mandatory redemption (*pro-rata* within each Class) in whole or in part on each Payment Date during the Amortisation Period, to the extent that the Issuer will have sufficient Issuer Available Funds for such purpose and in accordance with the applicable Priority of Payments.

**Early redemption for taxation, legal or regulatory reasons**

Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer may redeem at its option the Class A Notes (in whole but not in part) and the Class J Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem at least all the Class A Notes and to make all payments ranking in priority, or *pari passu*, thereto, on any Payment Date if, by reason of a change in law or regulation or the interpretation or administration thereof since the Issue Date:

(a) the Securitisation Assets become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or

(b) either the Issuer or any paying agent or any custodian appointed in respect of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law or the interpretation or administration thereof; or

(c) any amounts of interest payable on the Loans to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or

(d) it is or becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document,

(any of the events under paragraphs (a), (b), (c) and (d) above, an **Early Redemption Event**).

The Issuer's right to redeem the Notes in the manner described above shall be subject to the Issuer:

(a) giving not more than 60 (sixty) nor less than 30 (thirty) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders of its intention to redeem the Class A Notes (in whole but not in part) and the Class J Notes (in whole or in part) on the next succeeding Payment Date at their Principal Amount Outstanding, together with any accrued but unpaid interest, pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*); and

(b) providing to the Representative of the Noteholders:

(i) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or regulation or interpretation or administration thereof;

(ii) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that any of the events under Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) will apply on the next Payment Date and cannot be avoided by the Issuer taking reasonable endeavours; and

(iii) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge at least its obligations under the Class A Notes and any obligations ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes.

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio then outstanding following the occurrence of an Early Redemption Event in order to finance the early redemption of the Notes in accordance with Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*). If the Originator exercises such option, then the Issuer shall redeem the Notes as described above. For further details, see the section headed "*Description of the Transaction Documents - The Master Transfer Agreement*".

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|---|---|
| **Early redemption at the option of the Issuer** | Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer may at its option redeem the Class J Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments, on any Payment Date starting from the Payment Date on which the Issuer Available Funds (excluding the proceeds deriving from the disposal of the Aggregate Portfolio) are sufficient to redeem in full the Class A Notes (the **Clean-up Call Condition**).<br><br>The Issuer's right to redeem the Notes in the manner described above shall be subject to the Issuer giving not more than 60 (sixty) nor less than 30 (thirty) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders of its intention to redeem the Class J Notes (in whole or in part) on the next succeeding Payment Date at their Principal Amount Outstanding, together with any accrued but unpaid interest, pursuant to Condition 6(e) (*Early redemption at the option of the Issuer*).<br><br>Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio then outstanding following the occurrence of the Clean-up Call Condition in order to finance the early redemption of the Class J Notes in accordance with Condition 6(e) (*Early redemption at the option of the Issuer*). If the Originator exercises such option, then the Issuer shall redeem the Class J Notes as described above. For further details, see the section headed "*Description of the Transaction Documents - The Master Transfer Agreement*". |
| **Source of payments of the Notes** | The principal source of payments of interest and repayment of principal on the Notes will be the Collections received or recovered in respect of the Aggregate Portfolio and the other Securitisation Assets. |
| **Segregation of the Aggregate Portfolio and the other Securitisation Assets** | The Notes benefit of the provisions of the Securitisation Law pursuant to which the Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor.<br><br>For further details, see the section headed "*Selected Aspects of Italian Law - Ring-fencing of the assets*".<br><br>The Aggregate Portfolio and the other Securitisation Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the |

terms of the Intercreditor Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's rights, powers and discretions under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders will deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Aggregate Portfolio and under the Transaction Documents. Italian law governs the delegation of such power.

For further details, see section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Trigger Events**

The occurrence of any of the following events will constitute a **Trigger Event**:

(a) *Non-payment*: default is made by the Issuer:

(i) in respect of any payment of Interest Amount on the Class A Notes, provided that such default remains unremedied for a period of 3 (three) Business Days; or

(ii) in respect of any repayment of principal due on any Class of Notes on the Final Maturity Date, provided that such default remains unremedied for a period of 3 (three) Business Days; or

(iii) in respect of any repayment of principal on the Class A Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for a period of 3 (three) Business Days (it being understood that, prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no amount of principal will be due and payable in respect of the Notes); or

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under the Notes or the Transaction Documents (in any respect which is material for the interests of the Noteholders) and

such default remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(c) *Misrepresentation*: any of the representations and warranties given by the Issuer under or in connection with any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated (in any respect which is material for the interests of the Noteholders) and such breach remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such breach is not capable of remedy, in which case no notice requiring remedy will be given); or

(d) *Issuer Insolvency Event*: an Issuer Insolvency Event occurs; or

(e) *Unlawfulness*: it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document, or any obligation of the Issuer under any Transaction Document ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained or purported to be contained therein is not effective or is alleged by the Issuer to be ineffective for any reason, or any of the Issuer's rights under the Notes or any Transaction Document are or will (by reason of a change in law or the interpretation or administration thereof since the Issue Date) be materially adversely affected.

If a Trigger Event occurs, then the Representative of the Noteholders:

(i) in the circumstances under paragraphs (a) (*Non-payment*), (d) (*Issuer Insolvency Event*) and (e) (*Unlawfulness*) above, shall; or

(ii) in the circumstances under paragraphs (b) (*Breach of other obligations*) or (c) (*Misrepresentation*) above, may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes),

serve a Trigger Notice on the Issuer (with copy to the Originator, the Servicer, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*)) declaring the Notes to be due and payable, provided that the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all duly documented fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

Upon the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Notes shall (subject to Condition 16 (*Limited recourse and non-petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest, without further action, notice or formality, and all payments due by the Issuer shall be made in accordance with the Post-Enforcement Priority of Payments.

At any time after the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Aggregate Portfolio pursuant to article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. In case of such disposal, the Originator will have the right to purchase the Aggregate Portfolio with preference to any third party purchaser, pursuant to the terms and subject to the conditions set out in the Intercreditor Agreement.

For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Limited Recourse**

Notwithstanding any other provision of the Conditions, all obligations of the Issuer to make payments to each Issuer Creditor (other than the obligation to pay the Advanced Purchase Price for the Initial Portfolio to the Originator), including, without limitation, the obligations under the Notes or any Transaction Document to which such Issuer Creditor is a party, are limited in recourse and shall arise and become due and

payable in an amount equal as at the relevant date to the lower of: (i) the aggregate nominal amount of such payment which, but for the operation of Condition 16 (*Limited recourse and non-petition*) and the applicable Priority of Payments, would be due and payable at such time to such Issuer Creditor; and (ii) the Issuer Available Funds net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to, or *pari passu* with, sums payable to such Issuer Creditor.

In particular:

(a) if the Issuer Available Funds are insufficient to pay any amount due and payable on any Payment Date in accordance with the applicable Priority of Payments, the shortfall then occurring will not be payable on that Payment Date but will become payable on the subsequent Payment Date if and to the extent that funds may be used for this purpose in accordance with the applicable Priority of Payments. Such shortfall will not accrue interest;

(b) accordingly, it is agreed that (A) the limited recourse nature of the obligations under the Notes or any Transaction Documents produces the effect of a *contratto aleatorio* and the consequences thereof are accepted, including but not limited to the provisions of article 1469 of the civil code, and (B) the Issuer Creditors will have an existing claim against the Issuer only in respect of the Issuer Available Funds which may be applied for the relevant purpose as at the relevant date 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;

(c) all payments to be made by the Issuer to each Issuer Creditor, whether under the Notes or any Transaction Document to which such Issuer Creditor is a party or otherwise, will be made by the Issuer solely on the Payment Dates from the Issuer Available Funds, except as permitted in the Transaction Documents; and

(d) unless paid before in accordance with the provisions set out above, all the obligations of the Issuer to each Issuer Creditor will expire on the Cancellation Date.

**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 of the Issuer arising under the Notes and the Transaction Documents and no Issuer Creditor shall be entitled to proceed directly against the Issuer to obtain payment of such obligations. In particular:

(a) no Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders) is entitled, save as expressly permitted by the Transaction Documents, to take or join any person in taking any steps against the Issuer for the

purpose of obtaining payment of any amount due by the Issuer to such Issuer Creditor;

(b) until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any other notes issued by the Issuer in the context of any Further Securitisation have been redeemed in full and/or cancelled, no Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all Further Securitisations (if any) have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) shall initiate or join any person in initiating an Issuer Insolvency Event; and

(c) no Issuer Creditor is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step that would result in any Priority of Payments not being complied with.

**The Organisation of the Noteholders and the Representative of the Noteholders**

The Organisation of the Noteholders will be established upon and by virtue of the issuance of the Notes and will 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 Schedule 1), for as long as any Note will be outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, will be made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders which has been appointed by the Subscriber in the Intercreditor Agreement. Each Noteholder will be deemed to accept such appointment.

Pursuant to the Intercreditor Agreement, the Issuer has irrevocably appointed, effective as from the Issue Date, the Representative of the Noteholders, as its true and lawful agent (*mandatario con rappresentanza*) in the interest, and for the benefit of, the Noteholders and the Other Issuer Creditors pursuant to article 1411 and article 1723, second paragraph, of the Italian civil code, to exercise, in the name and on behalf of the Issuer, all and any of the Issuer's rights (other than the rights and powers pertaining to the collection and recovery activities delegated to the Servicer and the activities delegated to the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider or the Agents under the Transaction Documents) arising from each of the Transaction Documents to which the Issuer is or will be a party.

Pursuant to the Intercreditor Agreement, the Other Issuer Creditors have jointly appointed the Representative of the Noteholders as their true and lawful agent (*mandatario con rappresentanza*) to act also in the name and on behalf of the Other Issuer Creditors and in accordance with the provisions of articles 1723, second paragraph, and

1726 of the Italian civil code, and have authorised the Representative of the Noteholders to (i) do any act, matter or thing which it considers necessary to exercise or protect the Other Issuer Creditors' rights under any of the Transaction Documents, and (ii) receive, following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, as sole agent (*mandatario esclusivo*) all monies payable by the Issuer to the Other Issuer Creditors in accordance with the Post-Enforcement Priority of Payments.

For further details, see the sections headed "*Terms and Conditions of the Notes*" and "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Admission to trading of the Class A Notes**

Application has been made for the Class A Notes to be admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana.

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

**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 and Sale*".

**Purchase of Notes by the Issuer**

The Issuer may not purchase any Notes at any time.

**Governing Law and Jurisdiction of the Notes**

The Notes, the Conditions and the Rules of the Organisation of the Noteholders are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the Notes, the Conditions or the Rules of the Organisation of the Noteholders, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 4. THE AGGREGATE PORTFOLIO

**Transfer of the Initial Portfolio and Subsequent Portfolios**

Pursuant to the Master Transfer Agreement, the Originator has transferred without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the Initial Portfolio. The Advanced Purchase Price for the Initial Portfolio will be financed by the Issuer through the issuance of the Notes.

In addition, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios during the Revolving Period, provided that (i) no Purchase Termination Event has occurred; (ii) the Transfer Limits are met; and

(iii) the Advanced Purchase Price for each Subsequent Portfolio does not exceed the relevant Target Collateral Amount. The Advanced Purchase Price for each Subsequent Portfolio will be financed by the Issuer through the Issuer Available Funds and paid in accordance with the Pre-Enforcement Priority of Payments.

In addition, on each Payment Date the Originator may or may not receive, as Deferred Purchase Price, an amount equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

The Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio shall comply with the Eligibility Criteria.

For further details, see the sections headed "*The Aggregate Portfolio*" and "*Description of the Transaction Documents - The Master Transfer Agreement*".

**Transfer Limits**

During the Revolving Period, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios provided that, as at the relevant Offer Date, the following limits are complied with:

(a) the aggregate Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the relevant Subsequent Portfolio which arise from Loan Agreements having 1 (one) Unpaid Instalment is not higher than 1.50 per cent. of the aggregate Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the same Subsequent Portfolio;

(b) the Weighted Average Yield is not lower than 5.00 per cent.;

(c) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by the major Debtor (in terms of Outstanding Principal); and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the

Receivables comprised in the relevant Subsequent Portfolio owed by all Debtors,

does not exceed 0.015 per cent.;

(d) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by the major 20 (twenty) Debtors (in terms of Outstanding Principal); and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by all Debtors,

does not exceed 0.20 per cent.;

(e) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Personal Loans; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 10 per cent.;

(f) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the

Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Used Vehicle Loans; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 55 per cent.;

(g) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Loans (other than Personal Loans) having a Balloon Instalment; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 12 per cent.;

(h) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Loans to be repaid through Post Note; and

(B) the Outstanding Principal, as at the Collection End

Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 10 per cent.;

(i) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Personal Loans the origination channel of which is different from ProFamily or any of Banco BPM's branches; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 8 per cent.

Should, on any Offer Date, any Transfer Limit not be complied with, the Originator may not offer any Subsequent Portfolio for sale, and the Issuer may not purchase any Subsequent Portfolio, until the Offer Date on which all Transfer Limits are complied with.

**Purchase Termination Events**

The occurrence of any of the following events will constitute a **Purchase Termination Event**:

(a) *Breach of obligations by ProFamily*:

ProFamily defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is a party, provided that such default (i) is materially prejudicial to the interests of the Noteholders, and (ii) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to ProFamily, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(b) *Breach of representations and warranties by ProFamily*:

any of the representations and warranties made by ProFamily under any of the Transaction Documents to which it is a party proves to be untrue, incorrect or misleading, provided that such breach (i) is materially prejudicial to the interests of the Noteholders, and (ii) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to ProFamily, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(c) *Insolvency of ProFamily*:

(i) an application is made for the commencement of an insolvency proceeding or any other similar proceeding applicable in any jurisdictions against ProFamily and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant within 90 (ninety) days following the date of the relevant application, unless a legal opinion or other adequate comfort is given to the Representative of the Noteholders confirming that such application is manifestly without grounds (it being understood that, pending the 90 (ninety)-day or the shorter period necessary for obtaining the aforementioned legal opinion or other adequate comfort, ProFamily will not be able to submit any Transfer Offer); or

(ii) ProFamily takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations; or

(d) *Winding up of ProFamily*:

an order is made or an effective resolution is passed for the winding up or liquidation of ProFamily; or

(e) *Breach of ratios*:

(i) the Cumulative Gross Default Ratio exceeds the Default Trigger Level; or

(ii) the Delinquency Ratio exceeds the Delinquency Trigger Level; or

(iii) an Uncured Principal Deficiency Event has occurred; or

(f) *Cash Reserve*:

on any Payment Date during the Revolving Period, the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount is not credited; or

(g) *Failure to use the Issuer Available Funds to purchase Subsequent Portfolios:*

on any Payment Date during the Revolving Period, the Issuer Available Funds remaining after the purchase of any Subsequent Portfolio exceed 10 per cent. of the Outstanding Principal of the Receivables comprised in the Initial Portfolio as at the relevant Effective Date; or

(h) *Failure to offer for sale Subsequent Portfolios:*

ProFamily fails to offer for sale Subsequent Portfolios for 3 (three) consecutive Offer Dates (unless such failure is attributable to Covid-19 pandemic); or

(i) *Termination of Servicer's appointment*:

the Issuer has terminated the appointment of ProFamily as Servicer following the occurrence of a Servicer Termination Event in accordance with the provisions of the Servicing Agreement; or

(j) *Receipt of a Trigger Notice*:

the Issuer has received a Trigger Notice; or

(k) *Delivery of a notice of early redemption for taxation, legal or regulatory reasons*:

the Issuer has delivered the notice referred to in Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*).

Upon the occurrence of a Purchase Termination Event, the Issuer shall refrain from purchasing further Subsequent Portfolios under the Master Transfer Agreement.

**Warranties in relation of the Aggregate Portfolio**

Pursuant to the Warranty and Indemnity Agreement, the Originator (i) has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself, the Receivables, the Loans, the Guarantees and the Debtors, (ii) has agreed to indemnify the Issuer in respect of, *inter alia*, those Receivables which do not comply with any such representation and warranty or repurchase such Receivables.

For further details, see the section headed "*The Aggregate Portfolio*" and "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*".

**Servicing of the Aggregate Portfolio**

Pursuant to the Servicing Agreement, the Servicer has agreed to administer and service the Receivables comprised in the Aggregate Portfolio in accordance with the terms thereof and in compliance with the Securitisation Law.

The Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" and it will verify that the operations comply with the law and this Prospectus, pursuant to article 2, paragraphs 3(c) and 6-*bis*, of the Securitisation Law.

The Servicer has undertaken to prepare and deliver, on or prior to each Servicer's Report Date, the Servicer's Report to the Issuer, the Back-up Servicer (if any), the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Paying Agent, the Representative of the Noteholders and the Rating Agencies.

In addition, the Servicer shall:

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

(b) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation (including, inter alia, any material change of the Priority of Payments and of the credit policies relating to the Receivables to be included in any Subsequent Portfolio and the occurrence of any Trigger Event), and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the

competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, on each Quarterly Report Date (simultaneously with the Loan by Loan Report and the SR Investors Report).

In the event that:

(a) the Servicer remains subject to the control of Banco BPM pursuant to article 2359 of the Italian civil code and the rating assigned to the long term, unsecured and unsubordinated debt obligations of Banco BPM falls below the Required Rating; or

(b) the Servicer ceases to be subject to the control of Banco BPM pursuant to article 2359 of the Italian civil code and the rating assigned to the long term, unsecured and unsubordinated debt obligations of the Servicer (or, in the absence of such rating, the rating assigned to the long term, unsecured and unsubordinated debt obligations of the entity which exercises a control over the Servicer pursuant to article 2359 of the Italian civil code) falls below the Required Rating,

the Issuer shall appoint as back-up servicer, within 30 (thirty) days from the occurrence of the downgrading, an entity identified by the Issuer, with the assistance of the Back-up Servicer Facilitator, which complies with the requirements provided for by the Servicing Agreement for substitute servicers (the **Back-up Servicer**).

For further details, see the sections headed "*Description of the Transaction Documents - The Servicing Agreement*" and "*Credit and Collection Policies*".

## 5. THE AGENCY AND ACCOUNTS AGREEMENT, THE ACCOUNTS AND THE ELIGIBLE INVESTMENTS

**Agency and Accounts Agreement**

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

In particular, on or prior to each Calculation Date, the Calculation Agent will prepare and deliver to the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Account Bank, the Eligible Investment Settlement Bank (if any), the Representative of the Noteholders and the Rating Agencies the Payments Report, with respect to the allocation of the Issuer Available Funds on the immediately following Payment Date in

accordance with the Pre-Enforcement Priority of Payments.

Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), (i) the Calculation Agent shall prepare the Payments Report relating to the immediately following Payment Date on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) only the amounts to be paid under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments shall be due and payable on such Payment Date, to the extent there are sufficient Issuer Available Funds to make such payments (the **Provisional Payments**). It is understood that the non-payment of principal on the Notes on such Payment Date would not constitute a Trigger Event.

On the next Calculation Date and subject to the receipt of the relevant Servicer's Report, in a timely manner, from the Servicer, the Calculation Agent shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the Provisional Payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

On or prior to each Investors Report Date, the Calculation Agent shall prepare and deliver to the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Account Bank, the Eligible Investment Settlement Bank (if any), the Representative of the Noteholders and the Rating Agencies the Investors Report, setting out certain information with respect to the Aggregate Portfolio and the Notes. Such report will be available for inspection on the website of the Calculation Agent (being, as at the date of this Prospectus, https://www.securitisation-services.com/it/).

In addition, the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made

available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date.

For further details, see section headed "*Description of the Transaction Documents - The Agency and Accounts Agreement*" below.

**Accounts**

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

(a) the Collection Account;

(b) the Cash Reserve Account; and

(c) the Payments Account.

The Issuer has also established with Banco BPM the Expenses Account.

The Issuer may open in the future with an Eligible Investment Settlement Bank the Securities Account (together with the Expenses Account, the Collection Account, the Cash Reserve Account and the Payments Account, the **Accounts**).

Each of the Accounts (other than the Expenses Account and the Securities Account) will be maintained with the Account Bank, as long as the Account Bank is an Eligible Institution. For further details, see the section headed "*The Accounts*".

The Issuer has also established with Banca Monte dei Paschi S.p.A. the Quota Capital Account, into which its contributed quota capital has been deposited.

**Eligible Investments**

The Issuer may, if so directed by the Cash Manager, instruct an Eligible Investment Settlement Bank to settle Eligible Investments using funds standing to the credit of the Collection Account and the Cash Reserve Account, in accordance with the provisions of the Agency and Accounts Agreement.

For further details, see the section headed "*Description of the Transaction Documents - The Agency and Accounts Agreement*".

## 6. ISSUER AVAILABLE FUNDS AND PRIORITY OF PAYMENTS

**Issuer Available Funds**

The Issuer Available Funds will comprise, with reference to each Payment Date, the aggregate of:

(a) all Collections received or recovered by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding Collection Period;

(b) any other amount received by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding

Collection Period (including, for the avoidance of doubt, any adjustment of the Advanced Purchase Price paid to the Issuer pursuant to the Master Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Master Transfer Agreement and the Warranty and Indemnity Agreement and any indemnity paid by the Originator or the Servicer pursuant to the Warranty and Indemnity Agreement or the Servicing Agreement, as the case may be);

(c) all amounts on account of principal (without double counting), interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments settled by an Eligible Investment Settlement Bank in accordance with the Agency and Accounts Agreement using funds standing to the credit of the Collection Account and the Cash Reserve Account in respect of the immediately preceding Collection Period;

(d) all amounts of interest accrued and paid on the Accounts (other than the Expenses Account and the Securities Account) during the immediately preceding Collection Period (net of any applicable withholding or expenses);

(e) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the first Payment Date, the Cash Reserve Initial Amount);

(f) any amount credited to the Collection Account on the immediately preceding Payment Date under item (vii) (*seventh*), paragraph (B), or (ix) (*ninth*) of the Pre-Enforcement Priority of Payments;

(g) any amount credited to the Collection Account on the immediately preceding Payment Date under item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments or (ix) (*ninth*) of the Post-Enforcement Priority of Payments, as the case may be;

(h) on final redemption and/or cancellation of the Notes in accordance with the Conditions, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer falling due after the redemption in full or cancellation of the Notes;

(i) the proceeds deriving from the disposal (if any) of the Aggregate Portfolio pursuant to the Master Transfer Agreement or the Intercreditor Agreement;

(j) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not

applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer's Report in a timely manner in accordance with the provisions thereof; and

(k) any other amount received by the Issuer from any Transaction Party in respect of the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Priority of Payments.

**Pre-Enforcement Priority of Payments**

Prior to the delivery of a Trigger Notice, the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date, in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

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

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

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

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

Account Bank, the Eligible Investment Settlement Bank (if any), the Calculation Agent, the Stichting Corporate Services Provider, the Paying Agent and the Cash Manager;

(v) *fifth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(vi) *sixth*, to credit to the Cash Reserve Account the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount;

(vii) *seventh*, during the Revolving Period, in the following order: (A) to pay to the Originator the Advanced Purchase Price for the Subsequent Portfolio purchased on the Transfer Date falling immediately prior to such Payment Date; and (B) to credit to the Collection Account any Collateral Integration Amount;

(viii) *eighth*, during the Amortisation Period, to pay, *pari passu* and *pro rata*, the Class A Principal Payment on the Class A Notes;

(ix) *ninth*, if the Cash Trapping Condition is met, to credit the remaining Issuer Available Funds to the Collection Account;

(x) *tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xi) *eleventh*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class J Notes;

(xii) *twelfth*, provided that the Class A Notes have been redeemed in full, to pay, *pari passu* and *pro rata*, the Class J Principal Payment on the Class J Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Collection Account);

(xiii) *thirteenth*, to pay any surplus as Deferred Purchase Price to the Originator pursuant to the Master Transfer Agreement.

**Post-Enforcement Priority of Payments**

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or in case of redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date, in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority

have been made in full):

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

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

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

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Account Bank, the Eligible Investment Settlement Bank (if any), the Calculation Agent, the Paying Agent and the Cash Manager;

(v) *fifth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(vi) *sixth*, to repay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes;

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(viii) *eighth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class J Notes;

(ix) *ninth*, provided that the Class A Notes have been redeemed in full, to repay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class J Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Collection Account);

(x) *tenth*, to pay any surplus as Deferred Purchase Price to the Originator pursuant to the Master Transfer Agreement.

## 7. CREDIT STRUCTURE

**Cash Reserve**

Part of the Interest Components collected from the Effective Date of the Initial Portfolio up to (but excluding) the Issue Date (in an amount equal to the Cash Reserve Initial Amount) will be transferred from the Collection Account into the Cash Reserve Account.

On each Payment Date, the amounts standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds and will be available to cover any shortfall of other Issuer Available Funds in making payments under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments. In addition, on the Cash Reserve Release Date, the amounts standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds and will be applied in accordance with the applicable Priority of Payments.

On each Payment Date up to (but excluding) the Cash Reserve Release Date, the Issuer Available Funds shall be applied to credit to the Cash Reserve Account an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount, in accordance with the Pre-Enforcement Priority of Payments.

**Notes Amortisation**

Prior to the delivery of a Trigger Notice, the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date during the Amortisation Period, to pay the Class A Principal Payment on the Class A Notes and the Class J Principal Payment on the Class J Notes, in accordance with the Pre-Enforcement Priority of Payments.

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or in case of redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on the relevant Payment Date, to repay the Principal Amount Outstanding of the Class A Notes and the Principal Amount Outstanding of the Class J Notes, in accordance with the Post-Enforcement Priority of Payments.

**Cash Trapping Condition**

The circumstance that, with reference to any Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Cumulative Gross Default Ratio, calculated as at the immediately preceding Servicer's Report Date, exceeds 7.5 per cent. shall constitute a **Cash Trapping Condition**.

If the Cash Trapping Condition is met, the Issuer Available Funds

remaining after making payments under items from (i) (*first*) to (viii) (*eighth*) (inclusive) of the Pre-Enforcement Priority of Payments shall be credited to the Collection Account pursuant to item (ix) (*ninth*) of the Pre-Enforcement Priority of Payments and shall not be applied to make any payment ranking lower under the Pre-Enforcement Priority of Payments on such Payment Date.

## 8. OTHER TRANSACTION DOCUMENTS

**Intercreditor Agreement**

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (for itself and in the name and on behalf of the Noteholders), the Reporting Entity and the Other Issuer Creditors have agreed on the cash flow allocation of the Issuer Available Funds and the Representative of the Noteholders has been granted certain rights in relation to the Aggregate Portfolio and the Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has irrevocably appointed, effective as from the Issue Date, the Representative of the Noteholders, as its true and lawful agent (*mandatario con rappresentanza*) in the interest, and for the benefit of, the Noteholders and the Other Issuer Creditors pursuant to article 1411 and article 1723, second paragraph of the Italian civil code, to exercise, in the name and on behalf of the Issuer, all and any of the Issuer's rights arising from the Transaction Documents.

The mandate conferred by the Issuer on the Representative of the Noteholders as described above shall take effect upon the earlier to occur of:

(a) the delivery of a Trigger Notice on the Issuer or the occurrence of an Issuer Insolvency Event; and

(b) the occurrence of a Specified Event (but in this case, such mandate shall be limited to authorising and empowering the Representative of the Noteholders to exercise or enforce the rights, entitlements, or remedies, or to exercise the discretions, authorities or powers to give any direction or make any determination which the Issuer failed to exercise or enforce, and which gave rise to the occurrence of the Specified Event).

In addition, under the terms of the Intercreditor Agreement:

(a) the Subscriber (as the initial subscriber of the Notes) has irrevocably appointed Banca Finint, effective as from the Issue Date, as Representative of the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders and have granted to the Representative of the Noteholders the powers set out in the Conditions and the Rules of the Organisation of the Noteholders; and

(b) the Other Issuer Creditors have jointly appointed the Representative of the Noteholders as their true and lawful agent (*mandatario con rappresentanza*) to act also in the name and on behalf of the Other Issuer Creditors, in accordance with

the provisions of articles 1723, second paragraph, and 1726 of the Italian civil code and have authorised the Representative of the Noteholders to (i) do any act, matter or thing which it considers necessary to exercise or protect the Other Issuer Creditors' rights under any of the Transaction Documents, and (ii) receive, following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, as sole agent (*mandatario esclusivo*), all monies payable by the Issuer to the Other Issuer Creditors in accordance with the Post-Enforcement Priority of Payments.

For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

Under the Intercreditor Agreement, ProFamily, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that it will:

(i) retain on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes;

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

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

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

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 warranted and undertaken, *inter alia*, 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.

For further details, see the sections headed "*Risk Retention and Transparency Requirements*" and "*Description of the Transaction*

| | |
|---|---|
| | *Documents - The Intercreditor Agreement*". |
| **Quotaholders' Agreement** | Pursuant to the Quotaholders' Agreement, the Quotaholder has assumed certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholder of the Issuer.<br><br>For further details, see the section headed "*Description of the Transaction Documents - The Quotaholder's Agreement*". |
| **Corporate Services Agreement** | Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate services.<br><br>For further details, see the section headed "*Description of the Transaction Documents - The Corporate Services Agreement*". |
| **Administrative Services Agreement** | Pursuant to the Administrative Services Agreement, the Administrative Servicer has agreed to provide the Issuer with certain administrative and accounting services.<br><br>For further details, see the section headed "*Description of the Transaction Documents - The Administrative Services Agreement*". |
| **Stichting Corporate Services Agreement** | Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has undertaken to provide certain management and administration services in relation to the Quotaholder.<br><br>For further details, see the section headed "*Description of the Transaction Documents - The Stichting Corporate Services Agreement*". |
| **Governing Law and Jurisdiction of the Transaction Documents** | The Transaction Documents and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.<br><br>Any dispute which may arise in relation to the interpretation or the execution of the Transaction Documents, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan. |

## 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 herein represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest and principal on the Notes may, exclusively or concurrently, occur for other unknown reasons. 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. 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 interest and repayment of principal on the Notes on a timely basis or at all.*

*Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.*

*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.*

### 1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

***Noteholders cannot rely on any person other than the Issuer to make payments on the Notes***

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Representative of the Noteholders, the Paying Agent, the Calculation Agent, the Account Bank, the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Stichting Corporate Services Provider, the Quotaholder or any other person. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

***The Issuer has a limited set of resources available to make payments on the Notes***

The Issuer's principal assets are the Receivables. As at the date of this Prospectus, the Issuer has no assets other than the Initial Portfolio and the other Securitisation Assets as described in this Prospectus.

The Notes will be limited recourse obligations solely of the Issuer. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, *inter alia*, (i) the timely payment of amounts due under the Loans by the Debtors, (ii) the receipt by or on behalf of the Issuer of Collections in respect of the Loans from time to time comprised in the Aggregate Portfolio, and (iii) the receipt of any other amounts required to be paid to the Issuer by the various agents and counterparties to the Issuer pursuant to the terms of the Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on maturity or upon redemption by acceleration of maturity following service of a Trigger Notice or the occurrence of an Issuer Insolvency Event or otherwise), there will be sufficient funds to enable the Issuer to

pay interest when due on the Notes and to repay the outstanding principal on the Notes in full. If there are not sufficient funds available to the Issuer to pay in full interest and principal due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts.

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement.

***Any loss would be suffered by the holders of the Notes having a lower ranking in the Priority of Payments***

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 2(c) (*Ranking and subordination*) and Condition 3 (*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 Class J Notes while they remain outstanding, and (ii) thereafter, by the holders of the Class A Notes while they remain outstanding.

***Liquidity and credit risk arising from any delay or default in payment by the Debtors may impact the timely and full payment due under the Notes***

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the scheduled Payment Dates. The Issuer is also subject to the risk of default in payment by the Debtors and failure by the Servicer to collect or recover or transfer sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes. Individual, personal or financial conditions of the Debtors may affect the ability of the Debtors to repay the Loans. Unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic) and other similar factors may lead to an increase in delinquencies by the Loans and could ultimately have an adverse impact on the ability of the Debtors to repay the Loans. These risks are mitigated by the liquidity and credit support provided: (a) in respect of the Class A Notes, by the Class J Notes, and (b) to a lesser extent, in respect of the Class A Notes, by the amounts standing to the credit of the Cash Reserve Account. For further details, see the section headed "*Transaction Overview - Credit Structure*".

However, in each case, there can be no assurance that the levels of credit support and liquidity support provided to the Class A Notes by the amounts standing to the credit of the Cash Reserve Account will be adequate to ensure punctual and full receipt of amounts due under the Class A Notes.

***Commingling risk may affect availability of funds to pay the Notes***

The Issuer is subject to the risk that certain Collections may be lost or frozen in case of insolvency of the Account Bank or the Servicer.

Indeed, although article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the issuer, the servicer or a sub-servicer with an account bank (whether before or during the relevant insolvency proceeding of such account bank) will not subject to suspension of payments or will not be deemed to form part of the estate of the servicer, the sub-servicer or the account bank, as the case may be, and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof.

Prospective Noteholders should note that, in order to mitigate any possible risk of commingling (i) pursuant to the Agency and Accounts Agreement, it is required that the Account Bank shall at all times be an Eligible Institution, and (ii) under the Servicing Agreement, the Servicer has undertaken to transfer any Collections received or recovered by it into the Collection Account (i) within the Business Day immediately following the date of receipt of the relevant Collections on the ProFamily Accounts, in case of payment through Direct Debit; or (ii) within the 2nd (second) Business Day following the date of receipt of the relevant Collections on the Servicer's accounts or payment of the same at the Banco BPM's facilities, in case of payment through Post Note. In addition, in order to mitigate any possible risk that, in case of insolvency of any Collection Depositary Bank, as well as in case of insolvency of any Collection Third Depositary Bank, the Collections paid on such accounts are lost or frozen, under the Servicing Agreement the Servicer has undertaken to instruct the relevant Debtors, no later than 30 (thirty) days from the occurrence of such insolvency, to make any future payment relating to the Receivables directly into the Collection Account or any other account indicated by the Servicer opened with another Collection Depositary Bank or to domicile the Direct Debit with a Collection Third Depositary Bank which is not insolvent.

Prospective Noteholders should also note that, if the appointment of the Servicer is terminated, the Servicer (failing which the Back-up Servicer (if any), the Back-up Servicer Facilitator or the Substitute Servicer, as the case may be) shall notify the Debtors to pay any amount due in respect of the Receivables serviced by it directly into the Collection Account. For further details, please see the sections headed "*Description of the Transaction Documents - The Agency and Accounts Agreement*" and "*Description of the Transaction Documents - The Servicing Agreement*".

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

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

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

By operation of the Securitisation Law, the Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any Further Securitisation and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor.

Pursuant to the Conditions and the Intercreditor Agreement, until the date falling 2 (two) years and 1 (one) day after the Cancellation Date or, if later, the date on which the notes issued by the Issuer in the context of any Further Securitisation have been redeemed in full and/or cancelled in accordance with the relevant terms and conditions, no Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all Further Securitisations carried out by the Issuer (if any) have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) shall initiate or join any person in initiating an Issuer Insolvency Event.

If any Issuer Insolvency Event were to be initiated against the Issuer, no creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any

Connected Third Party Creditor would have the right to claim in respect of the Receivables. However, there can in any event be no assurance that the Issuer would be able to meet all of its obligations under the Notes.

## 2. RISKS RELATING TO THE UNDERLYING ASSETS

***Yield to maturity, amortisation and weighted average life of the Notes are influenced by a number of factors***

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

In addition, the yield to maturity, the amortisation and the weighted average life of the Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Loans, the exercise by the Originator of its right to repurchase the outstanding Aggregate Portfolio pursuant to the Master Transfer Agreement, the renegotiation by the Servicer of any of the terms and conditions of the Loans in accordance with the provisions of the Servicing Agreement and/or the early redemption of the Notes pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*).

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

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

***The performance of the Aggregate Portfolio may deteriorate in case of default by the Debtors***

The Initial Portfolio comprised, and each Subsequent Portfolio will comprise, only Receivables deriving from Loans classified as performing (*crediti in bonis*) by the Originator, in accordance with the Bank of Italy's guidelines as at the relevant Valuation Date. For further details, see the section headed "*The Aggregate Portfolio*".

However, there can be no guarantee that the Debtors will not default or that they will continue to perform their respective payment obligations in relation to the Loans. It should be noted that adverse changes in economic conditions may affect the ability of the Debtors to make payments in respect of the Loans.

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

***No independent investigation has been or will be made in relation to the Receivables***

The Issuer has purchased the Initial Portfolio and shall, subject to the terms and conditions of the Master Transfer Agreement, purchase Subsequent Portfolios on the basis of, and upon reliance on, the representations and warranties made by the Originator under the Warranty and Indemnity Agreement.

The Issuer would not have entered into the Master Transfer Agreement without having received such representations and warranties given that neither the Issuer nor any other Transaction Party (other than ProFamily) has carried out any due diligence in respect of the Receivables and the relevant Loan Agreements. More generally, none of the Issuer or any other Transaction Party (other than ProFamily) has undertaken or will undertake any other investigation, searches or other actions to verify the details of the Receivables, 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.

Therefore, 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 indemnify the Issuer in respect of, *inter alia*, the Receivables which do not comply with any such representation and warranty or repurchase such Receivables pursuant to the Warranty and Indemnity Agreement (see the sections headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*" and "*Description of the Transaction Documents - The Master Transfer Agreement*"). The indemnification and repurchase obligations undertaken by the Originator under the Warranty and Indemnity Agreement give rise to unsecured claims of the Issuer and no assurance can be given that the Originator will pay the relevant amounts if and when due.

***Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met***

The Issuer is subject to the risk that the assignment of the Receivables made by the Originator to the Issuer pursuant to the Master Transfer Agreement and the relevant Transfer 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 Italian Bankruptcy Law, if the adjudication of bankruptcy of the relevant seller 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 seller, or (ii) pursuant to article 67, paragraph 2, of the Italian Bankruptcy Law, if the adjudication of bankruptcy of the relevant seller is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such seller is able to demonstrate that the issuer was aware of the insolvency of the seller.

In respect of the Originator, such risk is mitigated by the fact that, according to the Master Transfer Agreement, in relation to each Portfolio transferred by it, the Originator shall provide the Issuer with (i) a solvency certificate signed by an authorised representative of the Originator dated no earlier than 5 (five) Business Days prior to the Transfer Date of the Initial Portfolio (or the relevant Offer Date of each Subsequent Portfolio); 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 of the Initial Portfolio (or the relevant Offer Date of each Subsequent Portfolio), 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 of the Initial Portfolio and at the Issue Date and such representation shall be deemed to be repeated as at the Transfer Date of each Subsequent Portfolio and the date on which the Advanced Purchase Price for the relevant Subsequent Portfolio is paid.

Moreover, in case of repurchase by the Originator of individual Receivables or sale of the Aggregate Portfolio (a) following the service of a Trigger Notice or the occurrence of an Issuer Insolvency Event or (b) in the event of an early redemption of the Notes pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*), the payment of the relevant purchase price may be subject to claw-back pursuant to article 67, paragraph 1 or 2, of the Italian Bankruptcy Law. In order to mitigate such risk, pursuant to the Master Transfer Agreement or the Intercreditor Agreement, as the case may be, the Originator (or the relevant third party purchaser, as the case may be) shall provide the Issuer and the Representative of the Noteholders with (i) a solvency certificate signed by an authorised representative of the Originator (or the relevant third party purchaser, as the case may be) and dated no earlier than the date on which the individual Receivables or the Aggregate Portfolio, as the case may be, will be sold; 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 before the date on which individual Receivables or the Aggregate Portfolio, as the case may be, will be sold, stating that such purchaser is not subject to any insolvency proceeding or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated.

For further details, see the sections entitled "*Description of the Transaction Documents - The Master Transfer Agreement*" and "*Description of the Transaction Documents - The Intercreditor Agreement*".

***Payments made to the Issuer by other Transaction Parties may be subject to claw-back upon certain conditions being met***

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 Italian 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 Italian 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 Italian 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.

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

***Insurances Policies***

The Loan Agreements may be assisted by Insurance Policies. Debtors are the only beneficiaries of such Insurance Policies and the claims arising therefrom vis-à-vis the relevant Insurance Companies are not part of the Receivables transferred to the Issuer.

Therefore, there can be no assurance that the Debtors will apply the insurance proceeds to make payments in favour of the Issuer.

***The Issuer will not have any title to the vehicles nor will it benefit from any security interests over the same***

The Issuer will acquire from the Originator interests in the Receivables, including rights to receive certain payments from the Borrowers and other ancillary rights under the Loan Agreements.

However, in relation to New Vehicles Loans and Used Vehicles Loans, the Issuer will not have any title to the Vehicles nor will it benefit from any security interests over the same.

Therefore, in the event of a payment default by the Assigned Debtors, the Issuer will not be entitled to repossess the Vehicles nor it will have any priority rights over the proceeds deriving from the sale or other disposal of such Vehicles and this may ultimately affect the ability of the Issuer to pay the amounts due under the Notes.

***Eligible Investments may not be fully recoverable in certain circumstances***

Pursuant to the Agency and Accounts Agreement, the Issuer shall, if so directed by the Cash Manager, instruct an Eligible Investment Settlement Bank to apply the funds standing to the credit of the Collection Account and the Cash Reserve Account to settle Eligible Investments in accordance with the provisions of the Agency and Accounts Agreement. Such investments must comply with appropriate rating criteria, as set out in the definition of Eligible Investments. However, it may happen that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency of the debtor under the investment.

This risk is mitigated by the provisions of the Agency and Accounts Agreement pursuant to which, if any Eligible Investments cease to have any of the minimum ratings, or to meet any of the other requirements, set out in the definition of Eligible Investments (each, a **Non-Eligibility Event**), the Issuer shall, acting upon written instructions of the Cash Manager, direct the Eligible Investment Settlement Bank to: (i) in respect of Eligible Investments consisting of securities, facilitate the liquidation of such securities within the earlier of the date falling 30 (thirty) days following the occurrence of the relevant Non-Eligibility Event and the Eligible Investments Maturity Date immediately following such Non-Eligibility Event; or (ii) in respect of Eligible Investments consisting of deposits, transfer such deposits, within the earlier of the date falling 30 (thirty) days following the occurrence of the relevant Non-Eligibility Event and the Eligible Investments Maturity Date immediately following such Non-Eligibility Event, into another account (A) opened with a depositary institution organised under the law of any state which is a member of the European Union or the UK or of the United States and satisfies the rating requirements set out in the definition of Eligible Investments, and (B) meeting the maturity, currency and other requirements set out in the definition of Eligible Investments, provided that such transfer shall be made at cost of the account bank with which the relevant deposits were held.

None of the Transaction Parties will be responsible for any loss or shortfall deriving therefrom.

## 3. OTHER RISKS RELATING TO THE NOTES AND THE STRUCTURE

***Investment in the Notes is only suitable for certain investors***

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any Class of the Notes should ensure that they understand the nature of 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 Notes and that they consider the suitability of such 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 Noteholders should not rely on or construe any communication (written or oral) of the Issuer or any other Transaction Party as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any other Transaction Party shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

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

Therefore, prospective Noteholders 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 judgment and upon advice from such advisers as they may deem necessary.

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

Payments of interest on the Class J 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-Enforcement Priority of Payments to pay in full the relevant Interest Amount which would otherwise be payable on such Class of Notes. The amount by which the aggregate amount of interest paid on the Class J Notes on any Payment Date in accordance with Condition 5 (*Interest*) falls short of the aggregate amount of interest which otherwise would be payable on the Class J Notes on that date shall be aggregated with the amount of, and treated for the purposes of, Condition 5 (*Interest*) as if it were interest due on such Class of Notes and, subject as provided below, payable on the next succeeding Payment Date. If, on the Cancellation Date, there remains any such shortfall, the amount of such shortfall will become due and payable on such date, subject in each case to the amounts of Issuer Available Funds and, to the extent unpaid, will be cancelled.

Any Interest Amount due but not payable on the Class A Notes on any Payment Date prior to the Cancellation Date will not be deferred and any failure to pay such Interest Amount will constitute a Trigger Event pursuant to Condition 10 (*Trigger Events*).

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

***Individual Noteholders have limited enforcement rights***

The protection and exercise of the Noteholders' rights against the Issuer under the Notes is one of the duties of the Representative of the Noteholders.

The Conditions limit the ability of individual Noteholders to commence proceedings (including proceedings for a declaration of insolvency) against the Issuer by conferring on the Meeting the power to determine in accordance with the Rules of the Organisation of the Noteholders on the ability of any Noteholder to commence any such individual actions. Accordingly, individual Noteholders may not, without breaching the Conditions, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting has approved such action in accordance with the provisions of the Rules of the Organisation of the Noteholders.

***Conflicts of interest will be managed by the Representative of the Noteholders in a manner which may not be in line with the interests of the holders of the Class J Notes***

Without prejudice to the provisions of the Rules of the Organisation of the Noteholders concerning the Basic Terms Modifications, where the Representative of the Noteholders is required to consider interests of the Noteholders and, in its opinion, there is a conflict between the interests of the Class A Noteholders and the interests of the Class J Noteholders, the Representative of the Noteholders shall consider only the interests of the Class A Noteholders.

Therefore, in certain circumstances, the interests of the Class J Noteholders may not be taken into account.

***Direction of the Class A Noteholders following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event may affect the interests of the Class J Noteholders***

Pursuant to the Intercreditor Agreement and the Rules of the Organisation of the Noteholders, at any time after the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement.

In addition, at any time after the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

The directions of the holders of the Class A Noteholders in such circumstances will prevail over any different directions of the Class J Noteholders and may be adverse to the interests of the Class J Noteholders.

***There is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem operations***

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, there is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time.

In the event that the Senior Notes are not recognised (or cease to be recognised) as an eligible collateral for Eurosystem operations, the holders of the Senior Notes would not be able to access the ECB funding. In such case, there is no assurance that the holders of the Senior Notes will find alternative sources of funding or, should such alternative sources be found, these will be at equivalent economic terms compared to those applied by the ECB. In the absence of suitable sources of funding, the holders of the Senior Notes may ultimately suffer a lack of liquidity.

Neither the Issuer nor any other Transaction 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.

## 4. RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS

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

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

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

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

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to certain conditions being met (including, in some cases, appropriate certifications being provided to the Representative of the Noteholders or a resolution of holders of the Most Senior Class of Notes representing a given percentage of the Principal Amount Outstanding of such Class of Notes not objecting to the relevant authorisation or waiver) concur with the Issuer and any other relevant parties in making any amendment, waiver or modification (other than a Basic Terms Modification) to the Rules of the Organisation of the Noteholders, the Conditions or any of the Transaction Documents (a) which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature; (b) which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; (c) that the Issuer after consultation with the Originator considers necessary for the purposes of (i) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended), maintaining such eligibility; or (ii) complying with the EU Securitisation Rules.

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

## 5. COUNTERPARTY RISKS

***The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of the Servicer***

The Receivables comprised in the Initial Portfolio and each Subsequent Portfolio have been (or will have been, as the case may be) serviced by ProFamily as Originator up to the relevant Transfer Date and, following such date, have continued (or will continue, as the case may be) to be serviced by ProFamily as Servicer in accordance with the Servicing Agreement. The Servicer will act as "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to the Securitisation Law.

Therefore, the Servicer will be responsible for ensuring that the collection of the Receivables serviced by it and the relevant cash and payment services comply with Italian law and with this Prospectus.

The Servicer has undertaken to prepare and deliver, on or prior to each Servicer's Report Date, the Servicer's Report to the Issuer, the Back-up Servicer (if any), the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Paying Agent, the Representative of the Noteholders and the Rating Agencies. Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Calculation Agent shall prepare the Payments Report relating to the immediately following Payment Date on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness and only the amounts to be paid under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments shall be due and payable on such Payment Date, to the extent there are sufficient Issuer Available Funds to make such payments (the **Provisional Payments**). It is understood that the non-payment of principal on the Notes on such Payment Date would not constitute a Trigger Event. On the next Calculation Date and subject to the receipt of the relevant Servicer's Report, in a timely manner, from the Servicer, the Calculation Agent shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the Provisional Payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

Following the termination of the appointment of the Servicer pursuant to the Servicing Agreement, the obligations of the Servicer will be undertaken by the Back-up Servicer (if appointed) or a Substitute Servicer appointed by the Issuer with the support of the Back-up Servicer Facilitator. There can be no assurance that a Back-up Servicer or a Substitute Servicer who is able and willing to service the relevant Receivables could be found. Any delay or inability to appoint a Back-up Servicer or a Substitute Servicer may affect payments on the Notes.

Furthermore, it is not certain that a Back-up Servicer or a Substitute Servicer would service the relevant Receivables on the same terms as those provided for in the Servicing Agreement. The ability of a Back-up Servicer or a Substitute Servicer to fully perform the required services will depend, *inter alia*, on the information, software and record available to it at the time of its appointment.

***The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of other Transaction Parties***

The timely payment of amounts due on the Notes will depend on the performance of other Transaction Parties, including, without limitation, the ability of the Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Account Bank and the Eligible Investment Settlement Bank (if any) to duly perform their obligations under the relevant Transaction Documents. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the relevant Receivables. The performance of such parties of their respective obligations under the relevant Transaction Documents may be influenced by the solvency of each relevant party.

The inability of any of the Transaction Parties to provide its services to the Issuer (including any failure arising from circumstances beyond its control, such as pandemics) may ultimately affect the Issuer's ability to make payments on the Notes.

***Conflicts of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation***

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

Without limiting the generality of the foregoing, under the Securitisation (a) ProFamily will act as Originator, Servicer, Reporting Entity, Administrative Servicer, Cash Manager and Subscriber, (b) Banca Finint will act as Back-up Servicer Facilitator, Calculation Agent, Corporate Servicer and Representative of the Noteholders, and (c) BNYM, Milan Branch will act as Account Bank and Paying Agent.

In addition, the Originator may hold and/or service receivables arising from loans other than the Receivables and providing general financial services to the Debtors. Even though under the Servicing Agreement the Servicer has undertaken to renegotiate the terms of the Loans only having regard primarily to the interests of the Issuer and the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the same Debtors.

Conflict of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation and ultimately affect the interests of the Noteholders.

## 6. ORIGINATOR RISKS

***Historical, financial and other information relating to the Originator represents the historical experience of the Originator which any change in the future***

The historical, financial and other information set out in the Securitisation Repository and in the sections headed "*The Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber*" and "*The Credit and Collection Policies*" represents the historical experience of ProFamily.

There can be no assurance that the future experience and performance of ProFamily as Servicer of the Aggregate Portfolio will be similar to the experience shown in this Prospectus.

## 7. MACRO-ECONOMIC AND MARKET RISKS

***COVID-19 pandemic and possible similar future outbreaks***

Different regions of the world have, from time to time, experienced virus outbreaks. A widespread global pandemic of the severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and of the infectious disease COVID-19, caused by the virus, is currently taking place. Given that this virus and the conditions it causes are relatively new, a vaccine and effective cure is yet to be developed.

Although COVID-19 is still spreading and the final implications of this pandemic are difficult to estimate at this stage, it is clear that it will have significant consequences and will affect the lives of a large portion of the global population. As such, ProFamily may be adversely affected by the wider macroeconomic effects of the ongoing COVID-19 pandemic and any possible future outbreaks, seeing as it is very likely that this pandemic will have a substantial negative effect on Italy and the Italian market.

At present, the pandemic has led to the state of emergency being declared in various countries, including Italy, as well as the imposition of travel restrictions, including the closure of the Italian land borders and the restriction of flights to and from the European Union, the establishment of quarantines and the temporary shutdown of various institutions and companies, including the adoption by several companies in Italy of an

unprecedented measure, namely that of having all, or the vast majority, of its employees now working remotely.

In this context, legislators, regulators and supervisors, on both a national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of the financial institutions are focused on the development of the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

With respect to the Notes, any quarantines or spread of viruses may affect in particular: (i) the Originator's own capacity to carry out its business as normal (as with the current COVID-19 situation in which the Italian Government impose additional teleworking and certain lookdowns); (ii) the ability of some Debtors to make timely payments of principal and/or interests under their Loans; (iii) the ability of the Originator to assign Receivables during the Revolving Period; (iv) the cash flows derived from the Receivables in the event of payment holidays or any other measure whether imposed by the competent government authority or applicable legislation or otherwise affecting payments to be made by the Debtors under the Receivables; (v) the market value of the Notes; and (vi) third parties ability to perform their obligations under the Transaction Documents to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics).

Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

***Lack of liquidity in the secondary market for the Notes may affect the market value of the Notes***

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

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

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

***Risks connected with the political and economic decisions of EU and Euro-zone countries and the United Kingdom leaving the European Union (Brexit) may affect the performance of the Securitisation***

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Euro-zone. If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to the Euro-zone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, any of the other Transaction Parties and/or the Debtors.

In addition, 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. On 24 December 2020, an agreement in principle was reached in relation to the EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), to govern the future relations between the EU and the UK following the end of the transition period. The Trade and Cooperation Agreement was signed on 30 December 2020. The Trade and Cooperation Agreement has provisional application from 1 January 2021 until the European Parliament gives its consent by 28 February 2021, such that formal ratification can take place.

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 with possible negative consequences on the performance of the Securitisation.

***Geographic concentration risks***

The Loans have been granted to Debtors who, as at the relevant Valuation Date, were resident in Italy. A deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household incomes could have an adverse effect on the ability of the Debtors to make payments on the Loans and result in losses on the Notes.

Loans in the Aggregate Portfolio may also be subject to geographic concentration risks within certain regions of Italy. To the extent that specific geographic regions in Italy have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) than other regions in Italy, a concentration of the Loans in such a region may exacerbate the risks relating to the Loans described in this section. Certain geographic regions in Italy rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Loans in that region or the region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as

coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases) in a particular region may weaken economic conditions and negatively impact the ability of affected Debtors to make timely payments on the Loans. This may affect receipts on the Loans. If the timing and payment of the Loans is adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes. For an overview of the geographical distribution of the Loans, see the section headed "*The Aggregate Portfolio*". Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

***Reduction or withdrawal of the ratings assigned to the Senior Notes after the Issue Date may affect the market value of the Senior Notes***

The credit ratings assigned to the Senior Notes reflect the Rating Agencies' assessment only of the likelihood of payment of interest in a timely manner, pursuant to the Conditions and the Transaction Documents, and the ultimate repayment of principal on or before the Final Maturity Date, not that such repayment of principal will be paid when expected or scheduled. The ratings do not address (i) the likelihood that the principal will be redeemed on the Senior Notes, as expected, on the scheduled redemption dates; (ii) the possibility of the imposition of Italian or European withholding taxes; (iii) the marketability of the Senior Notes, or any market price for the Senior Notes; or (iv) whether an investment in the Senior Notes is a suitable investment for a Noteholder.

The ratings are based, among other things, on the Rating Agencies' determination of the value of the Aggregate Portfolio, the reliability of the payments on the Aggregate Portfolio and the availability of credit enhancement. Future events such as any deterioration of the Aggregate Portfolio, the unavailability or the delay in the delivery of information, the failure by the Transaction Parties to perform their obligations under the Transaction Documents and the revision, suspension or withdrawal of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation could have an adverse impact on the credit ratings of the Senior Notes, which may be subject to revision or withdrawal at any time by the assigning Rating Agency. In addition, in the event of downgrading of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation, there is no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Senior Notes may be affected.

A rating is not a recommendation to purchase, hold or sell the Senior Notes. In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA's list.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgment of the Rating Agencies, the credit quality of the Senior Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the market value of the Senior Notes.

***Assignment of unsolicited ratings may affect the market value of the Senior Notes***

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 any Class of Notes and, if such unsolicited ratings in respect of the Senior Notes 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 market value of the Senior Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

## 8. LEGAL AND REGULATORY RISKS

***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 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 as at the date of this Prospectus or at any time in the future.

In particular, prospective investors should note that the Basel Committee on Banking Supervision (the **Basel Committee**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

The European authorities have adopted and finalised two new regulations related to securitisations (being Regulation (EU) no. 2402/2017 and Regulation (EU) no. 2401/2017) which apply in general from 1 January 2019. Amongst other things, these regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, these new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or

after the application date of 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

***EU Securitisation Regulation has introduced new requirements which should be assessed independently by the investors***

On 12 December 2017, the European Parliament adopted the EU Securitisation Regulation which applies from 1 January 2019. The EU Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. In addition, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (**STS-securitisations**). The risk retention, transparency, due diligence and underwriting criteria requirements set out in the EU Securitisation Regulation apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and ProFamily for the purposes of complying with any relevant requirements and none of the Issuer, ProFamily (in any capacity), the Representative of the Noteholders or any other Transaction Party makes any representation that such information is sufficient in all circumstances for such purposes.

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

The Securitisation is intended to qualify as a simple, transparent and standardised (**STS**) securitisation within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (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, prior to the Issue Date, has been notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the **STS Notification**). Pursuant to article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation).

The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS (PCS), as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an

assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR (the **CRR Assessment** and, together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Prospectus, https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on ESMA website. None of the Issuer, the ProFamily (in any capacity), the Representative of the Noteholders or any other Transaction Party 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.

It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the EU Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessments with respect to the EU Securitisation Regulation and the relevant provisions of article 243 and article 270 of the CRR, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. In addition, ProFamily has not used the service of PCS, as a verification agent authorised under article 28 of the EU Securitisation Regulation, to prepare an assessment of compliance of the Notes with article 7 and article 13 of Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions, as amended by Commission Delegated Regulation (EU) no. 1620 of 13 July 2018 (the **LCR Regulation**); therefore, the relevant entities shall make their own assessments with respect to compliance with such provisions of the LCR Regulation. Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. None of the Issuer, ProFamily (in any capacity), the Representative of the Noteholders or any other Transaction Party 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.

The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework (such as Type 1 securitisation under Solvency II Regulation, as amended by the Solvency II Amendment Regulation and regulatory capital treatment under the securitisation framework of the CRR, as amended by the CRR Amendment Regulation). Non-compliance with the status of an STS-securitisation may in particular result in higher capital requirements for investors as an investment in the Notes would not benefit from the reduced risk weights set out in articles 260, 262 and 264 of the CRR, as amended by the CRR Amendment Regulation. Furthermore, any marketing of the Securitisation described in this Prospectus as an STS-securitisation whilst not complying with such status could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer in accordance with articles 27(2) and 32 of the EU Securitisation Regulation. As no reimbursement payments to the Issuer for the payment of any of such administrative sanctions and/or remedial measures are foreseen, the repayment of the Notes may be adversely affected. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS Notification or other disclosed information. Investors should make themselves of

the consequences of investing in a non-STS securitisation transaction. Investors who are uncertain as to those consequences should seek guidance from their regulator and/or independent legal advice on the issue.

***Investors have to comply with due diligence requirements under the EU Securitisation Regulation***

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

(a) that institutional investor has verified that:

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

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

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

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

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

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor. In addition, if the Originator fails to comply with risk retention requirements set out in article 6 of the EU Securitisation Regulation, some administrative or pecuniary sanctions may apply and this may potentially have an impact on the ability of ProFamily to perform its obligations under the Securitisation.

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

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

***Disclosure requirements under the EU Securitisation Regulation are uncertain in some respects***

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the EU Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019 ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the EU Securitisation Regulation which included revised draft reporting templates". Such disclosure technical standards have been published in the Official Gazette of the European Union and have entered into force as from 23 September 2020, but it remains a certain degree of uncertainty as to the interpretation thereof. In addition, as at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy.

Neither the Issuer nor the Representative of the Noteholders or any other Transaction Party and any of their respective affiliates (i) gives any representation (whether express or implied), warranty, confirmation or guarantee to any investor in the Notes that the information described in this Prospectus, or any other information which may be made available to investors, is or will be sufficient for the purposes of any institutional investor's compliance with any due diligence requirement set out in article 5 of the EU Securitisation Regulation; or (ii) to the maximum extent permitted by law, has or shall have any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the due diligence and retention rules set out in articles 5 and 6 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements, nor has any obligation to provide any further information or take any other steps that may be required by any institutional investor to enable compliance by such person with the requirements of any due diligence and investor requirement or any other applicable legal, regulatory or other requirements.

***Italian consumer legislation contains certain protections in favour of debtors***

The Initial Portfolio comprised, and each Subsequent Portfolio will comprise, only Receivables deriving from Loans qualifying as consumer loans, *i.e.* loans granted to individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities.

In Italy, consumer loans are regulated by, *inter alia*: (i) articles 121 to 126 of the Consolidated Banking Act; and (ii) the regulation of the Bank of Italy dated 29 July 2009 entitled "*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*" (as amended and/or supplemented from time to time). Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by paragraph 1 of article 122 of the Consolidated Banking Act, such levels being currently set at Euro 75,000 and Euro 200, respectively.

The following risks, *inter alia*, could arise in relation to a consumer loan contract.

*(A) Linked contracts (contratti collegati)*

Pursuant to paragraphs 1 and 2 of article 125-*quinquies* of the Consolidated Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that (i) they have previously and unsuccessfully made an injunction (*costituzione in mora*) against the supplier and (ii) such default constitutes a material default pursuant to, and for the purposes of, article 1455 of the Italian civil code. In case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to paragraph

4 of article 125-*quinquies* of the Consolidated Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under paragraphs 1 to 3 of the same article, which they had against the original lender.

In addition, with respect to insurance policies financed by the originators/lenders (where the premium is paid up-front by the originators to the insurance companies and then reimbursed to the originators/lenders by the borrowers as a part of the loan instalments), it is uncertain whether such insurance policies may qualify as linked contracts and, as such, would confer on the borrowers the right to terminate the relevant loan agreements or at least claim a refund of the unearned premium from the issuer in case of default of the insurance companies. On the basis of the principles of the Italian civil code it could be reasonably argued that, should the insurance policies qualify as linked contracts, upon default of the insurance companies the borrowers would be entitled to claim only a refund of the portion of the loan financing the premium. However, it should be noted that, as at the date of this Prospectus, no decision has been expressed by any Italian court in respect of this issue.

In this respect, prospective Noteholders should note that, pursuant to the Warranty and Indemnity Agreement, the Originator has (i) represented and warranted that, to the best its knowledge, the relevant Debtor has not put the supplier of the asset finance through the Loan pursuant to article 125-*quinquies* of the Consolidated Banking Act, and (ii) undertaken to indemnify the Issuer in respect of any amount of any Receivable not being collected or recovered by the Issuer as a consequence of the exercise by any Debtor of any claims and/or counterclaims.

*(B) Prepayment right*

Pursuant to article 125-*sexies*, paragraph 1, of the Consolidated Banking Act, borrowers under consumer loan contracts have the right to prepay any consumer loan without penalty and with the additional right to a *pro rata* reduction in the aggregate costs and interest of the loan. It should, however, be noted that, in the event of prepayment by the borrower, the lender, under certain circumstances, is entitled to a compensation equal to 1 per cent. of the prepaid amount of the consumer loan if the residual duration of the consumer loan is longer than one year, or equal to 0.5 per cent. of the same amount, if shorter; in any case, no prepayment penalty shall be due (i) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or (ii) in the case of overdraft facilities; or (iii) if the repayment falls within a period for which the borrowing rate is not a fixed rate; or (iv) if the prepaid sum is equal to the total outstanding amount of the relevant consumer loan and is equal to or less than Euro 10,000.

*(C) Set-off*

Pursuant to article 125-*septies*, paragraph 1, of the Consolidated Banking Act, debtors are entitled to exercise, against the assignee of a lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation of the provisions of article 1248 of the Italian civil code (that is even if the borrower has accepted the assignment or has been notified thereof). It is debated whether article 125-*septies*, paragraph 1, of the Consolidated Banking Act allows the assigned consumer to set-off against the assignee only claims that had arisen vis-à-vis the assignor before the assignment or also those claims arising after the assignment, regardless of any notification/acceptance of the same. In this respect it should be noted that article 4, paragraph 2, of the Securitisation Law provides, *inter alia*, that, in derogation of any other provision, with effect from the date of publication of the notice of transfer in the Official Gazette or the date of payment of the purchase price pursuant to the provisions of article 5, paragraphs 1, 1-*bis* and 2, of Law 52, the relevant assigned debtors are not entitled to set-off any claim vis-à-vis the assignor arisen after such date against any payment owed to the issuer.

Prospective Noteholders should note that, pursuant to the Warranty and Indemnity Agreement, the Originator has undertaken to indemnify the Issuer in respect of any amount of any Receivable not being collected or recovered by the Issuer as a consequence of the exercise by any Debtor of any set-off pursuant to article 125-*septies* of the Consolidated Banking Act.

*(C) Consumer Code's protection*

The Loans, being disbursed to Debtors qualifying as a "consumer" pursuant to the Consolidated Banking Act, are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by Italian Legislative Decree no. 206 of 6 September 2005 (*Codice del consumo, a norma dell'articolo 7 della legge 29 luglio 2003, n. 229*) (the **Consumer Code**), which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, clauses which give the right to the non-consumer contracting party to (i) terminate the contract without reasonable cause (*giusta causa*) or (ii) modify the conditions of the contract without a valid reason (*giustificato motivo*) previously stated in such contract. However, with regard to financial contracts, if there is a valid reason, the non-consumer party is empowered to modify the economic terms subject to prior notice to the consumer. In this case, the consumer has the right to terminate the contract.

Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (i) any clause which has the effect of excluding or limiting the remedies of the consumers in case of total or partial failure by the non-consumer parties to perform their obligations under the consumer contract; and (ii) any clause which has the effect of making the consumer parties bound by clauses they have not had any opportunity to consider and evaluate before entering into the consumer contract.

Pursuant to the Warranty and Indemnity Agreement, the Originator has undertaken to indemnify the Issuer in respect of any amount of any Receivable not being collected or recovered by the Issuer as a consequence of .the exercise by any Debtor of any right to termination, invalidity, annulment or withdrawal.

***Application of the Securitisation Law has a limited interpretation***

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

***ProFamily 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 per cent. of the "credit risk" of "securitized assets", as such terms are defined for 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.

ProFamily 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, ProFamily 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.

ProFamily 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 ProFamily 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, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons and where such purchase falls within the exemption provided for in Section _.20 of the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer and the Originator that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention

Rules (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 described herein).

Failure on the part of ProFamily 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 ProFamily which may adversely affect the Notes and the ability of ProFamily to perform its obligations under the Transaction Documents. Furthermore, a failure by ProFamily to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

None of the Issuer or any other Transaction Party 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 purchaser to invest in the Notes***

The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the **Volcker Rule**). The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

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

Not all investment vehicles or funds, however, fall within the definition of a "covered fund" for the purposes of the Volcker Rule. For example, for most non-U.S. banking entities, a non-U.S. issuer that offers its securities only to non-U.S. persons may be considered not to be a "covered fund". Additionally, the Issuer should not be a "covered fund" for the purposes of the regulations adopted to implement Section 619 of the Volcker Rule, and also should be able to 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 or any other Transaction Party 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.

***Italian Usury Law has been subject to different interpretations over the time***

Italian Law no. 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 Treasury (the last such Decree having been issued on 28 December 2020). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to the entering into force of the Usury Law, the Italian Government has specified with Law Decree no. 394 of 29 December 2000 (the **Usury Law Decree**), converted into Law no. 24 by the Italian Parliament on 28 February 2001, 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. Recently, such opinion seems confirmed by the Italian Supreme Court (Cass. Sez. I, 11 January 2013, no. 602 and Cass. Sez. I, 11 January 2013, no. 603), 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.

The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on 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 no. 29 of 14 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.

The Italian Supreme Court, under decision no. 350/2013 clarified that default interest is relevant for the purposes of determining whether an interest rate is usurious. Such interpretation is in contradiction with the

current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates.

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

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.

Pursuant to the Warranty and Indemnity Agreement, the Originator has (i) represented that, to the best of its knowledge (having made all due enquiries), the interest rates applicable on the Loans have always been or will be, as the case may be, applied, owed and received in full compliance with the laws applicable from time to time (including, in particular, the Usury Law, where applicable), and (ii) undertaken to indemnify the Issuer for the non-compliance of the interest rate applicable to the Loan Agreements with the provisions of Italian law relating to the payment of interest and, in particular, the Usury Law. However, if a Loan is found to contravene the Usury Law, the relevant Debtor might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

***Rules on compounding of interest (*anatocismo*) have been subject to different interpretation over the time***

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 6 (six) months only (i) under an agreement entered into after the date on which it has become due and payable 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*) no. 2374/99, no. 2593/03, no. 21095/2004 as confirmed by judgement no. 24418/2010 of the same Court) have held that such practices may not be defined as customary practices ("*uso normativo*").

Consequently, if Debtors were to challenge this practice, it is possible that such interpretation of the Italian civil code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Loan Agreements may be prejudiced.

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by article 17-*bis* of Law Decree no. 18 of 14 February 2016 (as converted into law by Law no. 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Paragraph 2 of article 120 of the Consolidated Banking Act also requires the *Comitato Interministeriale per il Credito e il Risparmio* (**CICR**) to establish the methods and criteria for the compounding of interest. Decree no. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of article 120 of the Consolidated Banking Act, has been published in the Official Gazette no. 212 of 10 September 2016. Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

In this respect, under the Warranty and Indemnity Agreement the Originator has (i) represented that, to the best of its knowledge (having made all due enquiries), the Loans have always been or will be, as the case may be, compliant with the provisions of articles 1283 (*anatocismo*), and (ii) undertaken to indemnify the Issuer for the non-compliance of the terms and conditions of any Loan Agreement with the provisions of article 1283 of the Italian civil code.

***Enforcement of certain Issuer's rights may be prevented by statute of limitations***

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the 1 (one) year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originator in the Warranty and Indemnity Agreement on the ground that such provisions may not be derogated from by the parties to a sale contract (*contratto di compravendita*) (such as the Master Transfer Agreement and the relevant Transfer Agreements).

However, under the Warranty and Indemnity Agreement the Originator and the Issuer have acknowledged and agreed that the provisions of article 1495 of the Italian civil code shall not apply to the representations and warranties given by the Originator thereunder.

***Change of law may impact the Securitisation***

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

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

## 9. TAX RISKS

***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 in the Republic of Italy*".

***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 (*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*), as updated from time to time, 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. Based on the general rules, the net taxable income of a company resident in Italy should be calculated on the basis of accounting, 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 Aggregate Portfolio and the Securitisation. 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 issued by the Italian tax authority on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

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

position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses.

## THE AGGREGATE PORTFOLIO

### Introduction

Pursuant to the Master Transfer Agreement, the Originator has transferred without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the Initial Portfolio. The Advanced Purchase Price for the Initial Portfolio will be financed by the Issuer through the issuance of the Notes.

In addition, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios during the Revolving Period, provided that (i) no Purchase Termination Event has occurred; (ii) the Transfer Limits are met; and (iii) the Advanced Purchase Price for each Subsequent Portfolio does not exceed the relevant Target Collateral Amount. The Advanced Purchase Price for each Subsequent Portfolio will be financed by the Issuer through the Issuer Available Funds and paid in accordance with the Pre-Enforcement Priority of Payments.

In addition, on each Payment Date the Originator may or may not receive, as Deferred Purchase Price, an amount equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

The Receivables comprised in the Initial Portfolio and in any Subsequent Portfolio arise out of Loan Agreements entered into, pursuant to articles 121 and following of the Consolidated Banking Act, between the Originator and the Assigned Debtors and classified by the Originator as performing (*in bonis*) as at the relevant Effective Date. The Loan Agreements and the relevant Loans are governed by Italian law.

The Loans include (i) New Vehicle Loans; (ii) Used Vehicle Loans; (iii) Finalised Loans; and (iv) Personal Loans.

### Eligibility Criteria

The Receivables comprised in each Portfolio shall meet the following Eligibility Criteria as at the relevant Effective Date (or the other date indicated in the relevant criterion):

(a) Receivables arising from Loan Agreements entered into between ProFamily and individuals who, pursuant to the criteria set out in Circular no. 140 issued by the Bank of Italy on 11 February 2014 (as amended), are classified in one of the following SAE categories (i.e. economic sectors): no. 600 (*famiglie consumatrici*), no. 614 (*artigiani*) or no. 615 (*famiglie produttrici*);

(b) Receivables arising from Loan Agreements entered into with Assigned Debtors who are domiciled in Italy;

(c) Receivables arising from Loan Agreements governed by Italian law and denominated in Euro, which do not provide for the possibility for the relevant Debtor to convert such Receivables in other currencies;

(d) Receivables arising from Loan Agreements which do not benefit from any financial support (in relation to principal and/or interest) pursuant to any applicable law or regulation (either national, regional or provincial);

(e) Receivables arising from Loan Agreements in respect of which ProFamily has not exercised its right to terminate the relevant Loan Agreement, nor it has declared the Debtor's obligations to be immediately due and payable, in accordance with the Credit and Collection Policies;

(f) Receivables arising from Loan Agreements having no more than 1 (one) Unpaid Instalment;

(g) Receivables whose initial principal amount has been fully disbursed;

(h) Receivables whose residual principal amount, as at the relevant Effective Date, is higher than or equal to Euro 100;

(i) Receivables arising from Loans whose final maturity date has not yet elapsed and whose maturity date does not fall beyond 31 August 2030 ;

(j) Receivables arising from Loan Agreements which provide for fixed interest rates;

(k) Receivables arising from Loans provide for monthly Instalments, each of them including a Principal Component, an Interest Component and an Expense Component (with the exclusion of the pre-amortisation period (if any), which has entirely elapsed as at the relevant Effective Date);

(l) Receivables arising from Loans which, after the elapse of the pre-amortisation period (if any), provide for an Amortisation Plan ("*alla francese*") (*i.e.* constant Instalments with increasing Principal Components and decreasing Interest Components);

(m) Receivables in respect of which at least 1 (one) Instalment has been paid in full;

(n) Receivables arising from Loans for the repayment of which no delegation of payment from the Debtor to the employer company or assignment of one-fifth of the salary or pension has been granted;

(o) In relation to Receivables arising from Loans (other than Personal Loans), the relevant good has been delivered to the relevant Debtor;

(p) Receivables in relation to which, on the relevant Effective Date, ProFamily and the relevant Debtor do not have a moratorium in place which provides for the suspension of the payment of Instalments (in full or only for the Principal Component).

**Transfer Limits**

During the Revolving Period, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios provided that, as at the relevant Offer Date, the following limits are complied with:

(a) the aggregate Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the relevant Subsequent Portfolio which arise from Loan Agreements having 1 (one) Unpaid Instalment is not higher than 1.50 per cent. of the aggregate Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the same Subsequent Portfolio;

(b) the Weighted Average Yield is not lower than 5.00 per cent.;

(c) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate

Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by the major Debtor (in terms of Outstanding Principal); and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by all Debtors,

does not exceed 0.015 per cent.;

(d) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by the major 20 (twenty) Debtors (in terms of Outstanding Principal); and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio owed by all Debtors,

does not exceed 0.20 per cent.;

(e) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Personal Loans; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 10 per cent.;

(f) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Used Vehicle Loans; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate

Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 55 per cent.;

(g) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Loans (other than Personal Loans) having a Balloon Instalment; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 12 per cent.;

(h) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Loans to be repaid through Post Note; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 10 per cent.;

(i) the ratio between:

(A) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from Personal Loans the origination channel of which is different from ProFamily or any of Banco BPM's branches; and

(B) the Outstanding Principal, as at the Collection End Date immediately preceding such Offer Date, of the Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer, plus the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the relevant Subsequent Portfolio arising from all Loans,

does not exceed 8 per cent.

Should, on any Offer Date, any Transfer Limit not be complied with, the Originator may not offer any Subsequent Portfolio for sale, and the Issuer may not purchase any Subsequent Portfolio, until the Offer Date on which all Transfer Limits are complied with.

**Insurance Policies**

The Originator has entered into the Insurance Policies with the Insurance Companies.

The Insurance Policies cover the risks of death, permanent inability, temporary inability, loss of work, serious deseases. In addition, certain Insurance Policies cover the risks relating to the Vehicles, such as the risks of fire and theft.

**Interest rate**

The Initial Portfolio comprises, and each Subsequent Portfolio will comprise, Receivables arising from fixed rate Loans with a TAN at least equal to or higher than 0.00 per cent., whilst the Notes of each Class accrue interest at the respective fixed rate set out in Condition 5 (*Interest*). For the purposes of article 21(2) of the EU Securitisation Regulation, any payment risk arising from the mismatch between the interest rate on the Loans and the interest rate on the Notes is mitigated (i) by the Transfer Limit on the Weighted Average Yield being not lower than 5.00 per cent., and (ii) with respect to the Class A Notes, by the amount standing to the credit of the Cash Reserve Account.

**Balloon Instalments**

The Loan Agreements may provide that, upon request of the relevant Assigned Debtors, the Loans may be repaid in full through the payment of a final Instalment having an amount higher than the amount of the preceding Instalments (the **Balloon Instalment**). The amount of the Balloon Instalment may range from 30 per cent. to 70 per cent. of the principal amount of the relevant Loan.

On or prior to the maturity of the Loan, the Assigned Debtor may elect either (i) to repay the Balloon Instalment in full by the relevant due date, or (ii) to repay it in monthly Instalments according to the amortisation plan and pursuant to the economic conditions set out in the relevant Loan Agreement. Should the Assigned Debtor fail to repay the Balloon Instalment in full by the relevant due date, the amount thereof would become payable in monthly Instalments as indicated above. The option to repay the Balloon Instalment in monthly Instalments may be exercised by the Assigned Debtor only if all preceding Instalments have been timely paid in full and none of the other negative events set out in the relevant Loan Agreement has occurred.

**Homogeneity**

Under the Warranty and Indemnity Agreement, the Originator has represented that, as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are, and the Receivables comprised in each Subsequent Portfolio will be, homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20(8), first paragraph, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, given that:

(a) all Receivables are or will be, as the case may be, originated by the Originator based on similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the underlying exposures;

(b) all Receivables are or will be, as the case may be, serviced by the Originator according to similar servicing procedures;

(c) the Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities provided to individuals for personal, family or household consumption purposes"; and

(d) although no specific homogeneity factor is required to be met, as at the relevant Effective Date the Assigned Debtors are (or will be, as the case may be) resident in the Republic of Italy.

**Other features of the Aggregate Portfolio**

Under the Warranty and Indemnity Agreement, the Originator has represented and warranted that:

(a) the Originator is a financial intermediary enrolled with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and its "centre of main interests" (as such term is defined in article 3(1) of the EU Insolvency Regulation) is located within the territory of the Republic of Italy, pursuant to articles 20(2) and 20(3) of the EU Securitisation Regulation;

(b) as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are not, and the Receivables comprised in each Subsequent Portfolio will not be, encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the relevant Receivables to the Issuer pursuant to article 20(6) of the EU Securitisation Regulation;

(c) the Receivables comprised in the Initial Portfolio contain, and the Receivables comprised in each Subsequent Portfolio will contain, obligations that are contractually binding and enforceable, with full recourse to the Debtors, pursuant to article 20(8), first paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(d) the Initial Portfolio does not, and each Subsequent Portfolio will not, include any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20(8), last paragraph, of the EU Securitisation Regulation;

(e) the Initial Portfolio does not, and each Subsequent Portfolio will not, include any securitisation position pursuant to article 20(9) of the EU Securitisation Regulation;

(f) the Loans from which the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio arise (or will arise, as the case may be) have been (or will be, as the case may be) disbursed in the Originator's ordinary course of business. The Receivables comprised in the Initial Portfolio have been, and the Receivables comprised in the each Subsequent Portfolio will be, originated by the Originator in accordance with credit policies which are no less stringent than those that the Originator applied at the time of origination to similar exposures that have not been (or will not be) assigned in the context of the Securitisation, pursuant to article 20(10), first paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(g) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of the Directive 2008/48/EC, pursuant to article 20(10), third paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(h) the Originator has been carrying out lending activity for more than 5 (five) years, pursuant to article 20(10), last paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(i) as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are not, and the Receivables comprised in each Subsequent Portfolio will not, be qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU)

no. 575/2013 or as exposures to a credit-impaired Debtor, who, to the best of the Originator's knowledge:

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the relevant Transfer Date; or

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation,

in each case pursuant to article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(j) there are no Receivables that depend on the sale of assets to repay their Outstanding Principal at contract maturity pursuant to article 20(13) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria since the Loans are not secured over any specified asset;

(k) the Initial Portfolio does not include, and each Subsequent Portfolio will not, comprise any derivative pursuant to article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(l) the Outstanding Balance of the Receivables owed by the same Assigned Debtor does not exceed 2 per cent. of the aggregate Outstanding Balance of all Receivables comprised in the Aggregate Portfolio, for the purposes of article 243(2)(a) of the CRR.

**Description of the Initial Portfolio**

The aggregate Principal Components, as at the relevant Effective Date, of the Receivables comprised in the Initial Portfolio were equal to Euro 958,497,998.87. The Interest Accrual, as at the relevant Effective Date, of the Receivables comprised in the Initial Portfolio was equal to Euro 2,433,479.45.

The following tables set out details of the Initial Portfolio deriving from information provided by ProFamily as Originator and Servicer. The information in the following tables reflects the characteristics of the Initial Portfolio as at the relevant Effective Date (unless otherwise specified), by making reference to the Outstanding Principal, as at such date, of the Receivables comprised in the Initial Portfolio.

The characteristics of the Initial Portfolio as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment of Loans prior to the Issue Date.

| Initial Portfolio as at 10/10/2020 | |
|---|---|
| Outstanding Principal Amount (€) | 958,497,998.87 |
| Number of Loans | 140,808.00 |
| Largest Outstanding Principal Amount (€) | 81,327.59 |
| Average Outstanding Principal Amount (€) | 6,807.13 |
| Initial Principal Amount (€) | 1,606,999,799.51 |
| Largest Initial Principal Amount (€) | 106,250.00 |
| Smallest Initial Principal Amount (€) | 250.00 |
| Average Initial Principal Amount (€) | 11,412.70 |

| | |
|---|---|
| Weighted Average Yield (%) | 06.04 |
| Weighted Average Original Term (years) | 05.73 |
| Weighted Average Seasoning (years) | 02.07 |
| Weighted Average Residual Term (years) | 03.66 |
| No. of Debtors | 139,380.00 |
| Largest Debtor's Outstanding Principal Amount (€) | 100,231.87 |
| Largest 20 Debtors Outstanding Principal Amount (€) | 1,407,771.32 |
| Fixed Rate Loans % (by Outstanding Principal Amount) | 100.00 |
| Monthly paying Loans % (by Outstandign Principal Amount) | 100.00 |

| Product Type | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 1 - personal | 10,005 | 124,220,668.72 | 61,901,992.05 | 6.46% |
| 2 - finalized | 41,077 | 277,879,412.80 | 128,555,106.75 | 13.41% |
| 3 - auto NEW | 31,229 | 487,604,700.01 | 299,922,638.17 | 31.29% |
| 4 - auto USED | 58,497 | 717,295,017.98 | 468,118,261.90 | 48.84% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Borrowers SAE* | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 600 | 135,703 | 1,522,297,162.74 | 907,613,210.30 | 94.69% |
| 614 | 1,120 | 19,585,386.55 | 10,987,964.42 | 1.15% |
| 615 | 3,985 | 65,117,250.22 | 39,896,824.15 | 4.16% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

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

| Original Outstanding Balance | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| [0 - 1000] | 3,511 | 2,529,710.24 | 1,268,662.58 | 0.13% |
| [1000 - 5000] | 29,364 | 84,227,553.42 | 45,585,974.31 | 4.76% |
| [5000 - 10000] | 31,206 | 236,592,331.31 | 131,573,579.92 | 13.73% |
| [10000 - 20000] | 58,900 | 826,080,237.07 | 488,890,149.02 | 51.01% |
| [20000 - 50000] | 17,600 | 444,231,231.36 | 281,933,314.75 | 29.41% |
| [50000 - ∞] | 227 | 13,338,736.11 | 9,246,318.29 | 0.96% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Current Outstanding Balance | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| [100 - 1000] | 19,177 | 73,928,037.81 | 9,939,536.31 | 1.04% |
| [1000 - 5000] | 48,357 | 361,297,925.89 | 135,740,286.88 | 14.16% |
| [5000 - 10000] | 39,256 | 494,553,145.36 | 286,586,800.01 | 29.90% |
| [10000 - 20000] | 28,746 | 520,549,791.38 | 390,114,240.95 | 40.70% |
| [20000 - 50000] | 5,200 | 152,076,259.92 | 131,972,957.61 | 13.77% |
| [50000 - ∞] | 72 | 4,594,639.15 | 4,144,177.11 | 0.43% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Origination Date - Year | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 2010 | 85 | 2,070,871.76 | 442,168.27 | 0.05% |
| 2011 | 1,398 | 32,095,781.56 | 9,958,422.66 | 1.04% |

| | | | | |
|---|---|---|---|---|
| 2012 | 4,093 | 71,556,650.46 | 28,424,986.79 | 2.97% |
| 2013 | 2,966 | 43,207,876.22 | 16,772,017.76 | 1.75% |
| 2014 | 2,008 | 30,149,340.94 | 9,802,487.98 | 1.02% |
| 2015 | 4,339 | 64,677,289.00 | 18,475,771.81 | 1.93% |
| 2016 | 10,334 | 141,229,724.33 | 41,800,803.63 | 4.36% |
| 2017 | 17,644 | 221,836,840.55 | 91,587,127.82 | 9.56% |
| 2018 | 28,340 | 321,545,774.69 | 184,218,508.57 | 19.22% |
| 2019 | 41,414 | 412,741,269.65 | 311,888,073.15 | 32.54% |
| 2020 | 28,187 | 265,888,380.35 | 245,127,630.43 | 25.57% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Seasoning | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 1. [0 - 0,5] | 17,442 | 168,955,625.81 | 160,839,222.32 | 16.78% |
| 2. [0,5 - 1] | 21,995 | 197,598,073.80 | 166,823,853.15 | 17.40% |
| 3. [1 - 3] | 63,513 | 691,468,018.65 | 439,545,383.18 | 45.86% |
| 4. [3 - 5] | 24,756 | 329,903,636.09 | 113,250,980.39 | 11.82% |
| 5. [5 - 7] | 5,196 | 79,470,896.28 | 25,463,215.07 | 2.66% |
| 6. [7 - 10] | 7,896 | 139,382,444.88 | 52,532,196.80 | 5.48% |
| 7. [10 - ∞] | 10 | 221,104.00 | 43,147.96 | 0.00% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Maturity Date - Year | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 2020 | 6,610 | 47,267,768.62 | 3,464,110.85 | 0.36% |
| 2021 | 31,258 | 232,501,751.83 | 62,904,233.72 | 6.56% |
| 2022 | 28,230 | 274,832,727.87 | 131,866,092.40 | 13.76% |
| 2023 | 25,861 | 316,513,303.83 | 192,637,820.79 | 20.10% |
| 2024 | 22,020 | 313,281,327.92 | 219,456,705.25 | 22.90% |
| 2025 | 14,974 | 220,706,010.94 | 168,125,647.22 | 17.54% |
| 2026 | 8,150 | 135,522,518.07 | 117,163,952.77 | 12.22% |
| 2027 | 3,376 | 59,444,200.27 | 56,303,129.81 | 5.87% |
| 2029 | 219 | 4,737,513.72 | 4,540,805.08 | 0.47% |
| 2028 | 92 | 1,606,651.19 | 1,464,218.87 | 0.15% |
| 2030 | 18 | 586,025.25 | 571,282.11 | 0.06% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Remaining | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| 1. [0 - 0,5] | 15,670 | 108,297,644.56 | 13,235,631.18 | 1.38% |
| 2. [0,5 - 1] | 15,553 | 114,929,748.30 | 33,168,201.07 | 3.46% |
| 3. [1 - 3] | 55,254 | 572,415,624.90 | 296,795,065.19 | 30.96% |
| 4. [3 - 5] | 40,324 | 574,966,352.48 | 407,831,186.96 | 42.55% |
| 5. [5 - 7] | 13,648 | 228,878,525.22 | 200,375,525.21 | 20.91% |
| 6. [7 - 10] | 359 | 7,511,904.05 | 7,092,389.26 | 0.74% |
| 7. [10 - ∞] | - | - | - | 0.00% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

| Current Interest rate | Number of Loans | Original Outstanding Balance | Current Outstanding Balance | Outstanding % |
|---|---|---|---|---|
| [0 -3%] | 12,323 | 41,518,691.72 | 21,606,076.07 | 2.25% |
| [3% - 5%] | 21,369 | 335,015,886.93 | 220,415,149.24 | 23.00% |
| [5% - 7%] | 60,990 | 808,518,264.00 | 478,430,981.07 | 49.91% |

| | | | | |
|---|---|---|---|---|
| [7% - 10%] | 41,561 | 404,538,174.55 | 229,206,593.38 | 23.91% |
| [10% - ∞%] | 4,565 | 17,408,782.31 | 8,839,199.11 | 0.92% |
| **Total** | **140,808** | **1,606,999,799.51** | **958,497,998.87** | **100.00%** |

**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, in respect of the Initial Portfolio, (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 Initial Portfolio; (ii) the accuracy of the data disclosed in the sub-section headed "*Description of the Initial 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 Initial Portfolio with the Eligibility Criteria that are able to be tested prior to the Issue Date.

**Historical Performance Data**

Data on the historical performance of receivables originated by ProFamily are made available as pre-pricing information on the Securitisation Repository.

These historical data are substantially similar to those of the Receivables comprised in the Initial Portfolio pursuant to, and for the purposes of, article 22(1) of the EU Securitisation Regulation, given that (i) the most relevant factors determining the expected performance of the underlying exposures are similar; and (ii) as a result of the similarity referred to in paragraph (i) above, it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the Securitisation, their performance would not be significantly different.

**Capacity to produce funds**

The Receivables have characteristics that demonstrate capacity to produce funds to service any payments due under the Notes.

## THE ORIGINATOR, THE SERVICER, THE REPORTING ENTITY, THE ADMINISTRATIVE SERVICER, THE CASH MANAGER AND THE SUBSCRIBER

**The information contained in this section of this Prospectus relates to and has been obtained from the Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Originator, the Servicer, the Reporting Entity, the Administrative Servicer, the Cash Manager and the Subscriber 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.**

### Introduction

ProFamily S.p.A. (**ProFamily**) is a consumer credit company, part of the Banco BPM Group.

The Banco BPM Group is an integrated banking group operating in the various sectors of credit and financial intermediation and the core activities are divided into the following segments: Retail, Corporate, Institutional, Private, Investment Banking, Strategic Partnerships, Leases and the Corporate Centre. The Banco BPM Group is the product of a merger between Banco Popolare Società Cooperativa (**Banco Popolare**) and Banca Popolare di Milano S.c.a.r.l. (**BPM**) which took place on 1 January 2017.

ProFamily, specialised in consumer lending, has been incorporated in 2009 in BPM and, since the date of its incorporation, it has originated and serviced exposures similar to those assigned under the Securitisation by operating throughout the national territory, mainly Northern and Central Italy, where synergies with the group operations are stronger. ProFamily is registered with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and it complies with the prudential and capital requirements established by the Bank of Italy with respect to such financial intermediaries.

ProFamily is mainly active in consumer loans, such as car, households and personal loans.

ProFamily operates on the retail market, offering consumer finance solutions through a network of direct branches, financial agents, approved dealers and accredited vendors.

As at 31 December 2020, the local presence was as follows:

- 7 own offices;
- 33 financial agents;
- approximately 2300 authorised active dealers.

On 9 February 2021, the Board of Directors of Banco BPM approved a plan for the merger of ProFamily into Banco BPM. It is envisaged that such merger will be completed by July 2021. This transaction is aimed at simplifying and optimising the Banco BPM Group's corporate structure and will have no impact on the regulatory capital ratios and the consolidated balance sheet of the Banco BPM Group.

### Rating

ProFamily has not rating, but as at the date of this Prospectus, the parent company Banco BPM Group is rated as follows:

| | | |
|---|---|---|
| | Moody's | DBRS Morningstar |

| | | |
|---|---|---|
| Long term on deposit | Baa3 | BBB |
| Long term | Ba2 | BBB (low) |
| Short term on deposit | P-3 | R-2 (high) |
| Short term | nd | R-2 (middle) |
| Outlook | Negative | Negative |

**Management**

Management has extensive experience in banking and specifically in the consumer credit industry. As at the date of this Prospectus, the Board of Directors is composed of the following members:

| *Name* | *Position* |
|---|---|
| Carlo Frascarolo | Chairman |
| Massimo Maria Dorenti | CEO |
| Marco Aldeghi | Director |
| Luigi Olmo | Director |

**Portfolio**

As at December 2020, ProFamily had a customer portfolio of about 191,000 active loans.

Since inception, ProFamily have disbursed more than 685,000 loans, of which 197,000 auto loans, 257,000 finalised loans, 205,000 personal loans and 26,000 salary loans.

As of December 2020, the total portfolio outstanding amounted to Euro 1,360,000,000.

In year 2020, ProFamily generated a Net Banking Income of Euro 44,900,000 and Earnings Before Tax of Euro 11,900,000.

**Criteria for credit-granting**

ProFamily has applied to the Loans the same sound and well-defined criteria for credit-granting which it applies to non-securitised loans. In particular, ProFamily:

(a) has applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Loans; and

(b) has effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the Debtor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of each Debtor meeting his obligations under the relevant Loan.

## CREDIT AND COLLECTION POLICIES

### 1. Credit policies

ProFamily has built, for the evaluation of the loan agreements, a processing center based in Milano, named Processing center.

The Processing center is organized by expert working groups, to manage the credit process in an appropriate method for the different type of loans (vehicles, forniture etc. ) and to improving fit working jobs.

#### *1.1. Loan evaluation process*

The relevant loan application or the information on the loan application are sent via the internet, by fax or off-line to the head office in Milano, where the evaluation is carried out.

The decision process is driven by a set of four rules:

- Exclusions: preliminary checks which, if triggered, rule immediately the application out.
- Notching: preset elements shifting the application review towards a positive or negative outcome.
- Blocking points: if triggered, these checks immediately assign a negative outcome.
- Warnings: a set of critical data which may request further scrutiny of an application. If the warning is ignored, the application is rejected.

Once the application goes through the exclusions, the creditworthiness of a potential customer is assessed on the following bases:

- database searches;
- assignment and approval of a credit score.

#### *1.2. Database searches*

The searches are carried out in several databases to find information on the creditworthiness of potential customers, as each database follows different classification criteria and resorts to different sources. Searches usually concern potential customers and their guarantors.

Once the data from the relevant application form have been inserted in the electronic information system, the system starts an automatic search in the following databases:

- Consorzio Tutela del Credito
- CRIF
- EXPERIAN
- BPM and Profamily data base.

The analysis is carried out to check the customer's behaviour in relation to previous loans or banking issuing.

The main evaluation parameters include (i) the average number of overdue payments, (ii) the analysis of the customer's past behaviour over a certain period of time, and (iii) the residual amount and the financed amount.

The score of this database is divided into three levels. Even if it is negative, the outcome of this search does not prejudice the search in the other databases

### *1.3. The evaluation system*

The grids have been developed on the basis of a number of variables, which may be divided into three main categories:

- Sociological (age, marital status, occupation etc.);
- Loan-related (amount, instalments, instalments/income, number of instalments, term, type of payment etc);
- Behavioural (customers' behaviour in respect of loan payments, acquired from various databases).

The final evaluation of the loan application is thus based on:

- The quality of the loan application itself;
- The quality of the Retail Distributor which proposed the loan to the customer (only for vehicle loans).

The Scorecard returns the following values:

- High risk
- Medium risk
- Low risk

At this point in the procedure, the application goes through the notching, the blocking points and the warnings, thus assigning one of the following final outcomes:

- Reject: the loan is refused.
- Review: warnings have requested further enquiries. Such analysis are performed by the processing centre and if the outcome is satisfactory, the application is validated.
- Approval: the application is approved.

According to the grid below, the approval process will end with the sign-off at the relevant decision level.

**Finance Amount for each single request**

| Decision level | Personal loans | Vehicle | Renewable energies | Forniture | Other Finalized loans | Debt restructuring | Apartment building | Sample | Counterparty | Outcome * | Sign-Off level |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Decision engine** | 5,000 | 20,000 | 10,000 | 5,000 | 5,000 | / | n,p, | n,p, | Privato | L | 10 |
| **Processing coordinator** | 25,000 | 35,000 | 35,000 | 20,000 | 10,000 | / | n,p, | 5,000 | Privato + PG | L - M - H | 40 |
| **Senior Processing Coordinator** | 40,000 | 50,000 | 50,000 | 30,000 | 20,000 | 35,000 | 40,000 | 15,000 | Privato + PG | L - M - H | 60 |
| **Head of Processing and Head of Operations** | 50,000 | 60,000 | 60,000 | 40,000 | 30,000 | 40,000 | 50,000 | 30,000 | Privato + PG | L - M - H | 70 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **General Manager** | > 50,000 | > 60,000 | > 60,000 | >40,000 | >30,000 | > 40,000 | > 50,000 | >30000 | Privato + PG | L - M - H | 90 |

* L = Low , M = Medium, H= High

**Cumulated Risk**

| **Decision level** | **Private** | **Enterprise** | **Sign-Off level** |
|---|---|---|---|
| **Decision engine** | 20.000 | / | 10 |
| **Processing coordinator** | 50.000 | 25.000 | 40 |
| **Senior Processing Coordinator** | 70.000 | 40.000 | 60 |
| **Head of Processing and Head of Operations** | 100.000 | 50.000 | 70 |
| **General Manager** | >100.000 | >50.000 | 90 |

## 2. Collection and recovery policy

### *2.1. Paying method*

At the signing of the loan agreement, the client can choose either between paying by direct debit (" Sepa Direct Debit (**SDD**)") or by postal slip. The client is allowed to the change the payment method at any time during the length of the contract.

*Direct Debit*

In view of its strong interest in increasing the number of customers which use SDD, ProFamily has over time invested many resources in trying to achieve a high degree of efficiency in the collection of SDD.

*Postal Slip*

In the event the client opts to pay by postal slip, 10 days after the loan agreement has been signed ProFamily sends the request to print and send to the client's address the postal slip carnet to execute all the due payments.

Payments can be made in all Italian post offices. The recent restructuring of the Italian mail system allows nowadays to receive electronically notifications about payments in an extremely reduced time lag (on average 2/3 days) and on a daily basis.

On a daily basis Poste Italiane S.p.A. transfer the amounts related to the payments into ProFamily's (B.P.M.) postal account.

### *2.2. Monitoring of payments*

According to internal policy's loan agreements, payment dates fall on the 5st ( RID) or the 10th (postal slip) day of the month.

With regards to the payments due on the previous month, the identification of an unpaid instalment is made on immediately (following business day).

On the same day the missed payment is detected, a letter asking the immediate payment is sent to the borrower.

This letter is a necessary condition to the transfer of the file to the Collection and Recovery Department too.

### *2.3. The collection process*

The collection process starts within around 1 month from the borrower's missed payment.

The process is split in two phases:

- Pre-litigation: for loans with 1 to 7 unpaid instalments; and
- Litigation: for loans with 7+ unpaid instalments.

Some preliminary steps are undertaken before the activity starts:

- check of the address and the postal code;
- check of the telephone number of the borrower;
- check of the fiscal code provided by the borrower;
- check of the authenticity of the ID provided at the moment of the loan application;
- contact details.

### *2.4. Pre-litigation*

As soon as the loan enters the pre-litigation phase, the file is transferred to the Collection Agencies.

Such Agencies start with phone collection activities.

The phone collection goes through the following steps:

- Soft Collection: phone contacts – from day 1
- Phonia 1: phone reminder performed – from day 31
- Home recovery 1: home visits from collectors – from day 61
- Middle Collection 1: mix of home and home collection – from day 91
- Middle Collection 2: mix of home and home collection (different agency) – from day 121
- Home recovery 2: home collection – from day 151

At each step, the file is assigned to a different Agency in order to avoid the postponing of collections towards better remunerated steps later on in the process.

At the end of Home recovery 2 (i.e. step 6), the overdue corresponds to 6 unpaid instalments at the 7th the last call try.

At the payment date of the 8th instalment (or a delay of almost 210 days), the loan enters the litigation phase.

### *2.5.Litigation*

At this point a notice of declaration of acceleration ("*decadenza dal beneficio del termine*" if the loan has not reached its maturity yet) or a fomal injunction ("*messa in mora*" if the loan has already matured) is addressed to the borrower and all the other additional guarantors (*coobbligati, fidejussori, garanti*) and the loan agreement is terminated.

The litigation phase can go through two different procedures:

- Court settlement
- Out of court settlement

Through an in-depth analysis, the net worth and the net income of the debtors are assessed and on this basis a decision is made as to whether going for court or out of court settlements.

*Court settlement*

The managing of court settlement procedures is mandated to specialised legal firms.

*Out of court settlement*

The managing of out of court settlement procedures is assigned to credit recovery agencies.

Such recovery activities involve external different recovery companies in order to develop a specific recovery process more efficiently. The recovery agencies can cover the entire Italian territory, have a wide experience in the activity and comply with the relevant regulations and laws setting conduct standards in the business.

Should none of the above action succeed, the outstanding balance of the loan is written off.

For further details on the remedies and actions relating to delinquency and default of debtors, debt restructuring, forbearance, recoveries and other asset performance remedies, please see the section headed "*Description of the Transaction Documents - The Servicing Agreement*".

## RISK RETENTION AND TRANSPARENCY REQUIREMENTS

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

**For further information on the requirements referred to above and the corresponding risks, please refer to the risk factors entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*", "*EU Securitisation Regulation has introduced new requirements which should be assessed independently by the investors*", "*Investors have to comply with due diligence requirements under the EU Securitisation Regulation*" and "*Disclosure requirements under the EU Securitisation Regulation are uncertain in some respects*".**

### Risk retention

Under the Intercreditor Agreement, ProFamily, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, from the Issue Date, it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes;

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the 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 will be required to do so only 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 warranted and undertaken that:

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

(b) it has not selected the Receivables comprised in the Initial Portfolio, and it will not select the Receivables comprised in each Subsequent Portfolio, with the aim of rendering losses on the Receivables transferred to the Issuer higher than the losses on comparable receivables held on the balance sheet of the Originator, pursuant to article 6(2) of the EU Securitisation Regulation.

**Transparency Requirements**

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.

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at the following website: https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf. In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation.

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

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

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

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

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

(a) the Servicer shall:

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

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

(b) the Calculation Agent shall, subject to receipt of any relevant information from the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date; and

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

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

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

## THE ISSUER

### Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 12 September 2019 as a limited liability company under the name "DEPO Start SPV S.r.l." and, pursuant to the Issuer's quotaholder resolution adopted at the quotaholder meeting of 5 October 2020, was therefrom renamed "Profamily SPV S.r.l.". The registered office of the Issuer is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy (telephone number: +39 0438 360926). VAT code and enrolment with the companies' register of Treviso-Belluno no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of one or more securitisation transactions and operates under the laws of the Republic of Italy.

Since the date of its incorporation the Issuer has not engaged in any business other than the Securitisation. No dividends have been declared or paid and no indebtedness, other than the Issuer's costs and expenses of incorporation, has been incurred by the Issuer. The Issuer has no employees and no subsidiaries. As set out in article 4 of its by-laws (*statuto*) the Issuer's partnership duration is up to 31 December 2100. The authorised and issued capital of the Issuer is Euro 10,000, fully paid up. As at the date of this Prospectus the entire quota capital of the Issuer is directly owned by the Quotaholder, being Stichting Naviglio. The corporate capital of Stichting Naviglio is not directly or indirectly controlled by any other entity.

Under the Quotaholder's Agreement, the Quotaholder has undertaken to exercise the voting rights and the other administrative rights in such a way as not to prejudice the interests of the Noteholders.

### Issuer's principal activities

The principal 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*).

The Issuer may, following the redemption in full and/or cancellation of the Class A Notes, carry out further securitisation transactions in addition to the Securitisation, subject to the provisions of the Conditions.

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

The Issuer has undertaken to observe, *inter alia*, those restrictions in Condition 4 (*Covenants*).

### Sole Director and Statutory Auditors

The Sole Director of the Issuer is the company Blade Management S.r.l, acting through its natural designated person Pierluigi Basso. The domicile of Pierluigi Basso, in his capacity as natural designated person of Sole Director (the company Blade Management S.r.l.) of the Issuer, is at Viale Italia, 203, 31015 Conegliano (TV).

No Board of Statutory Auditors is provided to be appointed.

**Capitalisation and indebtedness statement**

As at the date of this Prospectus, the capitalisation of the Issuer, adjusted for the issue of the Notes, is as follows:

| *Capital* | *Euro* |
|---|---|
| Issued, authorised and fully paid-up capital | 10,000 |
| *Loan Capital* | *Euro* |
| Class A Notes | 860,000,000.00 |
| Class J Notes | 100,932,000.00 |
| *Total Capitalisation and Indebtedness* | 960,942,000.00 |

Save as provided for above, as at the date of this Prospectus the Issuer has no other 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.

**No material litigation**

Since the date of incorporation of the Issuer, there have been no pending or threatened governmental, legal or arbitration proceedings which may have or which have had material effects on the Issuer's financial position or profitability.

**No material adverse change**

Since the date of incorporation of the Issuer, there has been no material adverse change, or any development reasonably likely to involve a material adverse change in the financial position or prospects of the Issuer.

**Financial statements and auditors' report**

The Issuer's accounting reference date is 31 December in each year. So long as any of the Notes remains outstanding 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.

As at the date of this Prospectus, no financial statements have been made up and no auditors have been appointed.

Following the issue of the Notes, the Issuer will appoint an auditing company in accordance with the provisions of Italian Legislative Decree 27 January 2010 no. 39.

## THE BACK-UP SERVICER FACILITATOR, THE CALCULATION AGENT, THE CORPORATE SERVICER AND THE REPRESENTATIVE OF THE NOTEHOLDERS

**The information contained in this section of this Prospectus relates to and has been obtained from the Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Back-up Servicer Facilitator, the Calculation Agent, the Corporate Servicer and the Representative of the Noteholders since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.**

Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A. is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

In the context of the Securitisation, Banca Finint will act as Back-up Servicer Facilitator, Calculation Agent, Corporate Servicer and Representative of the Noteholders.

## THE ACCOUNT BANK AND THE PAYING AGENT

**The information contained in this section of this Prospectus relates to and has been obtained from the Account Bank and the Paying Agent. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Account Bank and the Paying Agent 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.**

The Bank of New York Mellon SA/NV is a Belgian limited liability company established 30 September 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking licence by the former CBFA on 10 March 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Brussels. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the European Central Bank and the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of conduct of business. The Bank of New York Mellon SA/NV engages in servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, The Netherlands, Germany, the United Kingdom, Luxembourg, Italy, France and Ireland.

## USE OF PROCEEDS

The proceeds deriving from the issue of the Notes (being Euro 960,932,000.00) will be applied by the Issuer:

(a) to pay Euro 960,931,478.32 to the Originator as Purchase Price for the Initial Portfolio (subject to set-off with the subscription monies due by ProFamily as Subscriber to the Issuer); and

(b) to transfer any amount remaining after making payments due under paragraph (a) above from the Payments Account into the Collection Account.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

**The description of the Transaction Documents set out below is an overview of certain features of the Transaction Documents and is qualified by reference to the detailed provisions of such documents. Prospective Noteholders may inspect a copy of the Transaction Documents on the Securitisation Repository.**

### 1. THE MASTER TRANSFER AGREEMENT

#### General

On 16 December 2020, the Originator and the Issuer entered into the Master Transfer Agreement, pursuant to which the Originator has transferred without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the Initial Portfolio.

In addition, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios during the Revolving Period, provided that (i) no Purchase Termination Event has occurred; (ii) the Transfer Limits are met; and (iii) the Advanced Purchase Price for each Subsequent Portfolio does not exceed the relevant Target Collateral Amount.

The transfer of the Receivables comprised in the Initial Portfolio has been rendered enforceable against 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. 150 Part II of 24 December 2020, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 22 December 2020.

The transfer of the Receivables comprised in each Subsequent Portfolio will be rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through the annotation of the monies received from the Issuer as Purchase Price for the relevant Subsequent Portfolio on the Originator's account into which they will have been paid, in order for the relevant payment to bear date certain at law (*data certa*) in accordance with the provisions of article 2, paragraph 1, letter b), of Legislative Decree no. 170 of 21 May 2004.

#### Eligibility Criteria and Transfer Limits

The Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio shall meet the Eligibility Criteria. The transfer of each Subsequent Portfolio during the Revolving Period shall be also subject to the compliance with the Transfer Limits as at the relevant Offer Date. For further details, see the sections headed "*Transaction Overview*" and "*The Aggregate Portfolio*".

If it is subsequently discovered that any transfer of Receivables has breached the Eligibility Criteria and/or the Transfer Limits, the relevant transfer shall be deemed partially terminated with respect to the Receivables which have caused such breach and the Advanced Purchase Price for the relevant Portfolio shall be adjusted accordingly. The Originator shall also reimburse and keep the Issuer harmless from any cost, damage, loss and/or incurred by it as a consequence of such breach.

#### Purchase Price

The Advanced Purchase Price for each Portfolio is the aggregate of the Advanced Individual Purchase Prices for all the Receivables comprised in the relevant Portfolio as at the relevant Effective Date. The Advanced Individual Purchase Price for each Receivable is equal to the aggregate of all the Principal Components due

in accordance with the relevant Loan Agreement starting from the relevant Effective Date, plus the relevant Interest Accrual as at the relevant Effective Date (provided that the Collections made as at the relevant Effective Date shall not be deducted from the Advanced Individual Purchase Price for each Receivable).

The Advanced Purchase Price for the Initial Portfolio is equal to Euro 960,931,478.32. The Advanced Purchase Price for the Initial Portfolio will be financed by the Issuer through the issuance of the Notes and will be paid by the Issuer to the Originator on the Issue Date using the proceeds deriving therefrom (to the extent not subject to set-off with the monies due by ProFamily to the Issuer in connection with the subscription of the Notes).

The Advanced Purchase Price for each Subsequent Portfolio will be financed by the Issuer through the Issuer Available Funds and will be paid by the Issuer to the Originator on the Payment Date immediately following the relevant Transfer Date, in accordance with the Pre-Enforcement Priority of Payments.

In addition, on each Payment Date following the Issue Date, the Originator may or may not receive, as Deferred Purchase Price, an amount equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

**Undertakings of the Originator**

The Master Transfer Agreement contains certain undertakings by the Originator in respect of the Receivables. The Originator has undertaken to refrain from carrying out any activities with respect to the Receivables which may have a negative effect on the Receivables and, in particular, not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken to refrain from any action which could cause the invalidity or a reduction in the amount of any of the Receivables (save for any permitted renegotiations as specified in the Servicing Agreement).

In particular, the Originator has undertaken to promptly inform the Servicer of any material change of the credit policies relating to the Receivables to be included in any Subsequent Portfolio, providing an explanation of any such change and an assessment of any impact it may have on the new Loans in order for the Servicer to deliver such information, without delay, through the Inside Information and Significant Event Report, to potential investors in the Notes pursuant to and for the purposes of article 20(10) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

**Option to repurchase the Aggregate Portfolio in favour of the Originator**

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio. Such option may be exercised in relation to any Payment Date following the occurrence of the Clean-up Call Condition or an Early Redemption Event, provided that the following conditions are met:

(a) the Originator has obtained all the relevant authorisations, or made the relevant notices, required by the applicable laws and regulations;

(b) the Originator has delivered to the Issuer the following certificates: (i) a solvency certificate signed by an authorised officer of the Originator and dated no earlier than 5 (five) Business Days prior to the date of payment of the repurchase price; and (ii) a certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days prior to the date of payment of the repurchase price, stating that the Originator is not subject to insolvency proceedings.

(c) the repurchase price of the Receivables, together with the Issuer Available Funds applicable on the relevant Payment Date, is such as to redeem the Senior Notes (in whole but not in part) and Junior Notes (in whole or in part).

The repurchase price of the Aggregate Portfolio shall be equal to (i) with reference to the Receivables other than the Defaulted Receivables and the Delinquent Receivables, the Outstanding Principal, as at the relevant economic effective date (as specified in the option exercise notice), of the Receivables subject to repurchase, plus an amount equal to the interest accrued and not paid in relation to such Receivables as at such economic effective date; or (ii) with reference to the Defaulted Receivables and the Delinquent Receivables, the IFRS 9 Value of such Receivables.

The repurchase of the Aggregate Portfolio will be effective subject to the actual payment in full of the repurchase price, within 2 (two) Business Days prior to the relevant Payment Date by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account.

The repurchase of the Aggregate Portfolio (i) shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Aggregate Portfolio in derogation of article 1266, paragraph 1, of the Italian civil code), and (ii) shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code.

Any costs, expenses and charges (including taxes) incurred in connection with the repurchase of the Aggregate Portfolio shall be borne by the Originator.

**Option to repurchase individual Receivables**

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase individual Receivables comprised in the Aggregate Portfolio provided that:

(a) the Outstanding Principal, as at the relevant economic effective date (as specified in the relevant option exercise notice), of the Receivable subject to a repurchase - plus the aggregate Outstanding Principal, as at the relevant economic effective date (as specified in the relevant option exercise notice), of the Receivables already repurchased - does not exceed 5 per cent. of the Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the Initial Portfolio (it being understood that a 3 per cent. sub-limit will apply to the repurchases of Delinquent Receivables and a 2 per cent. sub-limit will apply to the repurchases of Defaulted Receivables); and

(b) the Originator has delivered to the Issuer the following certificates: (i) a solvency certificate signed by an authorised officer of the Originator and dated no earlier than 5 (five) Business Days prior to the date of payment of the repurchase price; and (ii) a certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days prior to the date of payment of the repurchase price, stating that the Originator is not subject to insolvency proceeding.

The repurchase price of the Receivables shall be equal to (i) with reference to the Receivables other than the Defaulted Receivables and the Delinquent Receivables, the Outstanding Principal, as at the relevant economic effective date (as specified in the option exercise notice), of the Receivables subject to repurchase, plus an amount equal to the interest accrued and not paid in relation to such Receivables as at such economic effective date; or (ii) with reference to the Defaulted Receivables and the Delinquent Receivables, the IFRS 9 Value of such Receivables. The repurchase of the Receivables will be effective subject to the actual payment in full of the repurchase price, by credit transfer in Euro and in same day, freely transferable, cleared funds into the Collection Account.

The repurchase of the Receivables (i) shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables in

derogation of article 1266, paragraph 1, of the Italian civil code), and (ii) shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code.

It is understood that the repurchase of any individual Receivables shall be made (i) with reference to he Defaulted Receivables, in order to facilitate the recovery and liquidation process in respect of such Defaulted Receivables, (ii) with reference to the Receivables (other than the Defaulted Receivables), only in extraordinary circumstances, and (iii) in each case, without affecting the interests of the Noteholders and not for speculative purposes aimed at achieving a better performance of the Securitisation, pursuant to article 20(7) of the EU Securitisation Regulation.

Any costs, expenses and charges (including taxes) incurred in connection with the repurchase of the Receivables shall be borne by the Originator.

**Governing Law and Jurisdiction**

The Master Transfer Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Master Transfer Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 2. THE SERVICING AGREEMENT

**General**

On 16 December 2020, the Issuer and the Servicer entered into the Servicing Agreement, pursuant to which the Issuer has appointed ProFamily as Servicer of the Receivables and the Servicer has agreed to administer and service the Receivables.

The Servicer shall act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to the Securitisation Law. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the law and this Prospectus in accordance with the provisions of article 2, paragraphs 3(c) and 6-*bis*, of the Securitisation Law.

The Servicer is also responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collection Policies, any activities related to the management of the Receivables, including activities in connection with the enforcement and recovery of the Defaulted Receivables.

**Obligations and representations of the Servicer**

Under the Servicing Agreement the Servicer has undertaken, *inter alia*:

(i) to carry out the administration and service of the Receivables and to manage the relevant recovery procedures in accordance with all applicable laws and regulations;

(ii) to maintain an effective system of general and accounting controls so as to ensure the performance by the Servicer of its obligations under the Servicing Agreement;

(iii) save where otherwise provided in the Credit and Collection Policies and the Servicing Agreement, not to release or consent to the cancellation of all or part of the Receivables unless ordered to do so by a competent judicial or other authority;

(iv) to ensure adequate identification and segregation of the Collections and any other amounts related to the Receivables from all other funds of or held by the Servicer;

(v) to act under the terms of the Credit and Collection Policies and in accordance with the applicable laws and regulations and with diligence so as to ensure the performance of the obligations of the debtors and the payment of all amounts due under the Receivables;

(vi) to obtain and comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement

(vii) to ensure that the Usury Law will not be breached in carrying out its functions under the Servicing Agreement;

(viii) in relation to the transfer of Subsequent Portfolio, to monitor that the Transfer Limits are complied with as at the relevant Offer Date in accordance with the Master Transfer Agreement.

Under the Servicing Agreement, the Servicer has undertaken to transfer any Collections received or recovered by the Servicer into the Collection Account (i) within the Business Day immediately following the date of receipt of the relevant Collections on the ProFamily Accounts, in case of payment through Direct Debit; or (ii) within the 2nd (second) Business Day following the date of receipt of the relevant Collections on the Servicer's accounts or payment of the same at the Banco BPM's facilities, in case of payment through Post Note.

In addition, in order to mitigate any possible risk that, in case of insolvency of any Collection Depositary Bank, as well as in case of insolvency of any Collection Third Depositary Bank, the Collections paid on such accounts are lost or frozen, under the Servicing Agreement the Servicer has undertaken to instruct the relevant Debtors, no later than 30 (thirty) days from the occurrence of such insolvency, to make any future payment relating to the Receivables directly into the Collection Account or any other account indicated by the Servicer opened with another Collection Depositary Bank or to domicile the Direct Debit with a Collection Third Depositary Bank which is not insolvent.

The Servicer has also undertaken to use all due diligence to maintain all accounting records in respect of the Receivables and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

The Servicer has represented to the Issuer, *inter alia*, that (i) it has expertise in servicing exposures of a similar nature to those securitised 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; and (ii) it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Issuer and the Representative of the Noteholders have the right to inspect and take copies of the documentation and records relating to the Receivables in order to verify the performance by the Servicer of its obligations pursuant to the Servicing Agreement to the extent the Servicer has been informed one day in advance of such inspection.

**Permitted renegotiations**

In relation to the Receivables other than the Receivables having Unpaid Instalments and the Defaulted Receivables, the Issuer has authorised the Servicer, pursuant to the Servicing Agreement, to enter into renegotiations of the interest rate of the relevant Loan Agreements, provided that the Post-Renegotiation Weighted Average Yield is not lower than 5 per cent.

In relation to the Receivables other than the Receivables having Unpaid Instalments and the Defaulted Receivables, the Issuer has authorised the Servicer, pursuant to the Servicing Agreement, to enter into renegotiations of the Amortisation Plan (including the rescheduling (*rateizzazione*) of the Balloon Instalment) of the relevant Loan Agreements, provided that:

(a) such renegotiation does not cause a postponement of the final maturity date of the relevant Loan Agreements beyond the 60nd (sixty) month after the Final Maturity Date; and

(b) the Outstanding Principal, as at the Collection End Date immediately preceding the relevant renegotiation date, of the Receivable (other than the Receivables having Unpaid Instalments and Defaulted Receivables) subject to renegotiation - plus the Outstanding Principal, as at the Collection End Date immediately preceding the relevant date of renegotiation, of the Receivable (other than the Receivables having Unpaid Instalments and the Defaulted Receivables) already renegotiated - does not exceed 15 (fifteen) per cent. of the Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the Initial Portfolio.

In relation to the Receivables other than the Receivables having Unpaid Instalments and the Defaulted Receivables, the Issuer has authorised the Servicer, pursuant to the Servicing Agreement, to enter into moratorium agreements providing for the suspension of payment of the relevant Instalment, provided that:

(a) such renegotiation does not cause a suspension of payment of the relevant Instalment for a period exceeding 12 (twelve) months; and

(b) the Outstanding Principal, as at the Collection End Date immediately preceding the relevant renegotiation date, of the Receivable (other than the Receivables having Unpaid Instalments and Defaulted Receivables) subject to renegotiation - plus the Outstanding Principal, as at the Collection End Date immediately preceding the relevant date of renegotiation, of the Receivable (other than the Receivables having Unpaid Instalments and the Defaulted Receivables) already renegotiated - does not exceed 5 (five) per cent. of the Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the Initial Portfolio.

In relation to the Defaulted Receivables, the Issuer has authorised the Servicer, pursuant to the Servicing Agreement, to enter into settlement agreements, rescheduling agreements (also with promissory note rescheduling plans), as well as the other activities provided for by the Credit and Collection Policies, provided that such activities do not cause a postponement of the final maturity date of the relevant Loan Agreements beyong the Final Maturity Date.

The Servicer shall entitled to renegotiate the terms and conditions of the Loan Agreement if so required by mandatory provisions of laws and regulations or association agreements (*accordi di categoria*), provided that it shall promptly notify in writing the Issuer and the Representative of the Noteholders of any such renegotiation. The Receivables arising from any Loan Agreement so renegotiated will not be computed in the thresholds set out above.

The Servicer may also waive penalties and other charges due in connection with the early repayment or repayment at maturity of the Loans, as well as any deductible (*franchigia*) provided for by the relevant Insurance Policies.

**Reports of the Servicer**

Pursuant to the Servicing Agreement, the Servicer has undertaken to prepare and deliver, no later than each Servicer's Report Date, the relevant Servicer's Report to the Issuer, the Back-up Servicer (if any), the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Account Bank, the Calculation Agent, the Paying Agent, the Representative of the Noteholders and the Rating Agencies.

The Servicer shall prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the immediately preceding Collection Period (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Loan, if available), in compliance with point (a) of the first subparagraph of article 7(1) of the 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, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date.

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

**Additional information**

The Servicer shall promptly provide in writing, subject to receipt of a reasonable prior notice, to the Issuer, the Calculation Agent, the Corporate Servicer, the Administrative Servicer, the Representative of the Noteholders and/or the Rating Agencies supply, and include within the Servicer's Report, such additional information as they may reasonably request in relation to the Receivables, the Loan Agreements, the Guarantees, the Insurance Policies and/or the Debtors (including, without limitation, such further information in its possession as the Calculation Agent may require in order to prepare the SR Investors Report in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards).

**Appointment of the Back-up Servicer**

In the event that:

(a) the Servicer remains subject to the control of Banco BPM pursuant to article 2359 of the Italian civil code and the rating assigned to the long term, unsecured and unsubordinated debt obligations of Banco BPM falls below the Required Rating; or

(b) the Servicer ceases to be subject to the control of Banco BPM pursuant to article 2359 of the Italian civil code and the rating assigned to the long term, unsecured and unsubordinated debt obligations of the Servicer (or, in the absence of such rating, the rating assigned to the long term, unsecured and unsubordinated debt obligations of the entity which exercises a control over the Servicer pursuant to article 2359 of the Italian civil code) falls below the Required Rating,

the Issuer shall appoint as Back-up Servicer, within 30 (thirty) days from the occurrence of the downgrading, an entity identified by the Issuer, with the assistance of the Back-up Servicer Facilitator, and approved by the Representative of the Noteholders, which complies with the requirements provided for by the Servicing Agreement for substitute servicers (including having expertise in servicing exposures of a similar nature to the Receivables and 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). The Back-up Servicer shall undertake to replace ProFamily as

Servicer within 30 (thirty) days from the receipt of the notice of termination of the appointment of the Servicer.

**Termination of the appointment of the Servicer**

The Issuer may (or shall, if so requested by the Representative of the Noteholders), terminate the appointment of the Servicer, by giving a written notice to the Servicer with copy to the Back-up Servicer (if where appointed), if any of the following events occurs:

(a) the Servicer fails to pay any amount due under the Servicing Agreement within 5 (five) Business Days from the relevant due date, save that such failure is attributable exclusively to force majeure events;

(b) with reference to 3 (three) Calculation Dates, the Servicer fails to deliver the Servicer's Report within the relevant Servicer's Report Date e such failure is not remedied within the Business Day immediately preceding the relevant Calculation Date;

(c) the Servicer fails to fulfil any of its obligations (other than the obligations under paragraphs (a) and (b) above) under the Servicing Agreement or the other Transaction Documents to which it is or will be a party and such failure is not remedied within 10 (ten) Business Days from the receipt of a written notice from the Issuer, addressed to the Servicer with copy to the Representative of the Noteholders, stating that such failure has occurred (unless such failure is not capable of remedy, in which case the aforesaid remedy period shall not apply);

(d) any of the representations and warranties given by the Servicer under the Servicing Agreement or any other Transaction Documents to which it is or will be a party proves to be inaccurate, untrue or misleading in any respect which is material for the interests of the Issuer and the Noteholders and such breach is not remedied within 10 (ten) Business Days from the receipt of a written notice from the Issuer, addressed to the Servicer with copy to the Representative of the Noteholders, stating that such breach has occurred (unless such failure is not capable of remedy, in which case the aforesaid remedy period shall not apply); or

(e) the Servicer becomes subject to any insolvency proceeding or any other similar proceeding applicable in any jurisdiction or the whole or any substantial part of the assets of the Servicer are subject to seizure (*pignoramento*) or any other proceeding having a similar effect, or the Servicer takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations; or

(f) it becomes illegal for the Servicer to fulfil any of its obligations under the Servicing Agreement or any other Transaction Documents to which it is or will be a party; or

(g) the Servicer loses any of the requirements provided for by law, the Bank of Italy or any other competent authority for entities acting as servicer under securitisation transactions, or the Servicer fails to comply with any requirement which may be provided for in the future by law, the Bank of Italy or any other competent authority.

Unless the Back-up Servicer (where appointed) replaces ProFamily as Servicer, the Issuer shall, within 30 (thirty) days from the date of the notice of termination, appoint a Successor Servicer identified by the Issuer, with the assistance of the Back-up Servicer Facilitator, and approved by the Representative of the Noteholders, which complies with certain requirements provided for by the Servicing Agreement (including having expertise in servicing exposures of a similar nature to the Receivables and 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).

**Servicing Fee**

As consideration for the services provided by the Servicer, the Issuer shall pay to the Servicer, on each Payment Date, the following servicing fees, in accordance with the applicable Priority of Payments:

(a) for the management, administration and collection of the Receivables other than the Defaulted Receivables, a fee equal to 0.18 per cent. (plus VAT, if applicable) of the Collections received by the Servicer in relation to the Receivables other than the Defaulted Receivables during the Collection Period immediately preceding the relevant Payment Date;

(b) for the recovery of the Defaulted Receivables, a fee equal to 0.10 per cent. (plus VAT, if applicable) of the Collections recovered by the Servicer in relation to the Defaulted Receivables during the Collection Period immediately preceding the relevant Payment Date; and

(c) for the reporting activities, the delivery of the supervisory notices (*segnalazioni di vigilanza*) as well as for the other activities provided for by the Servicing Agreement different from those set out in paragraphs (a) and (b) above, a fixed annual fee of Euro 5,000 (plus VAT, if applicable) payable in arrear in equal monthly instalments on each Payment Date.

No further fee will be payable, or cost (including, without limitation, any cost connected with the recovery of the Defaulted Receivables) will be reimbursed, to the Servicer for the performance of its activities under the Servicing Agreement.

**Governing Law and Jurisdiction**

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

Any dispute which may arise in relation to the interpretation or the execution of the Servicing Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 3. THE WARRANTY AND INDEMNITY AGREEMENT

**General**

On 16 December 2020, the Issuer and the Originator entered into a Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself, the Receivables, the Loans, the Guarantees and the Debtors, (ii) has agreed to indemnify the Issuer in respect of, *inter alia*, those Receivables which do not comply with any such representation and warranty or repurchase such Receivables.

**Representations and Warranties**

Under the Warranty and Indemnity Agreement, ProFamily has represented and warranted, *inter alia*, as follows:

(a) each Loan Agreement was entered into substantially in the same form as the standard form agreement used by ProFamily as at the date of execution of the relevant Loan Agreement. After the date of its execution, no Loan Agreement has been modified in such a way as to prejudice the rights and claims of ProFamily and, after the transfer of Receivables, of the Issuer;

(b) each Loan Agreement and each other agreement, deed or document relating thereto is valid and effective and constitutes valid, legal and binding obligations of the relevant Debtor enforceable in accordance with its terms;

(c) to the best knowledge of ProFamily, having made all due enquiries, each Loan Agreement and any other agreement, deed or document relating thereto has been entered into in compliance with all applicable laws, rules and regulations, including, but not limited to:

(i) the laws and regulations relating to consumer loans (including, in particular, the provisions relating to the publicity under articles 116 and following and 123 of the Consolidated Banking Act; the provisions relating to the indication and calculation of the T.A.E.G. (*Tasso Annuo Effettivo Globale*); article 117, paragraph 1 and 3, and article 124 of the Consolidated Banking Act);

(ii) the laws and regulations relating to consumers' protection and transparency (including, in particular, the provisions of Title VI, Section II and Section III of the Consolidated Banking Act; article 1469-*bis* of the Italian civil code, and the provisions of article 36 of Legislative Decree 6 September 2005 no. 206);

(iii) the laws relating to usury and compounding;

(iv) the Privacy Rules; and

(v) the provisions relating to the right of the Debtors to repay in advance the relevant Receivable;

(d) in relation to each Loan Agreement, the relevant Loan has been fully advanced, disbursed and drawn down to or to the account of the relevant Debtor, or on its name and on its behalf, and there is no obligation of ProFamily to advance or disburse further amounts in connection therewith;

(e) to the best knowledge of ProFamily, each Loan Agreement, Insurance Policy and Guarantee has been entered into without any fraud (*frode*) or wilful misconduct (*dolo*), violence or error on the side of ProFamily or of any of its directors (*amministratori*), managers (*dirigenti*), officers (*funzionari*) and/or employees which would entitle the relevant Debtor to make any claim against ProFamily for wilful misconduct, violence or error in relation to the relevant Loan Agreement, Insurance Policy or Guarantee;

(f) ProFamily did not (i) assign, sell, transfer (neither by means of a true sale neither by way of security), create any encumbrance on, give in communion or transfer its rights, title, interests or beneficial interests relating to the Loan Agreements, Receivables, Guarantees and/or Insurance Policies and did not terminate, waive or amend or modify the terms and conditions of the Loan Agreements, Receivables, Guarantees and/or Insurance Policies in such a way as to prejudice the rights and claims of ProFamily and, after the transfer of Receivables, of the Issuer; (ii) create or allow third parties to create any encumbrance, lien, pledge or security interest of any other kind, other than those provided for under the Transaction Documents of which is a party, on one or more Loan Agreements;

(g) as at the relevant Transfer Date and at the relevant Effective Date, each Receivable is fully and unconditionally owned by, and available to, ProFamily and was not subject to any lien, seizure or other charges in favour of any third party and was freely transferable to the Issuer;

(h) there are no clauses or provisions in the Loan Agreements, or in any other agreement, deed or document, pursuant to which ProFamily is prevented from transferring, assigning or otherwise disposing of the Receivables or of any of them;

(i) the transfer of the Receivables to the Issuer pursuant to the Master Transfer Agreement and the relevant Transfer Agreement (if any) shall not impair or affect in any manner whatsoever the obligation of the relevant Debtors to pay the amounts outstanding in respect of any Receivables, or the validity or effectiveness of any obligation of the relevant Debtors or of any other party obliged to ProFamily pursuant to an agreement, a deed or a document entered into in relation to the Loan Agreement, Guarantee or Insurance Policy;

(j) as at the relevant Effective Date, no Receivable fell within the definition of defaulted exposures (*sofferenze*), exposures unlikely to pay (*inadempienze probabili*) or past due exposures (*esposizioni scadute/sconfinanti deteriorate*) under the applicable Bank of Italy's regulations;

(k) ProFamily has not relieved or discharged any Debtor from its relevant obligations and has not subordinated its rights to claims of those of other creditors thereof, or waived any rights, except in relation to payments made in a corresponding amount in satisfaction of the relevant Receivables or pursuant to the Credit and Collection Policies;

(l) Profamily has kept in hard copy or on a proper electronic support the books, records, data and documents relating to each Loan Agreement, Receivable, Guarantee, Insurance Policy and Debtor with the skills required in connection with the professional activity carried out by Profamily;

(m) all the data referred to in the Loan Agreements are true, correct and accurate in any material respect;

(n) each transfer of Receivables to the Issuer is made in compliance with the Securitisation Law;

(o) ProFamily has selected the Receivables comprised in each Portfolio in compliance with the Eligibility Criteria and, in relation to the Subsequent Portfolios, the Transfer Limits;

(p) all Assigned Debtors qualify as consumers pursuant to article 121 of the Consolidated Banking Act and none of the Debtors is a public entity or an ecclesiastic entity;

(q) all Loan Agreements from which Receivables arise provide for, as method of payment of the Debtor, Direct Debit or Post Note;

(r) none of the Debtors has entered into (or has commenced procedures for the execution of) any restructuring agreement (*accordi di ristrutturazione*) of its debts with its creditors, pursuant ot Law no. 3 of 27 January 2012;

(s) no management or collection of Receivables agreement, other than the Servicing Agreement, able to bind the Issuer or negatively affect its rights in relation to the Receivables or to the Guarantee, has been entered into with third parties;

(t) non of the Debtors is entitled to obtain the "*accollo liberatorio*" of the relevant Loan;

(u) all Debtors are domiciled in Italy for tax purposes;

(v) in relation to each Loan Agreement, the term of 14 (fourteen) days provided for by article 125-*ter* of the Consolidated Banking Act for the exercise of the right of withdrawal by the relevant Debtor has expired;

(w) to the knowledge of ProFamily, in relation to each Loan Agreement, the relevant Debtor has not made any injunction (*costituzione in mora*) against the supplier of the asset subject to financing pursuant to article 125-*quinquies* of the Consolidated Banking Act.

In addition, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that:

(a) the Originator is a financial intermediary enrolled with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and its "centre of main interests" (as such term is defined in article 3(1) of the EU Insolvency Regulation) is located within the territory of the Republic of Italy, pursuant to articles 20(2) and 20(3) of the EU Securitisation Regulation;

(b) as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are not, and the Receivables comprised in each Subsequent Portfolio will not be, encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the relevant Receivables to the Issuer pursuant to article 20(6) of the EU Securitisation Regulation;

(c) the Receivables comprised in the Initial Portfolio contain, and the Receivables comprised in each Subsequent Portfolio will contain, obligations that are contractually binding and enforceable, with full recourse to the Debtors, pursuant to article 20(8), first paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(d) as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are, and the Receivables comprised in each Subsequent Portfolio will be, homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20(8), first paragraph, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, given that:

  (i) all Receivables are or will be, as the case may be, originated by the Originator based on similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the underlying exposures;

  (ii) all Receivables are or will be, as the case may be, serviced by the Originator according to similar servicing procedures;

  (iii) the Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities provided to individuals for personal, family or household consumption purposes"; and

  (iv) although no specific homogeneity factor is required to be met, as at the relevant Effective Date the Assigned Debtors are (or will be, as the case may be) resident in the Republic of Italy.

(e) the Initial Portfolio does not, and each Subsequent Portfolio will not, include any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20(8), last paragraph, of the EU Securitisation Regulation;

(f) the Initial Portfolio does not, and each Subsequent Portfolio will not, include any securitisation position pursuant to article 20(9) of the EU Securitisation Regulation;

(g) the Loans from which the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio arise (or will arise, as the case may be) have been (or will be, as the case may be) disbursed in the Originator's ordinary course of business. The Receivables comprised in the Initial Portfolio have been, and the Receivables comprised in the each Subsequent Portfolio will be, originated by the Originator in accordance with credit policies which are no less stringent than those that the

Originator applied at the time of origination to similar exposures that have not been (or will not be) assigned in the context of the Securitisation, pursuant to article 20(10), first paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(h) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of the Directive 2008/48/EC, pursuant to article 20(10), third paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(i) the Originator has been carrying out lending activity for more than 5 (five) years, pursuant to article 20(10), last paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(j) as at the relevant Effective Date and as at the relevant Transfer Date, the Receivables comprised in the Initial Portfolio are not, and the Receivables comprised in each Subsequent Portfolio will not, be qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired Debtor, who, to the best of the Originator's knowledge:

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the relevant Transfer Date; or

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation,

in each case pursuant to article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(k) there are no Receivables that depend on the sale of assets to repay their Outstanding Principal at contract maturity pursuant to article 20(13) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria since the Loans are not secured over any specified asset;

(l) the Initial Portfolio does not include, and each Subsequent Portfolio will not, comprise any derivative pursuant to article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(m) the Outstanding Balance of the Receivables owed by the same Assigned Debtor does not exceed 2 per cent. of the aggregate Outstanding Balance of all Receivables comprised in the Aggregate Portfolio, for the purposes of article 243(2)(a) of the CRR.

The statutory limitations provided for by articles 1495 and 1497 of the Italian civil code shall not apply to the representations and warranties given by the Originator under the Warranty and Indemnity Agreement and, a result, any breach thereof may be claimed by the Issuer until the redemption in full and/or cancellation of the Notes.

**Remedies**

Without prejudice to any other right conferred on the Issuer by the Warranty and Indemnity Agreement, any other Transaction Documents to which it is or will be a party and the law, the Originator shall, upon written request of the Issuer, indemnify and keep the Issuer and its directors harmless from any duly documented

damage, loss, liability, cost and/or expenses (including, without limitation, legal costs and VAT if due) which the Issuer has incurred or may incur in connection with:

(a) the failure by ProFamily to fulfil any of its obligations under the Warranty and Indemnity Agreement or any other Transaction Documents to which it is or will be a party, unless such failure has been remedied within the applicable term provided for thereby or ProFamily has already indemnified the Issuer for such failure pursuant to another Transaction Document;

(b) the untruthfulness or inaccuracy of any representation and warranty given by ProFamily pursuant to the Warranty and Indemnity Agreement;

(c) any liabilities alleged or claim made by third parties against the Issuer, as owner of the Receivables, as a result of negligence or omission by ProFamily in relation to the Receivables, the management and collection of the same or the failure by ProFamily to comply with any of its obligations under the Warranty and Indemnity Agreement or any other Transaction Documents to which it is or will be a party;

(d) the inability of the Issuer to collect any interest accrued on the Loan Agreements due to the breach of the Usury Law;

(e) the non-compliance, with reference to one or more Loan Agreements, with the provisions of articles 1283, 1345 and 1346 of the Italian civil code;

(f) the exercise of any claw-back action against the Issuer in relation to any Receivables and/or Guarantees;

(g) the inability of the Issuer to collect or recover any Receivables as a consequence of the exercise by the Debtors or any third party, against ProFamily and/or the Issuer, of any right of termination (including the right to terminate the relevant Loan Agreement pursuant to article 125-*quinquies* of the Consolidated Banking Act), voidness, annullment or rescission, or any demand and/or counterclaim, including by way of set-off pursuant to article 125-*septies* of the Consolidated Banking Act, in relation to any Loan Agreement, Receivable, Guarantee or any other ancillary deed or document, based on any title and at any time exercisable and/or enforceable against ProFamily and/or the Issuer (including, without limitation, any demand or claim for the breach of the consumer loan regulations and the rules on transparency and consumers' protection); and

(h) any claim for damages made against the Issuer in relation to acts or circumstances occurred prior to the relevant Transfer Date.

The Originator may object, in whole or in part, the ground of the Issuer's request for indemnification or the relevant amount within 15 (fifteen) Business Days from the receipt of the relevant indemnification request. If the Originator and the Issuer fail to reach an agreement within the immediately following 15 (fifteen) Business Days, the dispute will be settled by a third party expert appointed jointly by the parties (or, if the parties fails to reach an agreement on the identity of the expert, by the Chairman of the Chamber of Commerce of Milan) or, if the dispute concerns the interpretation of the Warranty and Indemnity Agreement or any applicable laws, by the Courts of Milan.

Under the Warranty and Indemnity Agreement, the Originator has irrevocably granted to the Issuer an option, pursuant to article 1331 of the Italian civil code, to retransfer to the Originator any Receivable comprised in the Aggregate Portfolio if:

(i) any of the events under paragraphs from (a) to (h) (inclusive) above occurs in respect of any Receivable (the **Affected Receivable**) and is capable of having a material adverse effect on the ability to repay the Affected Receivable (the **Material Adverse Event**); and

(ii) ProFamily fails to remedy the Material Adverse Event within 10 (ten) Business Days following the receipt of a written notice from the Issuer stating that the Material Adverse Event has occurred and requiring it to be remedied.

The repurchase price of the relevant Affected Receivable shall be equal to the Outstanding Principal, as at the relevant economic effective date (as specified in the option exercise notice), of the Affected Receivable, plus an amount equal to the interest accrued and not paid in relation to the relevant Affected Receivable as at such economic effective date.

In addition, the Originator shall pay to the Issuer an indemnity equal to (i) the interest that would have accrued on the Outstanding Principal of the Affected Receivable from the date of payment of the relevant repurchase price up to the immediately following Payment Date, calculated at a rate equal to the interest rate applicable to the Senior Notes, plus a margin equal to the margin applicable on the Senior Notes; and (ii) all the expenses, losses and damages (if any) incurred or suffered by the Issuer in relation to the relevant Affected Receivable.

The repurchase of the relevant Affected Receivable will be effective subject to the actual payment in full of the repurchase price, by credit transfer in Euro and in same day, freely transferable, cleared funds into the Collection Account.

The repurchase of the relevant Affected Receivable (i) shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables in derogation of article 1266, paragraph 1, of the Italian civil code), and (ii) shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code.

Any costs, expenses and charges (including taxes) incurred in connection with the repurchase of the relevant Affected Receivable shall be borne by the Originator.

**Governing Law and Jurisdiction**

The Warranty and Indemnity Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Warranty and Indemnity Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 4. THE CORPORATE SERVICES AGREEMENT

### General

On or about the Issue Date, the Issuer and the Corporate Servicer have entered into the Corporate Services Agreement, pursuant to which the Corporate Servicer shall provide the Issuer with certain corporate services.

These services include, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders and directors and maintaining the quotaholders' register.

### Corporate Servicer's Fees

As consideration for the services rendered pursuant to the Corporate Services Agreement, the Corporate Servicer shall be entitled to receive from the Issuer, on each Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

**Termination of the appointment of the Corporate Servicer**

The Issuer may (or shall, if so directed by the Representative of the Noteholders), terminate the Corporate Services Agreement under article 1725 of the Italian civil code, at any time, by giving a written notice to the Corporate Servicer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies), in case of material default of the Corporate Servicer in the performance or observance of its obligations set out under the Corporate Services Agreement.

In addition, the Issuer may (or shall, if so directed by the Representative of the Noteholders) terminate the appointment of the Corporate Servicer, at any time, by giving to the Corporate Servicer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies) 3 (three) calendar months' prior written notice.

The Corporate Servicer may resign from its appointment under the Corporate Services Agreement at any time by giving at least 3 (three) calendar months prior written notice to the Issuer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies).

**Governing Law and Jurisdiction**

The Corporate Services Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Corporate Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 5. THE ADMINISTRATIVE SERVICES AGREEMENT

**General**

On or about the Issue Date, the Issuer and the Administrative Servicer have entered into the Administrative Services Agreement, pursuant to which the Administrative Servicer shall provide the Issuer with certain administrative and accounting services.

These services include, *inter alia*, preparing VAT (value added tax) and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer and making certain regulatory notices to the Bank of Italy.

**Administrative Servicer's Fees**

As consideration for the services rendered pursuant to the Administrative Services Agreement, the Administrative Servicer shall be entitled to receive from the Issuer, on each Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

**Termination of the appointment of the Administrative Servicer**

The Issuer may (or shall, if so directed by the Representative of the Noteholders), terminate the Administrative Services Agreement under article 1725 of the Italian civil code, at any time, by giving a written notice to the Administrative Servicer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies), in case of material default of the Administrative Servicer in the performance or observance of its obligations set out under the Administrative Services Agreement.

In addition, the Issuer may (or shall, if so directed by the Representative of the Noteholders) terminate the appointment of the Administrative Servicer, at any time, by giving to the Administrative Servicer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies) 3 (three) calendar months' prior written notice.

The Administrative Servicer may resign from its appointment under the Administrative Services Agreement at any time by giving at least 3 (three) calendar months prior written notice to the Issuer (with copy to the Representative of the Noteholders, the Servicer and the Rating Agencies).

**Governing Law and Jurisdiction**

The Administrative Services Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Administrative Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 6. THE QUOTAHOLDER'S AGREEMENT

**General**

On or about the Issue Date, the Issuer, the Quotaholder and the Representative of the Noteholders have entered into the Quotaholder's Agreement, pursuant to which the Quotaholder has assumed certain undertakings *vis-à-vis* the Issuer and the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as quotaholder of the Issuer.

The Quotaholder has also agreed not to dispose of, or charge or pledge, the quotas of the Issuer.

**Governing Law and Jurisdiction**

The Quotaholder's Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Quotaholder's Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 7. THE INTERCREDITOR AGREEMENT

**General**

On or about the Issue Date, the Issuer, the Representative of the Noteholders (on its behalf and as agent for the Noteholders), the Originator, the Reporting Entity, the Servicer, the Back-up Servicer Facilitator, the Account Bank, the Paying Agent, the Cash Manager, the Corporate Servicer, the Administrative Servicer, the Calculation Agent and the Quotaholder have entered into the Intercreditor Agreement, pursuant to which provision is made as to the application of the Issuer Available Funds in accordance with the applicable Priority of Payments and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio.

The obligations owed by the Issuer to each of the Other Issuer Creditors, including without limitation, the obligations under any Transaction Document to which such Other Issuer Creditor is a party, will be limited recourse obligations of the Issuer. Each of the Other Issuer Creditors will have a claim against the Issuer only

to the extent of the Issuer Available Funds, in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, each of the Other Issuer Creditors has acknowledged and agreed, *inter alia*, that until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any other notes issued by the Issuer in the context of any Further Securitisation have been redeemed in full and/or cancelled, no Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all Further Securitisations (if any) have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) shall initiate or join any person in initiating an Issuer Insolvency Event.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, upon the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, to comply with all directions of the Representative of the Noteholders, acting pursuant to Conditions, in relation to the management and administration of the Aggregate Portfolio.

**Appointment of the Back-up Servicer Facilitator**

Under the Intercreditor Agreement, the Issuer has appointed Banca Finint as Back-up Servicer Facilitator.

The Back-up Servicer Facilitator has undertaken to (i) do its best effort in order to identify an entity to be appointed by the Issuer as Back-up Servicer or Successor Servicer, as the case may be, in accordance with the Servicing Agreement; and (ii) cooperate with the Issuer in the performance of all activities to be carried out in connection with the appointment of the Back-up Servicer or the Successor Servicer, as the case may be, and the replacement of the Servicer with the same. In addition, in case of termination of the appointment of the Servicer pursuant to the Servicing Agreement, the Back-up Servicer Facilitator shall, at cost of the Issuer, provide the Debtors with appropriate instructions to make any future payment in respect of the Receivables directly into the Collection Account if the outgoing Servicer or the Back-up Servicer (if any) fails to do so in accordance with the Servicing Agreement.

As consideration for the obligations undertaken by the Back-up Servicer Facilitator pursuant to the Intercreditor Agreement, the Back-up Servicer Facilitator shall be entitled to receive from the Issuer, on each Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

If any of the following events occurs in respect of the Back-up Servicer Facilitator (each a **Back-up Servicer Facilitator Termination Event**):

(a) the Back-up Servicer Facilitator defaults in the performance or observance of any of its obligations under the Intercreditor Agreement, provided that such default (i) is materially prejudicial to the interests of the Noteholders, and (ii) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Back-up Servicer Facilitator, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(b) the Back-up Servicer Facilitator becomes subject to any insolvency proceeding or any other similar proceeding applicable in any jurisdiction or the whole or any substantial part of the assets of the Back-up Servicer Facilitator are subject to seizure (*pignoramento*) or any other proceeding having a similar effect; or

(c) the Back-up Servicer Facilitator takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the

generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations,

then the Issuer shall (i) terminate the appointment of the Back-up Servicer Facilitator, by giving a written notice to the Back-up Servicer Facilitator, with copy to the Representative of the Noteholders and the Rating Agencies, and (ii) within 30 (thirty) days following the occurrence of any of the Back-up Servicer Facilitator Termination Events, appoint a substitute back-up servicer facilitator which is willing to assume the obligations of the Back-up Servicer Facilitator substantially on the same terms as those of the Intercreditor Agreement.

**Disposal of the Aggregate Portfolio following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event**

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the whole Aggregate Portfolio (in one or more tranches), provided that:

(a) a sufficient amount would be realised from such disposal to allow discharge in full of at least all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith in accordance with the Post-Enforcement Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations;

(c) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

(i) a solvency certificate signed by an authorised representative of the purchaser and dated no earlier than the date on which the Aggregate Portfolio will be sold; and

(ii) a good standing certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days before the date on which the Aggregate Portfolio will be sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated; and

(d) the Rating Agencies have been notified in advance of such disposal.

In case of disposal of the Aggregate Portfolio, the Issuer has granted to the Originator a pre-emption right whereby the Originator will be entitled to purchase the Aggregate Portfolio for a consideration equal to the sale price determined as specified below and to be preferred to any third party potential purchaser, provided that the conditions set out in paragraphs from (a) to (d) (inclusive) above are met. Subject to the foregoing, the Originator shall have the right to exercise such pre-emption right and purchase the Aggregate Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Aggregate Portfolio and the relevant sale price.

The sale price of the Aggregate Portfolio shall be equal to: (i) with reference to the Receivables other than the Defaulted Receivables and the Delinquent Receivables, the aggregate Outstanding Principal of such Receivables as at the relevant economic effective date (as specified in the sale and purchase agreement) plus an amount equal to the interest accrued and not paid in relation to such Receivables as at such economic effective date; or (ii) with reference to the Defaulted Receivables and the Delinquent Receivables, the IFRS 9 Value of such Receivables.

The sale price shall be unconditionally paid on the relevant date of disposal by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account. The disposal of the Aggregate Portfolio will be effective subject to the actual payment in full of the sale price.

The disposal of the Aggregate Portfolio (i) shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Aggregate Portfolio in derogation of article 1266, paragraph 1, of the Italian civil code), and (ii) shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code.

Any costs, expenses and charges (including taxes) incurred in connection with the disposal of the Aggregate Portfolio shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

**Disposal of the Aggregate Portfolio in case of early redemption of the tax, legal or regulatory reasons**

In case of early redemption of the Notes in accordance with Condition 6(d) (*Redemption, purchase and cancellation - Early redemption for taxation, legal or regulatory reasons*), the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the whole Aggregate Portfolio (in one or more tranches), provided that:

(a) a sufficient amount would be realised from such disposal to allow discharge in full of at least all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith in accordance with the Post-Enforcement Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations;

(c) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

  (i) a solvency certificate signed by an authorised representative of the purchaser and dated no earlier than the date on which the Aggregate Portfolio will be sold;

  (ii) a good standing certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days before the date on which the Aggregate Portfolio will be sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated; and

(d) the Rating Agencies have been notified in advance of such disposal.

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio then outstanding in order to finance the early redemption of the Notes in accordance with Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*).

The sale price of the Aggregate Portfolio shall be equal to: (i) with reference to the Receivables other than the Defaulted Receivables and the Delinquent Receivables, the aggregate Outstanding Principal of such Receivables as at the relevant economic effective date (as specified in the sale and purchase agreement) plus an amount equal to the interest accrued and not paid in relation to such Receivables as at such economic effective date; or (ii) with reference to the Defaulted Receivables and the Delinquent Receivables, the IFRS 9 Value of such Receivables.

The sale price shall be unconditionally paid on the relevant date of disposal by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account. The disposal of the Aggregate Portfolio will be effective subject to the actual payment in full of the sale price.

The disposal of the Aggregate Portfolio (i) shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Aggregate Portfolio in derogation of article 1266, paragraph 1, of the Italian civil code), and (ii) shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code.

Any costs, expenses and charges (including taxes) incurred in connection with the disposal of the Aggregate Portfolio shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

**Risk Retention**

Under the Intercreditor Agreement, ProFamily, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders that, from the Issue Date, it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Class J Notes;

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the 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 will be required to do so only 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 warranted and undertaken that:

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

(b) it has not selected the Receivables comprised in the Initial Portfolio, and it will not select the Receivables comprised in each Subsequent Portfolio, with the aim of rendering losses on the Receivables transferred to the Issuer higher than the losses on comparable receivables held on the balance sheet of the Originator, pursuant to article 6(2) of the EU Securitisation Regulation.

**Transparency requirements**

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.

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at the following website: https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf. In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation.

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

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

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

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

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

(a) the Servicer shall:

  (i) prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Quarterly Report Date (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, to the extent available), in compliance with point (a) of the first sub-paragraph of article 7(1) of the 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, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to

in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date;

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

(b) the Calculation Agent shall, subject to receipt of any relevant information from the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date; and

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

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

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

Each of the parties to the Intercreditor Agreement has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the specific framework for STS-securitisations and the other EU Securitisation Rules. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories,

adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient for such purposes.

**Governing Law and Jurisdiction**

The Intercreditor Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Intercreditor Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## 8. THE AGENCY AND ACCOUNTS AGREEMENT

**General**

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Calculation Agent, the Account Bank, the Cash Manager, the Paying Agent, the Administrative Servicer and the Representative of the Noteholders have entered into the Agency and Accounts Agreement, pursuant to which the Calculation Agent, the Account Bank, the Cash Manager and the Paying Agent will agree to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, investment and cash management services in respect of the Receivables.

**Account Bank**

The Account Bank has agreed to (i) open in the name of the Issuer and manage in accordance with the Agency and Accounts Agreement, the Collection Account, the Cash Reserve Account and the Payments Account; and (ii) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of such Accounts.

Under the Agency and Accounts Agreement, the Issuer has instructed the Account Bank to arrange for the transfer to the Payments Account from the other Accounts of amounts sufficient to make, on the relevant Payment Date, the payments specified in the relevant Payments Report. In particular:

(a) payments in favour of the Noteholders shall be made by transferring the full amount thereof to the Paying Agent (as long as the Account Bank and the Paying Agent are not the same entity), which shall make the payments on the relevant Payment Date; and

(b) payments to the Other Issuer Creditors and any Connected Third Party Creditors shall be made by the Account Bank on relevant Payment Date,

in each case to the extent that Issuer Available Funds are available for such purposes and in accordance with the applicable Priority of Payments. No payments may be made out of the Accounts which would thereby cause or result in such accounts becoming overdrawn.

On or prior to each Account Bank Report Date, the Account Bank shall deliver a copy of the Account Bank Report in respect of each of the Accounts held with it to, *inter alios*, the Issuer, the Representative of the Noteholders and the Calculation Agent.

The Account Bank shall at all times be an Eligible Institution.

**Cash Manager**

The Issuer may, if so directed by the Cash Manager, instruct an Eligible Investment Settlement Bank to settle Eligible Investments using funds standing to the credit of the Collection Account and the Cash Reserve Account. For the avoidance of doubt, the Cash Manager may instruct the Eligible Investment Settlement Bank to invest in deposit accounts only if they (i) are opened with a depositary institution organised under the law of any state which is a member of the European Union, of the United Kingdom or of the United States and satisfies the rating requirements set out in the definition of Eligible Investments, and (ii) meet the maturity, currency and other requirements set out in the definition of Eligible Investments.

The Issuer may, if so directed by the Cash Manager, instruct the Eligible Investment Settlement Bank to settle Eligible Investments only to the extent that such Eligible Investments mature or are realisable on or before the Eligible Investment Maturity Date, provided that the Issuer may, if so directed by the Cash Manager, instruct the Eligible Investment Settlement Bank to facilitate the liquidation of any Eligible Investment also before the relevant Eligible Investment Maturity Date to the extent that the relevant proceeds are at least equal to the amount initially invested. The Issuer may, if so directed by the Cash Manager, instruct the Eligible Investment Settlement Bank to settle Eligible Investments only on a monthly basis (or on such other basis as may be agreed between the Issuer, the Cash Manager and the Eligible Investment Settlement Bank), provided that no instruction shall be given to settle Eligible Investments in the period beginning on the Business Day immediately preceding the relevant Eligible Investment Maturity Date and ending on the immediately following Payment Date (inclusive).

If any Eligible Investments cease to have any of the minimum ratings, or to meet any of the other requirements, set out in the definition of Eligible Investments (each, a **Non-Eligibility Event**), the Issuer shall, acting upon written instructions of the Cash Manager, direct the Eligible Investment Settlement Bank to: (i) in respect of Eligible Investments consisting of securities, facilitate the liquidation of such securities within the earlier of the date falling 30 (thirty) days following the occurrence of the relevant Non-Eligibility Event and the Eligible Investments Maturity Date immediately following such Non-Eligibility Event; or (ii) in respect of Eligible Investments consisting of deposits, transfer such deposits, within the earlier of the date falling 30 (thirty) days following the occurrence of the relevant Non-Eligibility Event and the Eligible Investments Maturity Date immediately following such Non-Eligibility Event, into another account (A) opened with a depositary institution organised under the law of any state which is a member of the European Union or the UK or of the United States and satisfies the rating requirements set out in the definition of Eligible Investments, and (B) meeting the maturity, currency and other requirements set out in the definition of Eligible Investments, provided that such transfer shall be made at cost of the account bank with which the relevant deposits were held.

On each Cash Manager Report Date, the Cash Manager shall prepare and deliver to the Issuer, the Eligible Investment Settlement Bank, the Calculation Agent and the Representative of the Noteholders, the Cash Manager Report.

**Calculation Agent**

On or prior to each Calculation Date, subject to the timely receipt of the information to be provided by the relevant parties pursuant to Agency and Accounts Agreement, the Calculation Agent shall determine in accordance with the Conditions:

(a) the amount of the Issuer Available Funds;

(b) the principal payment (if any) due on the Notes on the immediately following Payment Date and the Principal Payment Amount (if any) due on each Note;

(c) the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note); and

(d) the amount payable as Deferred Purchase Price (if any) to the Originator on the immediately following Payment Date.

On or prior to each Calculation Date, the Calculation Agent will prepare and deliver to the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Account Bank, the Eligible Investment Settlement Bank (if any), the Representative of the Noteholders and the Rating Agencies the Payments Report, with respect to the allocation of the Issuer Available Funds on the immediately following Payment Date, in accordance with the applicable Priority of Payments.

Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), (i) the Calculation Agent shall prepare the Payments Report relating to the immediately following Payment Date on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) only the amounts to be paid under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments shall be due and payable on such Payment Date, to the extent there are sufficient Issuer Available Funds to make such payments (the **Provisional Payments**). It is understood that the non-payment of principal on the Notes on such Payment Date would not constitute a Trigger Event.

On the next Calculation Date and subject to the receipt of the relevant Servicer's Report, in a timely manner, from the Servicer, the Calculation Agent shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the Provisional Payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

On or prior to each Investors Report Date, the Calculation Agent shall prepare and deliver to the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Account Bank, the Eligible Investment Settlement Bank (if any), the Representative of the Noteholders and the Rating Agencies the Investors Report, setting out certain information with respect to the Aggregate Portfolio and the Notes. Such report will be available for inspection on the website of the Calculation Agent (being, as at the date of this Prospectus, https://www.securitisation-services.com).

In addition, the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Quarterly Report Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes on each Quarterly Report Date.

**Paying Agent**

The Paying Agent will agree to provide the Issuer with certain calculation, payment and agency services in relation to the Notes, including without limitation, making payments to the Noteholders, giving notices and issuing certificates and instructions in connection with any Meeting.

The Paying Agent shall at all times be an Eligible Institution.

**Termination and resignation**

The Issuer may or shall, subject to the terms and conditions of the Agency and Accounts Agreement, terminate the appointment of any Agent upon occurrence of certain events relating to the relevant Agent, including insolvency, breach of obligations, breach of representations and warranties and illegality (subject to the cure periods and materiality thresholds set out in the Agency and Accounts Agreement) (each, a **Termination Event**).

The Issuer may (with the prior written consent 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 (ninety) days prior written notice to the relevant Agent (with a copy to the Representative of the Noteholders and the Rating Agencies), regardless of whether a Termination Event has occurred, without being requested to give any reason for such revocation and without being responsible for any liabilities, damages, costs, expenses or losses incurred by any party to the Agency and Accounts Agreement as a result of such revocation, except in case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

Each of the Agents may at any time resign from its respective appointment under the Agency and Accounts Agreement by giving to the Issuer (which shall thereupon notify the Rating Agencies) and the Representative of the Noteholders not less than 90 (ninety) days' written notice to that effect, without being requested to give any reason for such resignation and without being responsible for any liabilities, damages, costs, expenses or losses incurred by any party to the Agency and Accounts Agreement as a result of such resignation, except in case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the relevant Agent.

**Governing Law and Jurisdiction**

The Agency and Accounts Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Agency and Accounts Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

**The estimated weighted average life of the Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates below will prove in any way to be realistic and they must therefore be viewed with considerable caution.**

The estimated weighted average life of the Class A Notes cannot be predicted, as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations as to the estimated weighted average life of the Class A 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 tables show the estimated weighted average life and the expected maturity of the Class A Notes and have been, *inter alia*, prepared based on the characteristics of the Receivables included in the Aggregate Portfolio and on the following additional assumptions:

(a) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(b) the constant prepayment rate, as per table below, has been applied to the Aggregate Portfolio in homogeneous terms;

(c) neither a Purchase Termination Event nor a Trigger Event occurs;

(d) no early redemption of the Notes under Condition 6(d) (*Redemption, purchase and cancellation - Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Redemption, purchase and cancellation - Early redemption at the option of the Issuer*) occurs;

(e) the Advanced Purchase Price for each Subsequent Portfolio transferred to the Issuer pursuant to the Master Transfer Agreement and the relevant Transfer Agreements is equal to the relevant Target Collateral Amount;

(f) no purchase, sale, indemnity or renegotiation in respect of the Aggregate Portfolio as a whole or on the single Loans occurs according to the Transaction Documents;

(g) the terms of the Loans are not affected by any legal provision authorising the Debtors to suspend payment of the Instalments;

(h) there will be no yield on the accounts and no profit or yield on the Eligible Investments.

The actual performance of the Aggregate Portfolio 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 expected maturity of the Class A Notes to differ (which difference could be material) from the corresponding information in the following tables.

| **Constant Prepayment Rate (CPR)** (% *per annum*) | **Expected Average Life of the Class A Notes** (*years*) | **Expected Maturity of the Class A Notes** |
|---|---|---|

| | | |
|---|---|---|
| 1% | 2.04 | June 2025 |
| 2% | 2.01 | June 2025 |
| 3% | 1.98 | May 2025 |
| 4% | 1.95 | May 2025 |

## THE ACCOUNTS

The Issuer has established and shall at all times maintain with the Account Bank, as long as the Account Bank is an Eligible Institution, the Collection Account, the Cash Reserve Account and the Payments Account.

The Issuer has established and shall at all times maintain with Banco BPM the Expenses Account.

The Issuer may open in the future with an Eligible Investment Settlement Bank the Securities Account (together with the Expenses Account, the Collection Account, the Cash Reserve Account and the Payments Account, the **Accounts**).

The Issuer has also established and shall at all times maintain with Banca Monte dei Paschi di Siena S.p.A. the Quota Capital Account, into which its contributed quota capital has been deposited.

Set out below is a description of credits and debits on the Accounts.

### 1. COLLECTION ACCOUNT

(a) *Credit*:

(i) on the Issue Date, (A) all Collections received or recovered in respect of the Initial Portfolio from the relevant Effective Date up to (but excluding) the Issue Date; and (B) any Collection received or recovered prior to the relevant Effective Date, to the extent not correctly deducted from the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in the Initial Portfolio, will be credited to the Collection Account;

(ii) on the Issue Date, any amount remaining on the Payments Account after making all payments or transfer due on that date will be transferred from the Payments Account into the Collection Account;

(iii) on the Transfer Date of a Subsequent Portfolio, (A) all Collections received or recovered in respect of such Subsequent Portfolio from the relevant Effective Date up to (but excluding) the relevant Transfer Date; and (B) any Collection received or recovered prior to the relevant Effective Date, to the extent not correctly deducted from the Outstanding Principal, as at the relevant Effective Date, of the Receivables comprised in such Subsequent Portfolio, will be credited to the Collection Account;

(iv) save as provided for in paragraphs (i) and (iii) above, within the Business Day (or, in case of payment through Postal Note, 2 (two) Business Days) immediately following receipt thereof, all Collections received or recovered by the Servicer in respect of the Aggregate Portfolio will be credited to the Collection Account;

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

(vi) on each Payment Date during the Revolving Period, any amount allocated under item (vii) (*seventh*), paragraph (B), of the Pre-Enforcement Priority of Payments will be credited to the Collection Account;

(vii) on any Payment Date, any amount allocated under item (ix) (*ninth*) of the Pre-Enforcement Priority of Payments will be credited to the Collection Account;

(viii) on any Payment Date, any amount allocated under item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments or (ix) (*ninth*) of the Post-Enforcement Priority of Payments, as the case may be, will be credited to the Collection Account;

(ix) all amounts on account of principal, interest, premium or other profit deriving from the Eligible Investments settled by an Eligible Investment Settlement Bank using funds standing to the credit of the Collection Account will be credited to the Collection Account;

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

(xi) all interest accrued from time to time on the balance of the Collection Account will be credited to the Collection Account.

(b) *Debit*:

(i) on the Issue Date, part of the Interest Components collected from the Effective Date of the Initial Portfolio up to (but excluding) the Issue Date (in an amount equal to the Cash Reserve Initial Amount) will be transferred into the Cash Reserve Account;

(ii) on the Issue Date, part of the Interest Components collected from the Effective Date of the Initial Portfolio up to (but excluding) the Issue Date (in an amount equal to the Retention Amount) will be transferred into the Expenses Account;

(iii) in accordance with the provisions of the Agency and Account Agreement, upon signed written instructions of the Issuer (as directed by the Cash Manager), any amounts standing to the credit of the Collection Account will be applied by an Eligible Investment Settlement Bank to settle Eligible Investments; and

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

**2. CASH RESERVE ACCOUNT**

(a) *Credit*:

(i) on the Issue Date, the Cash Reserve Initial Amount will be transferred from the Collection Account into the Cash Reserve Account;

(ii) on each Payment Date up to (but excluding) the Cash Reserve Release Date, an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount will be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Priority of Payments; and

(iii) all interest accrued from time to time on the balance of the Cash Reserve Account will be credited to the Cash Reserve Account.

(b) *Debit*:

(i) in accordance with the provisions of the Agency and Account Agreement, upon signed written instructions of the Issuer (as directed by the Cash Manager), any amounts standing to the credit of the Cash Reserve Account will be applied by an Eligible Investment Settlement Bank to settle Eligible Investments; and

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

**3. EXPENSES ACCOUNT**

(a) *Credit*:

(i) on the Issue Date, the Retention Amount will be transferred from the Collection Account into the Expenses Account;

(ii) on each Payment Date, an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount will be credited to the Expenses Account in accordance with the applicable Priority of Payments; and

(iii) all interest accrued from time to time on the balance of the Expenses Account will be credited to the Expenses Account.

(b) *Debit*:

(i) during each Interest Period, the amounts standing to the credit of the Expenses Account will be used to pay the Expenses falling due in the relevant Interest Period;

(ii) 2 (two) Business Days prior to the Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Payment Date will be transferred into the Payments Account; and

(iii) after the Payment Date on which the Notes have been redeemed in full and/or cancelled, the amounts remaining on the Expenses Account will be used to pay any known Expenses not yet paid and any Expenses falling due after such Payment Date.

**4. SECURITIES ACCOUNT (IF ANY)**

(a) *Credit*:

the Eligible Investments consisting of securities settled by an Eligible Institution Settlement Bank (upon signed written instructions of the Issuer as directed by the Cash Manager) using the amounts from time to time standing to the credit of the Collection Account and the Cash Reserve Account will be deposited into the Securities Account (if any); and

(b) *Debit*:

the Eligible Investments consisting of securities to be liquidated pursuant to the provisions of the Agency and Accounts Agreement will be transferred out of the Securities Account (if any).

**5. PAYMENTS ACCOUNT**

(a) *Credit*:

(i) on the Issue Date, the proceeds of the issuance of the Notes (to the extent not subject to set-off with the Advanced Purchase Price for the Initial Portfolio due to the Originator pursuant to the Master Transfer Agreement) will be credited to the Payments Account;

(ii) 2 (two) Business Days prior to each Payment Date, the Issuer Available Funds then standing to the credit of the Collection Account and the Cash Reserve Account will be transferred into the Payments Account;

(iii) 2 (two) Business Days prior to the Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Payment Date will be transferred into the Payments Account;

(iv) upon receipt thereof, the proceeds deriving from the disposal (if any) of the Aggregate Portfolio pursuant to the Master Transfer Agreement or the Intercreditor Agreement will be credited to the Payments Account; and

(v) all interest accrued from time to time on the balance of the Payments Account will be credited to the Payments Account.

(b) *Debit*:

(i) on the Issue Date, the Advanced Purchase Price for the Initial Portfolio (to the extent not subject to set-off with the monies due by ProFamily in connection with the subscription of the Notes) will be paid to the Originator;

(ii) on the Issue Date, any amount remaining after making payments due under paragraph (i) above will be transferred into the Collection Account;

(iii) 1 (one) Business Day prior to each Payment Date, an amount equal to the amount of principal and interest due in respect of the Notes will be transferred to the Paying Agent in accordance with the Agency and Accounts Agreement; and

(iv) save as provided for in paragraph (iii) above, on each Payment Date, all payments to be made in accordance with the applicable Priority of Payments, as specified in the relevant Payments Report, will be made out of the Payments Account.

## TERMS AND CONDITIONS OF THE NOTES

### Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040
### Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040

### General

The Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040 and the Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040 will be issued by the Issuer on the Issue Date in order to finance the purchase of the Initial Portfolio.

The Issuer is a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

On or prior the Issue Date, the Issuer shall publish the Prospectus, which shall constitute the *Prospetto Informativo* for the purposes of article 2, paragraph 3, of the Securitisation Law in respect of the Notes. Copies of the Prospectus will be available for inspection on the Securitisation Repository.

The principal source of payments of interest and repayment of principal on the Notes will be the Collections received or recovered in respect of the Aggregate Portfolio and the other Securitisation Assets.

Pursuant to the Master Transfer Agreement, the Originator has transferred without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the Initial Portfolio. The Advanced Purchase Price for the Initial Portfolio will be financed by the Issuer through the issuance of the Notes.

In addition, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement, the Originator may transfer without recourse (*pro soluto*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, Subsequent Portfolios during the Revolving Period, provided that (i) no Purchase Termination Event has occurred; (ii) the Transfer Limits are met; and (iii) the Advanced Purchase Price for each Subsequent Portfolio does not exceed the relevant Target Collateral Amount. The Advanced Purchase Price for each Subsequent Portfolio will be financed by the Issuer through the Issuer Available Funds and paid in accordance with the Pre-Enforcement Priority of Payments.

In addition, on each Payment Date the Originator may or may not receive, as Deferred Purchase Price, an amount equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

The Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio shall comply with the Eligibility Criteria.

The Notes benefit of the provisions of the Securitisation Law pursuant to which the Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection on the Securitisation Repository. 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 applicable to them. No amendment to the provisions of these Conditions shall constitute a novation (*novazione*) of the Notes within the meaning of article 1230 of the Italian civil code.

The Noteholders are deemed to have notice of, are bound by and shall have the benefit of, *inter alia*, the Rules, which constitute an integral and essential part of these Conditions. The Rules are attached hereto as Schedule 1. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with these Conditions, the Rules and the Intercreditor Agreement.

Each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto.

For the purposes of these Conditions, the following capitalised terms shall, except where the context otherwise requires and save where defined therein, have the following meanings:

**Account Bank** means BNYM, Milan Branch or any other entity acting as account bank from time to time pursuant to the Agency and Accounts Agreement.

**Accounts** means the Collection Account, the Cash Reserve Account, the Expenses Account, the Securities Account (if any), the Payments Account and any other account that may be opened by the Issuer under the Securitisation in accordance with the Transaction Documents.

**Administrative Servicer** means ProFamily S.p.A. or any other entity acting as administrative servicer from time to time pursuant to the Administrative Services Agreement.

**Administrative Services Agreement** means the administrative services agreement entered into on or about the Issue Date between the Issuer and the Administrative Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Advanced Purchase Price** means, in respect of the Initial Portfolio and each Subsequent Portfolio, the portion of the purchase price payable by the Issuer to the Originator on the Issue Date in respect of the Initial Portfolio or on each Payment Date following the relevant Transfer Date in respect of each Subsequent Portfolio, being equal to the aggregate of the Advanced Individual Purchase Prices of the Receivables comprised in the Initial Portfolio or in the relevant Subsequent Portfolio, as the case may be.

**Advanced Individual Purchase Price** means the purchase price of each Receivable as indicated in the List of Receivables, being equal to the Principal Component of the relevant Receivable as at the relevant Effective Date, plus the relevant Interest Accrual.

**Agency and Accounts Agreement** means the agency and accounts agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Calculation Agent, the Account Bank, the Cash Manager, the Paying Agent, the Administrative Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Agents** means, collectively, the Calculation Agent, the Paying Agent, the Account Bank, the Cash Manager and the Eligible Investment Settlement Bank (if any).

**Aggregate Interest Amount** has the meaning ascribed to such term in Condition 5(d)(i) (*Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Aggregate Portfolio** means, collectively, the Initial Portfolio and the Subsequent Portfolios transferred pursuant to the Master Transfer Agreement and the relevant Transfer Agreement (where applicable).

**Amortisation Period** means the period commencing on (and including) the Payment Date immediately following the end of the Revolving Period and ending on (and including) the Payment Date on which the Notes are redeemed in full and/or cancelled.

**Amortisation Plan** means, with reference to each Receivable, the payment of the Instalments scheduled in the relevant Loan Agreement.

**Assigned Debtors** means each person who has entered into a Loan Agreement (as obligor or co-obligor) and any transferee, successor or assignee who is obliged to pay the relevant Receivable.

**Back-up Servicer** means any entity which may be appointed by the Issuer as back-up servicer under the Securitisation in accordance with the provisions of the Servicing Agreement.

**Back-up Servicing Facilitator** means Banca Finint or any other entity acting as back-up servicer facilitator from time to time pursuant to the Intercreditor Agreement.

**Banca Finint** means Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

**Banco BPM** means Banco BPM S.p.A., a bank incorporated under the laws of the Republic of Italy as joint stock company (*società per azioni*), having its registered office at Piazza F. Meda 4, 20121 Milan, Italy, VAT code and enrolment with the companies' register of Milano-Monza-Brianza-Lodi under no. 09722490969, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5584.8, parent company of the Banco BPM Group.

**Banco BPM Group** means the banking group which ProFamily belongs to, whose parent company is Banco BPM, enrolled with the banking group's register held by the Bank of Italy pursuant to article 60 of the Consolidated Banking Act under no. 8065.

**BNYM Mellon, Milan Branch** means The Bank of New York Mellon SA/NV, Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan under no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

**Borsa Italiana** means Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy.

**Breach of Ratio** means any of the following circumstances:

(a) the Cumulative Gross Default Ratio exceeds the Default Trigger Level; or

(b) the Delinquency Ratio exceeds the Delinquency Trigger Level; or

(c) an Uncured Principal Deficiency Event has occurred.

**Business Day** means any day, other than Saturday or Sunday, on which banks are open for general business in Milan, London and Luxembourg and the Trans-European Automated Real time Gross settlement Express Transfer system 2 (TARGET 2) (or any successor thereto) is open for the settlements of payments in Euro.

**Calculation Agent** means Banca Finint or any other entity acting as calculation agent from time to time pursuant to the Agency and Accounts Agreement.

**Calculation Date** means the date falling 4 (four) Business Days prior to each Payment Date.

**Cancellation Date** means the date of cancellation of the Notes, being:

(a) the earlier of (A) the Final Maturity Date if the Notes are redeemed in full, and (B) the date on which the Notes are finally redeemed following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*); or; or

(b) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, the later of (i) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the date on which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having determined that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the other Securitisation Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes.

**Cash Manager** means ProFamily or any other entity acting as cash manager from time to time pursuant to the Agency and Accounts Agreement.

**Cash Reserve Account** means the Euro denominated account with IBAN IT12R0335101600009337279780, opened in the name of the Issuer with the Account Bank.

**Cash Reserve Initial Amount** means an amount equal to Euro 8,600,000.00.

**Cash Reserve Release Date** means the earlier of (i) the Final Maturity Date, (ii) the Payment Date on which the Class A Notes will be early redeemed in full and/or cancelled, and (iii) the Payment Date following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event.

**Cash Reserve Required Amount** means, with reference to any Payment Date, an amount equal to:

(a) during the Revolving period, the Cash Reserve Initial Amount; or

(b) during the Amortisation Period, an amount equal to the higher of:

(i) 1 (one) per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Priority of Payments); and

(ii) an amount equal to 20 (twenty) per cent. of the Cash Reserve Initial Amount,

it being understood that, on the Cash Reserve Release Date and on any Payment Date thereafter (if any), such amount will be equal to 0 (zero).

**Cash Trapping Condition** means, with reference to any Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the circumstance that the Cumulative Gross Default Ratio, calculated as at the immediately preceding Servicer's Report Date, exceeds 7.5 per cent.

**Class** means a class of Notes being the Class A Notes or the Class J Notes, as the case may be.

**Class A Noteholders** means the holders of the Class A Notes.

**Class A Notes** means Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040.

**Class A Principal Payment** means, with reference to each Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount equal to the lower of (i) the Target Amortisation Amount on such Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with item (viii) (*eighth*) of the Pre-Enforcement Priority of Payments, and (iii) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**Class J Noteholders** means the holders of the Class J Notes.

**Class J Notes** means Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040.

**Class J Principal Payment** means, with reference to each Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount equal to the lower of (i) the Target Amortisation Amount on such Payment Date less the Class A Principal Payment on such Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments; and (iii) the Principal Amount Outstanding of the Class J Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments), provided that, in the case of all Payment Dates other than the Cancellation Date, the Class J Principal Payment will be capped to an amount that makes the Principal Amount Outstanding of the Class J Notes on such Payment Date (after any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments) not lower than Euro 1,000.

**Clean-up Call Condition** has the meaning ascribed to such term in Condition 6(e) (*Early redemption at the option of the Issuer*).

**Clearstream** means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

**Collateral Integration Amount** means, with reference to any Payment Date during the Revolving Period, the amount (if positive) calculated as follows: (i) the Target Collateral Amount on such Payment Date; minus

(ii) the Advanced Purchase Price for the Subsequent Portfolio (if any) purchased by the Issuer on the Transfer Date immediately preceding such Payment Date.

**Collection Account** means the Euro denominated account with IBAN IT05P0335101600009337259780, opened in the name of the Issuer with the Account Bank.

**Collection Depositary Bank** means each depositary bank with which the ProFamily Accounts are and/or will be opened, including Poste Italiane S.p.A.

**Collection End Date** means the last calendar day of each month in each year.

**Collection Period** means each monthly period commencing on (but excluding) a Collection End Date and ending on (and including) the immediately following Collection End Date, provided that the first Collection Period will commence on (and including) the Effective Date of the Initial Portfolio and will end on (and including) the Collection End Date falling in February 2021.

**Collections** means all amounts received or recovered in respect of the Receivables.

**Condition** means a condition of the Conditions.

**Conditions** means the terms and conditions of the Notes.

**Connected Third Party Creditors** means any creditors (other than the Issuer Creditors) in respect of fees, costs, expenses and taxes due by the Issuer in relation to the Securitisation.

**CONSOB** means *Commissione Nazionale per le Società e la Borsa*.

**CONSOB and Bank of Italy Joint Resolution** means the resolution of 13 August 2018 jointly issued by CONSOB and Bank of Italy (named "*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*") containing rules on custody, clearing and settlement, as amended and/or supplemented from time to time.

**Consolidated Banking Act** means the Italian Legislative Decree no. 385 of 1 September 1993, as amended and supplemented from time to time.

**Consolidated Financial Act** means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented from time to time.

**COR** means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

**Corporate Servicer** means Banca Finint or any other entity acting as corporate servicer from time to time pursuant to the Corporate Services Agreement.

**Corporate Services Agreement** means the corporate services agreement entered into on or about the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**CRA Regulation** means Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended.

**Credit and Collection Policies** means the procedures for the origination, management, collection and recovery of the Receivables attached as schedule 1 to the Servicing Agreement.

**CRR** means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time.

**CRR Amendment Regulation** means Regulation (EU) no. 2401 of 12 December 2017 amending the CRR.

**Cumulative Gross Default Ratio** means the ratio, calculated on each Servicer's Report Date, between (a) the Outstanding Principal, as at the Collection End Date of the Collection Period in which the relevant Receivable has been classified as Defaulted Receivable, of all Receivables which have become Defaulted Receivables from the Effective Date of the Initial Portfolio up to (and including) the Collection End Date immediately preceding such Servicer's Report Date; and (b) the aggregate of (i) the Outstanding Principal, as at the relevant Effective Date, of the Initial Portfolio; and (ii) the Outstanding Principal, as at the relevant Effective Date, of each Subsequent Portfolio assigned to the Issuer up to (and including) the Collection End Date.

**DBRS** means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Senior Notes, DBRS Ratings GmbH and any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS Morningstar, which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on is website, or any other applicable regulation.

**DBRS Equivalent Rating** means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

| DBRS | Moody's | S&P | Fitch |
|---|---|---|---|
| AAA | Aaa | AAA | AAA |
| AA(high) | Aa1 | AA+ | AA+ |
| AA | Aa2 | AA | AA |
| AA(low) | Aa3 | AA- | AA- |
| A(high) | A1 | A+ | A+ |
| A | A2 | A | A |
| A(low) | A3 | A- | A- |
| BBB(high) | Baa1 | BBB+ | BBB+ |
| BBB | Baa2 | BBB | BBB |
| BBB(low) | Baa3 | BBB- | BBB- |
| BB(high) | Ba1 | BB+ | BB+ |
| BB | Ba2 | BB | BB |
| BB(low) | Ba3 | BB- | BB- |
| B(high) | B1 | B+ | B+ |

| | | | |
|---|---|---|---|
| B | B2 | B | B |
| B(low) | B3 | B- | B- |
| CCC(high) | Caa1 | CCC+ | CCC+ |
| CCC | Caa2 | CCC | CCC |
| CCC(low) | Caa3 | CCC- | CCC- |
| CC | Ca | CC | CC |
| C | C | D | D |

**DBRS Minimum Rating** means:

(a) if a long-term senior debt rating by Fitch, a long-term senior debt rating by Moody's and a long-term senior debt rating by S&P in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such long-term senior debt rating remaining after disregarding the highest and lowest of such long-term senior debt ratings from such rating agencies (provided that (i) if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one long-term senior debt rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such long-term senior debt ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but long-term senior debt ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such long-term senior debt ratings (provided that if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but long-term senior debt ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such long-term senior debt rating (provided that if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Debtors** means, collectively, the Assigned Debtors and the Guarantors.

**Decree 239** means Italian Legislative Decree no. 239 of 1 April 1996, as amended and/or supplemented from time to time, and any related regulations.

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

**Default Trigger Level** means in respect of any Servicer's Report Date falling during the Revolving Period 0.5 per cent.

**Defaulted Receivables** means, with reference to any given date, the Receivables (i) having at least 8 (eight)

Unpaid Instalments; or (ii) in respect of which ProFamily has terminated the relevant Loan Agreement or has declared the relevant Loan immediately due and repayable (*decadenza dal beneficio del termine*) in accordance with the Credit and Collection Policies.

**Deferred Purchase Price** means, in respect of the Initial Portfolio and each Subsequent Portfolio, the portion of the purchase price payable by the Issuer to the Originator on each Payment Date following the Issue Date in respect of the Initial Portfolio and the relevant Transfer Date in respect of each Subsequent Portfolio, being equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

**Delinquency Ratio** means the ratio, calculated on each Servicer's Report Date with reference to the immediately preceding Collection End Date, between (i) the Outstanding Principal of all Receivables which are Delinquent Receivables as at such Collection End Date; and (ii) the Outstanding Principal of all Receivables other than the Defaulted Receivables as at such Collection End Date.

**Delinquency Trigger Level** means, in respect of any Servicer's Report Date falling during the Revolving Period, 5 (five) per cent.

**Delinquent Receivables** means, with reference to any given date, the Receivables which are not Defaulted Receivables and which have at least 4 (four) Unpaid Instalments.

**Direct Debit** means each interbank remittance relating to the Receivables, credited to the ProFamily Accounts by the depositary banks of the Debtors by way of direct debit through the Single Euro Payments Area (SEPA).

**Early Redemption Event** has the meaning ascribed to such term in Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*).

**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** means the European Central Bank.

**Effective Date** means (i) in relation to the Initial Portfolio, 10 October 2020 (included); or (ii) in relation to any Subsequent Portfolio, the economic effective date (included) of the relevant transfer falling no more than 30 (thirty) Business Days prior to the relevant Transfer Date, as specified in the relevant Transfer Offer.

**Eligibility Criteria** means the eligibility criteria of each Receivable which are listed in schedule 1 to the Master Transfer Agreement.

**Eligible Institution** means a depository institution organised under the laws of any state which is a member of the European Union or the UK or of the United States of America:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS, a rating at least equal to "A" being:

(A) in case a public or private rating has been assigned by DBRS, the higher of (I) the rating one notch below the institution's COR (if assigned), and (II) the long-term senior unsecured debt rating or deposit rating; or

(B) in case a long-term COR has not been assigned by DBRS, the higher of the relevant institution's issue rating, long-term senior unsecured debt rating or deposit rating; or

(C) in case a public or private rating has not been assigned by DBRS, a DBRS Minimum Rating,

or such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch, a long-term public rating at least equal to "A" or a short-term public rating at least equal to "F1"

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by a depository institution organised under the laws of any state which is a member of the European Union or the UK or of the United States of America, whose unsecured and unsubordinated debt obligations are rated as set out in paragraph (a) above, provided that such guarantee has been notified in advance to the Rating Agencies and complies with the Rating Agencies' criteria.

**Eligible Investment Settlement Bank** means an Eligible Institution that may be appointed by the Issuer for the purposes of settling Eligible Investments in accordance with the Agency and Accounts Agreement.

**Eligible Investments** means any senior, unsubordinated debt securities, investment, commercial paper, deposit or other instrument which is denominated in Euro and is in the form of bonds, notes, commercial papers, deposits or other financial instruments having at least the following ratings:

(a) with respect to DBRS: (A) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public or private rating at least equal to "A" in respect of long-term debt, or (B) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "A" in respect of long-term debt, or such other rating as may from time to time comply with DBRS' criteria; and

(b) with respect to Fitch, a short-term public rating at least equal to "F1" or a long-term public rating at least equal to "A",

provided that: (a) each maturity date shall fall not later than the immediately following Eligible Investment Maturity Date; (b) any investment shall guarantee a fixed amount on account of principal at maturity not lower than the initial invested amount; and (c) in any event, any account, deposit, instrument or fund which consist, in whole or in part, actually or potentially, of credit-linked notes, synthetic securities or similar claims resulting from the transfer of credit risk by means of credit derivatives, swaps or tranches of other asset backed securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time shall be excluded.

**Eligible Investments Maturity Date** means, with reference to each Eligible Investment, the day falling 4 (four) Business Days prior to the Payment Date immediately following the Collection Period in respect of which the Eligible Investment has been made.

**ESMA** means the European Securities and Markets Authority.

**EU Insolvency Regulation** means Regulation (EU) no. 848 of 20 May 2015, as amended and/or supplemented from time to time.

**EU Securitisation Regulation** means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or supplemented from time to time.

**EU Securitisation Rules** means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory

Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, and (vi) any other rule or official interpretation implementing and/or supplementing the same.

**Euro**, **EUR** or **€** means the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

**Euroclear** means Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

**Expense Component** means, in relation to each Receivable, any fee and/or expense included in each Instalment due pursuant to the relevant Loan Agreement.

**Expenses** means any documented fees, costs, expenses and taxes required to be paid to any Connected Third Party Creditor arising in connection with the Securitisation and required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing or to comply with applicable legislation.

**Expenses Account** means the Euro denominated account with IBAN IT02M0503411701000000002756, opened in the name of the Issuer with Banco BPM.

**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 meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986.

**FATCA Withholding** means any withholding applicable under FATCA or an IGA (or any law implementing an IGA).

**Final Maturity Date** means the Payment Date falling in December 2040.

**Finalised Loans** means the loans granted by ProFamily to the Debtors for the purchase of goods or services other than Vehicles.

**Fitch** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (*Sede secondaria Italiana*), and (ii) in any other case, any entity of Fitch Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

**Further Securitisation** has the meaning ascribed to such term in Condition 4(b) (*Further securitisations and corporate existence*)

**Guarantee** means any guarantee issued in order to secure the payment of the Receivables.

**Guarantor** means any third party who has granted a Guarantee.

**IGA** means each intergovernmental agreement entered into between the United States and other relevant jurisdictions to facilitate the implementation of FATCA.

**Initial Portfolio** means the portfolio of Receivables initially transferred from ProFamily to the Issuer pursuant to the Master Transfer Agreement.

**Insolvency Proceedings** means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of-court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

**Instalment** means each instalment due under a Loan Agreement pursuant to the relevant Amortisation Plan, including the Principal Component, the Interest Component and the Expense Component.

**Insurance Companies** means the insurance companies with which ProFamily has entered into Insurance Policies.

**Insurance Policies** means the insurance policies entered into by ProFamily in relation to each Loan Agreement (i) to which the relevant Debtor may have adhered as beneficiary at the time of the execution of the relevant Loan Agreement; and (ii) pursuant to which ProFamily pays in advance the full premium relating to the Loan Agreement to the relevant Insurance Companies, and the relevant Debtor reimburses the amount of such premium as a part of each Instalment.

**Intercreditor Agreement** means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (acting for itself and on behalf of the Noteholders) and the Other Issuer Creditors and the Reporting Entity, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Accrual** means, with reference to each Receivable as at the relevant Effective Date, the interest accrued on the relevant Receivable but not yet due as at the relevant Effective Date.

**Interest Amount** has the meaning ascribed to such term in Condition 5(d)(i) (*Interest - Calculation of Interest Amount, Aggregate Interest Amount*).

**Interest Component** means, in relation to each Receivable, the interest component of each Instalment due pursuant to the relevant Loan Agreement.

**Interest Determination Date** means the 2nd (second) Business Day immediately preceding the beginning of the relevant Interest Period.

**Interest Period** means each period from (and including) a Payment Date to (but excluding) the next immediately following Payment Date, provided that the first Interest Period will commence on (and including) the Issue Date and will end on (but excluding) the Payment Date falling in March 2021.

**Issue Date** means the date falling on 24 February 2021, on which the Notes will be issued.

**Issuer** means Profamily SPV S.r.l., a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno

no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

**Issuer Available Funds** means, with reference to each Payment Date, the aggregate of:

(a) all Collections received or recovered by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding Collection Period;

(b) any other amount received by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding Collection Period (including, for the avoidance of doubt, any adjustment of the Advanced Purchase Price paid to the Issuer pursuant to the Master Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Warranty and Indemnity Agreement and any indemnity paid by the Originator or the Servicer pursuant to the Master Transfer Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement, as the case may be);

(c) all amounts on account of principal (without double counting), interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments settled by an Eligible Investment Settlement Bank in accordance with the Agency and Accounts Agreement using funds standing to the credit of the Collection Account and the Cash Reserve Account in respect of the immediately preceding Collection Period;

(d) all amounts of interest accrued and paid on the Accounts (other than the Expenses Account and the Securities Account) during the immediately preceding Collection Period (net of any applicable withholding or expenses);

(e) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the first Payment Date, the Cash Reserve Initial Amount);

(f) any amount credited to the Collection Account on the immediately preceding Payment Date under item (vii) (*seventh*), paragraph (B), or (ix) (*ninth*) of the Pre-Enforcement Priority of Payments;

(g) any amount credited to the Collection Account on the immediately preceding Payment Date under item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments;

(h) on final redemption and/or cancellation of the Notes in accordance with the Conditions, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer falling due after the redemption in full or cancellation of the Notes;

(i) the proceeds deriving from the disposal (if any) of the Aggregate Portfolio pursuant to the Master Transfer Agreement or the Intercreditor Agreement;

(j) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer's Report in a timely manner in accordance with the provisions thereof; and

(k) any other amount received by the Issuer from any Transaction Party in respect of the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Priority of Payments.

**Issuer Creditors** means, collectively, the Noteholders and the Other Issuer Creditors.

**Issuer Insolvency Event** means, in respect of the Issuer, any of the following events:

(a) an order is made or an effective resolution is passed for the winding up of the Issuer or any of the events under article 2484 of the Italian civil code occurs; or

(b) an Insolvency Proceeding has been instituted against the Issuer under applicable laws and such proceeding is not, in the opinion of the Representative of the Noteholders, being disputed in good faith with a reasonable prospect of success; or

(c) the Issuer takes any action for a readjustment 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 the Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it, or it applies for or consents to the suspension of payments or an administrator, administrative receiver or liquidator or other similar official of the Issuer being appointed over or in respect of the whole or any part of the undertaking, assets and/or revenues of the Issuer or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer.

**Law 52** means Italian Law no. 52 of 21 February 1991, as amended and/or supplemented from time to time.

**Loan Agreements** means the consumer loan agreements entered into between ProFamily and the Assigned Debtors pursuant to articles 121 and following of the Consolidated Banking Act, from which the Receivables arise.

**Loans** means, collectively, the New Vehicle Loans, the Used Vehicle Loans, the Finalised Loans and the Personal Loans.

**Master Transfer Agreement** means the master transfer agreement entered into on 16 December 2020 between the Originator and the Issuer, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Meeting** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**Monte Titoli** means Monte Titoli S.p.A., a joint stock company under the laws of the Republic of Italy, having its registered office at Piazza degli Affari 6, 20123 Milan, Italy, VAT code and enrolment with the companies' register of Milan no. 03638780159.

**Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

**Moody's** means Moody's Investors Service Inc..

**Most Senior Class of Notes** means (i) until redemption in full of the Class A Notes, the Class A Notes; or (ii) following redemption in full of the Class A Notes, the Class J Notes.

**New Vehicle Loans** means the loans granted by ProFamily to the Debtors for the purchase of new Vehicles.

**Noteholders** means, collectively, the Class A Noteholders and the Class J Noteholders.

**Notes** means, collectively, the Class A Notes and the Class J Notes.

**Offer Date** means, during the Revolving Period, the date falling no later than 2 (two) Business Days immediately preceding the relevant Calculation Date, on which a Subsequent Portfolio is offered for sale by the Originator to the Issuer pursuant to the Master Transfer Agreement.

**Ordinary Resolution** has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**Originator** means ProFamily.

**Other Issuer Creditors** means the Originator, the Servicer, the Back-up Servicer (if any), the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Administrative Servicer, the Account Bank, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Subscriber and any other entity which may accede to the Intercreditor Agreement from time to time.

**Outstanding Principal** means, with reference to any given date and in relation to any Receivable, the aggregate of (i) all Principal Components due pursuant to the relevant Loan Agreement following that date, and (ii) all Principal Components due but unpaid as at that date, provided that the Outstanding Principal of each Receivable as at the relevant Effective Date is equal to the aggregate of all the Principal Components due pursuant to the relevant Loan Agreement starting from such date.

**Paying Agent** means BNYM, Milan Branch or any other entity acting as paying agent from time to time pursuant to the Agency and Accounts Agreement.

**Payment Date** means (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the 20th (twentieth) calendar day of each month in each year (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Payment Date will fall on 22 March 2021; or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation.

**Payments Account** means the Euro denominated account with IBAN IT57Q0335101600009337269780, opened in the name of the Issuer with the Account Bank.

**Payments Report** means the report to be prepared by the Calculation Agent pursuant to the Agency and Accounts Agreement.

**Personal Loans** means the loans granted by ProFamily to the Debtors pursuant to the relevant Loan Agreements, which do not require the purpose of the relevant Loan to be specified.

**Portfolio** means, as the case may be, the Initial Portfolio or a Subsequent Portfolio.

**Post Note** means each post note used by the Debtors for the payment of the Receivables.

**Post-Enforcement Priority of Payments** means the order of priority pursuant to which the Issuer Available Funds shall be applied, in accordance with Condition 3(b) (*Priority of Payments - Post-Enforcement Priority of Payments*), following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or in case of redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*).

**Pre-Enforcement Priority of Payments** means the order of priority pursuant to which the Issuer Available Funds shall be applied, in accordance with Condition 3(a) (*Priority of Payments - Pre-Enforcement Priority of Payments*), prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*).

**Principal Amount Outstanding** means, with reference to any given date and in relation to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

**Principal Component** means, in relation to each Receivable, the principal component of each Instalment due pursuant to the relevant Loan Agreement.

**Principal Deficiency Trigger Level** means with reference to any Payment Date during the Revolving Period, 2.50 per cent. of the Outstanding Principal of the Initial Portfolio as at the relevant Effective Date.

**Priority of Payments** means, as the case may be, the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments.

**ProFamily** means ProFamily S.p.A., a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via Massaua 6, 20146 Milan, Italy, tax code no. 10884890962, VAT Group no. 10537050964 and enrolment with the Rea MI no. 2563796, registered with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under no. 233, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) of Banco BPM S.p.A. pursuant to articles 2497 and following of the Italian civil code, belonging to the Banco BPM Group.

**ProFamily Accounts** means the accounts opened in the name of ProFamily with each Collection Depositary Bank.

**Prospectus** means the prospectus related to the issuance of the Notes.

**Purchase Termination Event** means any of the events described in Condition 9 (*Purchase Termination Events*).

**Quota Capital Account** means the Euro denominated account with IBAN IT76-N-05034-11701-000000002757, opened in the name of the Issuer with Banco BPM.

**Quotaholder** means Stichting Naviglio.

**Quotaholder's Agreement** means the quotaholder's agreement entered into on or about the Issue Date between the Quotaholder, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions thereof contained and including any agreement or other document expressed to be supplemental thereto.

**Rate of Interest** has the meaning ascribed to such term in Condition 5(c) (*Interest - Rate of interest on the Notes*).

**Rating Agencies** means, collectively, DBRS and Fitch.

**Receivables** means all rights and claims of the Issuer arising from the Loans granted pursuant to the Loan Agreements including without limitation:

(a) all claims for the repayment of the Principal Components due in relation to the Receivables starting from the relevant Effective Date (excluding all the receivables for the repayment of the Principal Components of the Unpaid Instalments as at the relevant Effective Date);

(b) all claims for the payment of the Interest Components due in relation to the Receivables starting from the relevant Effective Date, as well as for the payment of the Interest Accrual as at the relevant Effective Date (excluding all the receivables for the payment of the Interest Components of the Unpaid Instalments as at the relevant Effective Date);

(c) all claims for the payment of the Expense Components due in relation to the Receivables starting from the relevant Effective Date (excluding all the receivables for the payment of the Expense Components of the Unpaid Instalments as at the relevant Effective Date);

(d) all claims for the payment of interest for late payments (calculated at the contractual rate applicable from time to time), prepayment penalties, costs, indemnities and damages due in relation to the Receivables starting from the relevant Effective Date, as well as any other sum due by the Debtors to ProFamily in relation to or in connection with the Loan Agreements starting from the relevant Effective Date,

all together with the Guarantees (except for the fideiussioni *omnibus* vis-à-vis the Debtors relating to a plurality of juridical relationships and therefore not aimed at guaranteeing exclusively the obligations arising from the Loan Agreements), privileges and priority rights (*diritti di prelazione*) supporting the aforesaid rights and claims, all other rights ancillary thereto and any other right, claim and action (also for damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims and their exercise in accordance with the relevant Loan Agreement and all the other deeds and agreements related thereto and/or pursuant to the applicable laws and regulations, including, without limitation, the right of ProFamily to terminate the relevant Loan Agreement due to a default or any other cause and the right to declare any amount under the relevant Loan Agreement immediately due and payable, any right of ProFamily under any Insurance Policies, as well as any other right of ProFamily towards, and any other sum (if any) due by, the suppliers of the relevant assets or services finance pursuant to the Loan Agreements in accordance with article 125-*quinquies* of the Consolidated Banking Act.

**Regulatory Technical Standards** means:

(a) the regulatory and implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(b) in relation to risk retention requirements, the transitional regulatory technical standards applicable pursuant to article 43 of the EU Securitisation Regulation prior to the entry into force of the relevant regulatory technical standards referred to in paragraph (a) above.

**Representative of the Noteholders** means Banca Finint or any other person acting as representative of the Noteholders under the Securitisation from time to time.

**Reporting Entity** means the Originator or any other person acting as reporting entity pursuant to article 7(2) of the EU Securitisation Regulation from time to time under the Securitisation as notified by the Issuer to the

investors in the Notes.

**Retention Amount** means an amount equal to Euro 50,000.

**Revolving Period** means the period commencing on (and including) the Issue and ending on the earlier of:

(c) the Payment Date falling in June 2021 (included); and

(d) the date on which a Purchase Termination Event occurs (excluded).

**Rules of the Organisation of the Noteholders** or **Rules** means the rules of the Organisation of Noteholders attached as schedule 1 to the Conditions.

**S&P** Standard & Poor's Financial Services LLC and/or Standard & Poor's Credit Market Services Europe Limited, as the case may be.

**Securities Account** means the Euro denominated account that may be opened in the name of the Issuer with an Eligible Investment Settlement Bank.

**Securitisation** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

**Securitisation Assets** means the Aggregate Portfolio, the Collections, the Eligible Investments and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation.

**Securitisation Law** means Italian Law no. 130 of 30 April 1999, as amended and/or supplemented from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

**Senior Notes** means the Class A Notes.

**Servicer** means ProFamily or any other entity acting as servicer from time to time pursuant to the Servicing Agreement.

**Servicer's Report** means the report to be prepared and delivered by the Servicer pursuant to the Servicing Agreement.

**Servicer's Report Date** means the 7 (seven)] Business Day following each Collection End Date (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Servicer's Report Date will fall in March 2021.

**Servicing Agreement** means the servicing agreement entered into on 16 December 2020 between the Issuer and the Servicer, and as from time to time further modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Solvency II Amendment Regulation** means the Commission Delegated Regulation (EU) no. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

**Specified Event** means, with respect to the rights of the Issuer under a Transaction Document, the

combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 15 (fifteen) Business Days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requiring the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such authorities or powers, to give any such direction or to make any such determination.

**Stichting Corporate Services Agreement** means the stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Stichting Corporate Services Provider** means Wilmington Trust or any other entity acting as stichting corporate services provider from time to time under the Securitisation.

**Subscriber** means ProFamily.

**Subscription Agreement** means the subscription agreement relating to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Subsequent Portfolio** means each portfolio of Receivables purchased by the Issuer after the transfer of the Initial Portfolio, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement.

**Target Amortisation Amount** means, in respect of any Payment Date during the Amortisation Period prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio.

**Target Collateral Amount** means, in respect of any Payment Date during the Revolving Period, an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio.

**Transfer Agreement** means each transfer agreement to be entered into between the Originator and the Issuer in relation to the purchase of Subsequent Portfolios, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Transaction Documents** means the Master Transfer Agreement, each Transfer Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Subscription Agreement and any other agreement, deed or documents which may be entered into by the Issuer under the Securitisation from time to time.

**Transaction Party** means any party to the Transaction Documents (other than the Issuer).

**Transfer Date** means (i) in relation to the Initial Portfolio, the date of execution of the Master Transfer Agreement (included); or (ii) in relation to any Subsequent Portfolio, the date of execution of the relevant Transfer Agreement (included).

**Transfer Limits** means the limits which each Subsequent Portfolio shall comply with as at the relevant Offer Date pursuant to the Master Transfer Agreement.

**Transfer Offer** means the transfer offer to be executed in relation to the transfer of each Subsequent Portfolio, in the form attached as schedule 2 to the Master Transfer Agreement.

**Trigger Event** means any of the events described in Condition 10(a) (*Trigger Events*).

**Trigger Notice** means the notice described in Condition 10(b) (*Trigger Events*).

**Uncured Principal Deficiency Event** means, with reference to any given Calculation Date during the Revolving Period, the circumstance that the Issuer Available Funds which may be applied pursuant to item (vii) (*seventh*) of the Pre-Enforcement Priority of Payments are less than the Target Collateral Amount, and such deficiency is higher than the Principal Deficiency Trigger Level.

**UK** means the United Kingdom.

**Unpaid Instalment** means an Instalment which has not been paid in full on the relevant due date and which has remained unpaid for more than (i) 6 (six) days from the relevant due date in case of payment to be made through Direct Debit, and (ii) 10 (ten) days from the relevant due date in case of payment to be made through Post Note.

**Used Vehicle Loans** means the loans granted by ProFamily to the Debtors for the purchase of used Vehicles.
**VAT** means the Italian value added tax (IVA) provided for in Italian Presidential Decree no. 633 of 26 October 1972, as amended, supplemented and/or replaced from time to time, and any law or regulation supplemental thereto.

**Vehicle Seller** means each dealer or other seller from which a Debtor has purchased its own Vehicle.

**Vehicles** means each car or other vehicle purchased by a Debtor from a Vehicle Seller.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on 16 December 2020 between the Originator and the Issuer, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Wilmington Trust** means Wilmington Trust SP Services (London) Limited, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, enrolment with the Trade Register of the Chamber of Commerce of England and Wales under no. 02548079.

## 1. Form, denomination and title

(a) *Form*

The Notes will be issued in dematerialised form (*in forma dematerializzata*) on behalf of the ultimate owners, until redemption or cancellation thereof, through Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83-*bis* of the Consolidated Financial Act, through the authorised institutions listed in article 83-*quarter* of the Consolidated Financial Act.

(b) *Denomination*

The minimum denomination of the Notes is Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

(c) *Title*

Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act; and (ii) the CONSOB and Bank of Italy Joint Resolution. No physical document of title will be issued in respect of the Notes.

(d) *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 all purposes (whether or not the Note shall be 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.

**2. Status, segregation and ranking**

(a) *Status*

The Notes constitute direct and limited recourse obligations of the Issuer. Payments of interest and principal on the Notes will be funded solely from the proceeds of the Aggregate Portfolio and the other Securitisation Assets. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including but not limited to, the provisions of article 1469 of the Italian civil code.

(b) *Segregation*

By operation of the Securitisation Law, the Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any Connected Third Party Creditor, in accordance with these Conditions and the Intercreditor Agreement.

(c) *Ranking and subordination*

In respect of the obligation of the Issuer to pay interest on the Notes, both prior to and following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event:

(i) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes, the payment of interest on the Class J Notes and the repayment of principal on the Class J Notes;

(ii) the Class J Notes will rank *pari passu* without preference or priority amongst themselves and in priority to repayment of principal on the Class J Notes, but subordinated to the payment of interest on the Class A Notes and the repayment of principal on the Class A Notes.

In respect of the obligation of the Issuer to repay principal on the Notes both prior to and following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event:

(i) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest on the Class J Notes and the repayment of principal on the Class J Notes, but subordinated to the payment of interest on the Class A Notes;

(ii) the Class J Notes will rank *pari passu* without preference or priority amongst themselves, but subordinated to the payment of interest on the Class A Notes, the repayment of principal on the Class A Notes and the payment of interest on the Class J Notes.

The rights of the Noteholders in respect of priority of payment of interest and principal are set out in Condition 3(a) (*Priority of Payments - Pre-Enforcement Priority of Payments*) or Condition 3(b) (*Priority of Payments - Post-Enforcement Priority of Payments*), as the case may be, are subject to the provisions of the Intercreditor Agreement and are subordinated to certain prior ranking amounts due by the Issuer as set out therein.

(d) *Sole obligations*

The Notes are not obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes.

**3. Priority of Payments**

(a) *Pre-Enforcement Priority of Payments*

Prior to the delivery of a Trigger Notice, the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date, in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

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

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

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

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Account Bank, the Eligible Investment Settlement Bank (if any), the Calculation Agent, the Stichting Corporate Services Provider, the Paying Agent and the Cash Manager;

(v) *fifth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(vi) *sixth*, to credit to the Cash Reserve Account the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount;

(vii) *seventh*, during the Revolving Period, in the following order: (A) to pay to the Originator the Advanced Purchase Price for the Subsequent Portfolio purchased on the Transfer Date falling immediately prior to such Payment Date; and (B) to credit to the Collection Account any Collateral Integration Amount;

(viii) *eighth*, during the Amortisation Period, to pay, *pari passu* and *pro rata*, the Class A Principal Payment on the Class A Notes;

(ix) *ninth*, if the Cash Trapping Condition is met, to credit the remaining Issuer Available Funds to the Collection Account;

(x) *tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xi) *eleventh*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class J Notes;

(xii) *twelfth*, provided that the Class A Notes have been redeemed in full, to pay, *pari passu* and *pro rata*, the Class J Principal Payment on the Class J Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Collection Account); and

(xiii) *thirteenth*, to pay any surplus as Deferred Purchase Price to the Originator pursuant to the Master Transfer Agreement.

(b) *Post-Enforcement Priority of Payments*

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or in case of redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date, in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

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

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

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

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

Eligible Investment Settlement Bank (if any), the Calculation Agent, the Paying Agent and the Cash Manager;

(v) *fifth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(vi) *sixth*, to repay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes;

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(viii) *eighth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class J Notes;

(ix) *ninth*, provided that the Class A Notes have been redeemed in full, to repay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class J Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class J Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Collection Account); and

(x) *tenth*, to pay any surplus as Deferred Purchase Price to the Originator pursuant to the Master Transfer Agreement.

(c) *Payments to Connected Third Party Creditors*

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay the Expenses, provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the relevant Interest Period, the Issuer shall pay any due but unpaid Expenses (or procure that any due but unpaid Expenses is paid) on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any known Expenses not yet paid and any Expenses falling due after such Payment Date.

(d) *Deferral under the applicable Priority of Payments*

Without prejudice to the provisions contained in these Conditions relating to payments in respect of the Notes (including Condition 5(g) (*Interest - Interest Deferral*), in the event and to the extent that the Issuer Available Funds available to the Issuer in accordance with the provisions of the applicable Priority of Payments are insufficient to pay any amount due and payable on any Payment Date in accordance with such Priority of Payments, such shortfall will not be payable on that Payment Date but will be deferred and become payable on the next succeeding Payment Date if, and to the extent that, the Issuer Available Funds then available to the Issuer in accordance with the applicable Priority of Payments are sufficient to pay such amount. No interest will be payable on any amount so deferred.

**4. Covenants**

(a) *Covenants by the Issuer*

Subject to the provisions of Condition 4(b) (*Further securitisations and corporate existence*) and without prejudice to Condition 6(e) (*Redemption, purchase and cancellation - Early redemption at*

*the option of the Notes*), for so long as any Note remains outstanding, the Issuer, save with the prior written consent of the Representative of the Noteholders or as provided in these Conditions or any of the Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholders' meetings to be convened, in order to:

(i) *Negative pledge*

create or permit to subsist any security interest or other encumbrance whatsoever (unless arising by operation of law) over the Receivables, the Aggregate Portfolio, the other Securitisation Assets or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation;

(ii) *Use of assets*

use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of the Receivables, the Aggregate Portfolio, the other Securitisation Assets or any interest, right or benefit in respect of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;

(iii) *Restrictions on activities*

(A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto;

(B) have any subsidiary or affiliate (*società controllata* or *società collegata* within the meaning of article 2359 of the Italian civil code) participations in other companies, or undertakings of any other nature or have any employees or premises; or

(C) at any time approve or agree or consent to or do, or permit to be done any act or thing whatsoever which, in the opinion of the Representative of the Noteholders, is materially prejudicial to the interests of the Noteholders or any Class thereof under the Notes or the Transaction Documents or any act or thing in relation thereto which, in the opinion of the Representative of the Noteholders, is materially prejudicial to the interests of the Noteholders or any Class under the Transaction Documents;

(iv) *Dividends or distributions*

pay any dividend or make any other distribution or repayment to its Quotaholder, issue any further quotas or otherwise increase its equity capital other than when so required by applicable law;

(v) *Borrowings*

create, incur or permit to subsist any indebtedness whatsoever in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(vi) *Derivatives*

enter into derivative contracts save as expressly permitted by article 21(2) of the EU Securitisation Regulation;

(vii) *Merger*

consolidate or merge with any other person or convey or transfer any of its assets substantially as an entirety to any other person;

(viii) *Waiver or consent*

(i) permit any of the Transaction Documents to which it is a party to become invalid or ineffective; or (ii) consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of, any Transaction Documents; or (iii) permit any party to any Transaction Document to be released from its obligations;

(ix) *Bank accounts*

have an interest in any bank account other than the Accounts and the Quota Capital Account;

(x) *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 any provision of law or regulation or by any regulatory authority having jurisdiction over it;

(xi) *Separateness*

permit or consent to any of the following occurring:

(A) its books and records relating to the Securitisation being maintained with or co-mingled with those of any other person or entity or those of a different securitisation performed by the Issuer;

(B) its bank accounts relating to the Securitisation and the debts represented thereby being co-mingled with those of any other person or entity or those of a different securitisation performed by the Issuer; or

(C) its assets or revenues relating to the Securitisation being co-mingled with those of any other person or entity or those of a different securitisation performed by the Issuer;

(D) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(E) separate financial statements in relation to its financial affairs and the Securitisation are maintained;

(F) all corporate formalities with respect to its affairs are observed in compliance with the Securitisation Law;

(G) separate stationery, invoices and cheques are used in respect of the Securitisation;

(H) it always holds itself out as a separate entity; and

(I) any known misunderstandings regarding its separate identity are corrected as soon as possible;

(xii) *Residency and centre of main interests*

become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its "centre of main interests" (as such term is defined in the EU Insolvency Regulation) in Italy; or

(xiii) *De-registrations*

ask for de-registration from the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy under article 4 of the Bank of Italy's regulation dated 7 June 2017, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires companies incorporated pursuant to the Securitisation Law to be registered thereon.

(xiv) *Compliance with applicable law and corporate formalities*

cease to comply with any applicable law or any necessary corporate formalities.

(b) *Further securitisations and corporate existence*

None of the covenants in Condition 4(a) (*Covenants - Covenants by the Issuer*) above shall prohibit the Issuer, following the redemption in full and/or cancellation of the Class A Notes, from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to the Securitisation (the **Further Securitisations**), further receivables or portfolios of receivables of any kind (the **Further Portfolios**);

(ii) securitising such Further Portfolios through the issue of further debt securities (the **Further Notes**);

(iii) entering into agreements and transactions that are incidental to or necessary in connection with such Further Securitisation including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the **Further Security**), provided that:

(A) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;

(B) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;

(C) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include:

I. covenants by the Issuer in all significant respects equivalent to those covenants provided in Condition 4(a) (*Covenants - Covenants by the Issuer*) above; and

II. provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this proviso;

(D) the Representative of the Noteholders is satisfied that the provisions of paragraphs from (A) to (C) above have been satisfied; and

(E) the Rating Agencies have been notified of the intention to carry out such Further Securitisation and have received confirmation from the Issuer that the transaction documents of the Further Securitisation contain provisions to the effect that the obligations of the Issuer in respect of such Further Securitisation are limited recourse obligations of the Issuer and contain limitations on the right of the noteholders and of each person which is a party to any transaction document in connection with such Further Securitisation to take action against the Issuer.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

(iv) carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

**5. Interest**

(a) *Interest, Payment Dates and Interest Periods*

Each Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided for in Condition 6 (*Redemption, purchase and cancellation*) and subject to paragraph (b) (*Termination of interest*) below.

Interest on the Notes will accrue on a daily basis and will be payable in Euro in arrear by reference to successive Interest Periods on each date falling (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the 20th (twentieth) calendar day of each month in each year (or, if such day is not a Business Day, the immediately following Business Day), or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation (each, a **Payment Date**), in each case in accordance with the applicable Priority of Payments. The first payment of interest on the Notes will be due on the Payment Date falling on 22 March 2021 in respect of the Interest Period from (and including) the Issue Date up to (but excluding) such date.

(b) *Termination of interest*

Each Note shall cease to bear interest from and including its due date for redemption, unless payment of principal due is improperly withheld or refused or default is otherwise made in respect of payment thereof, in which case it will continue to bear interest in accordance with this Condition 5 until the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder.

(c) *Rate of interest on the Notes*

The rate of interest applicable from time to time (the **Rate of Interest**) will be:

(i) in respect of the Class A Notes, a fixed rate equal to 1 per cent. per annum; and

(ii) in respect of the Class J Notes, a fixed rate equal to 5 per cent. per annum.

(d) *Calculation of Interest Amount and Aggregate Interest Amount*

(i) The Paying Agent shall, on each Interest Determination Date, determine the amount of interest in Euro payable on each Note of each Class (the **Interest Amount**) and on the aggregate number of Notes of each Class (the **Aggregate Interest Amount**), in each case in respect of the relevant Interest Period. The Interest Amount payable on each such Note in respect of any Interest Period shall be calculated by (A) applying the relevant Rate of Interest to the Principal Amount Outstanding of that Note on the relevant Payment Date (or, in the case of the first Interest Period, the Issue Date) at the commencement of such Interest Period (after deducting therefrom any amount of principal due on that Payment Date (whether or not paid)); (B) multiplying the product of such calculation by the actual number of days in the relevant Interest Period; (C) dividing that amount by 360; and (D) rounding the resultant figure to the nearest cent (half a cent being rounded upwards). The Aggregate Interest Amount shall be calculated by multiplying the Interest Amount of each Note of each such Class by the actual number of Notes of that Class.

(ii) The calculation of Interest Amount and Aggregate Interest Amount made by the Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

(e) *Notification of Interest Amount, Aggregate Interest Amount and Payment Date*

(i) On each Interest Determination Date, the Paying Agent shall notify the Interest Amount, the Aggregate Interest Amount and the relevant Payment Date to the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Noteholders in accordance with Condition 17 (*Notices*), Monte Titoli and, as long as the Class A Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, Borsa Italiana.

(ii) The Interest Amount, the Aggregate Interest Amount and the relevant Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or in the event of manifest error.

(f) *Determination or calculation by the Representative of the Noteholders*

If the Paying Agent does not at any time for any reason determine the Interest Amount and/or the Aggregate Interest Amount for any Class of Notes in accordance with this Condition 5, the Representative of the Noteholders shall (but without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result) calculate and notify the relevant Interest Amount and Aggregate Interest Amount in the manner specified in this Condition 5, and any such determination, calculation and notification shall be deemed to have been made by the Paying Agent.

(g) *Interest Deferral*

Payments of interest on the Class J 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-Enforcement

Priority of Payments to pay in full the relevant Interest Amount which would otherwise be payable on such Class of Notes. The amount by which the aggregate amount of interest paid on the Class J Notes on any Payment Date in accordance with this Condition 5 falls short of the aggregate amount of interest which otherwise would be payable on the Class J Notes on that date shall be aggregated with the amount of, and treated for the purposes of, this Condition 5 as if it were interest due on such Class of Notes and, subject as provided below, payable on the next succeeding Payment Date. If, on the Cancellation Date, there remains any such shortfall, the amount of such shortfall will become due and payable on such date, subject in each case to the amounts of Issuer Available Funds and, to the extent unpaid, will be cancelled.

Any Interest Amount due but not payable on the Class A Notes on any Payment Date prior to the Cancellation Date will not be deferred and any failure to pay such Interest Amount will constitute a Trigger Event pursuant to Condition 10 (*Trigger Events*).

(h) *Notification of Interest Deferral*

If, on any Calculation Date, the Calculation Agent determines that any deferral of interest in respect of the Class J Notes will arise on the immediately succeeding Payment Date, it shall give notice to the Representative of the Noteholders, the Paying Agent (which shall notify the same to Monte Titoli) and the Noteholders in accordance with Condition 17 (*Notices*), specifying the amount of interest to be deferred on such following Payment Date in respect of the Class J Notes.

**6. Redemption, purchase and cancellation**

(a) *Final redemption*

The Issuer shall redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, in accordance with the applicable Priority of Payments, on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided in Condition 6(c) (*Mandatory redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) and Condition 6(e) (*Early redemption at the option of the Issuer*), but without prejudice to Condition 10 (*Trigger Events*) and Condition 11 (*Enforcement*).

(b) *Cancellation Date*

The Notes will be finally and definitively cancelled on the Cancellation Date, being:

(i) on the earlier of (A) the Final Maturity Date if the Notes are redeemed in full, and (B) the date on which the Notes are finally redeemed following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*); or

(ii) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, the later of (A) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (B) the Payment Date immediately following the date on which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having determined that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the other Securitisation Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes.

(c) *Mandatory redemption*

Prior to the delivery of a Trigger Notice, the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the Issuer Available Funds shall be applied, on each Payment Date during the Amortisation Period, to pay the Class A Principal Payment on the Class A Notes and the Class J Principal Payment on the Class J Notes, in accordance with the Pre-Enforcement Priority of Payments.

However, prior to the delivery of a Trigger Notice, the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no amount of principal will be due and payable in respect of the Notes.

(d) *Early redemption for taxation, legal or regulatory reasons*

Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer may redeem at its option the Class A Notes (in whole but not in part) and the Class J Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem at least all the Class A Notes and to make all payments ranking in priority, or *pari passu*, thereto, on any Payment Date if, by reason of a change in law or regulation or the interpretation or administration thereof since the Issue Date:

(i) the Securitisation Assets become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or

(ii) either the Issuer or any paying agent or any custodian appointed in respect of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law or the interpretation or administration thereof; or

(iii) any amounts of interest payable on the Loans to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or

(iv) it is or becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document,

(any of the events under paragraphs (a), (b), (c) and (d) above, an **Early Redemption Event**).

The Issuer's right to redeem the Notes in the manner described above shall be subject to the Issuer:

(i) giving not more than 60 (sixty) nor less than 30 (thirty) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders of its intention to redeem the Class A Notes (in whole but not in part) and the Class J Notes (in whole or in part) on the next succeeding Payment Date at their Principal Amount Outstanding, together with any accrued but unpaid interest, pursuant to this Condition 6(d); and

(ii) providing to the Representative of the Noteholders:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or regulation or interpretation or administration thereof;

(B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that any of the events under this Condition 6(d) will apply on the next Payment Date and cannot be avoided by the Issuer taking reasonable endeavours; and

(C) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge at least its obligations under the Class A Notes and any obligations ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes.

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio then outstanding following the occurrence of an Early Redemption Event to finance the early redemption of the Notes in accordance with this Condition 6(d). If the Originator exercises such option, then the Issuer shall redeem the Notes as described above.

(e) *Early redemption at the option of the Issuer*

Prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer may at its option redeem the Class J Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments, on any Payment Date starting from the Payment Date on which the Issuer Available Funds (excluding the proceeds deriving from the disposal of the Aggregate Portfolio) are sufficient to redeem in full the Class A Notes (the **Clean-up Call Condition**).

The Issuer's right to redeem the Notes in the manner described above shall be subject to the Issuer giving not more than 60 (sixty) nor less than 30 (thirty) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders of its intention to redeem the Class J Notes (in whole or in part) on the next succeeding Payment Date at their Principal Amount Outstanding, together with any accrued but unpaid interest, pursuant to this Condition 6(e).

Under the Master Transfer Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part) the Aggregate Portfolio then outstanding following the occurrence of the Clean-up Call Condition in

order to finance the early redemption of the Class J Notes in accordance with this Condition 6(e). If the Originator exercises such option, then the Issuer shall redeem the Class J Notes as described above.

(f) *Calculations and Determinations*

On each Calculation Date, the Calculation Agent shall determine the amounts to be calculated in respect of the Notes under this Condition 6, including:

(i) the amount of the Issuer Available Funds;

(ii) the principal payment (if any) due on the Notes on the immediately following Payment Date and the Principal Payment Amount (if any) due on each Note; and

(iii) the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note).

The principal amount redeemable in respect of each Note of each Class on any relevant Payment Date (the **Principal Payment Amount**) shall be a *pro-rata* share of the principal payment due on the Notes on such Payment Date, as determined in accordance with the provisions of this Condition 6, calculated by reference to the ratio borne by the then Principal Amount Outstanding of the relevant Note of a Class to the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent), provided always that no such repayment of principal may exceed the Principal Amount Outstanding of such Note.

Each determination by or on behalf of the Issuer pursuant to this Condition 6(f) shall in each case (in the absence of manifest error) be final and binding on all persons.

On each relevant Calculation Date, the Calculation Agent shall forthwith notify the principal amount redeemable in respect of each Note of each Class on the immediately following Payment Date and the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note of that Class) to the Representative of the Noteholders and the Paying Agent (which shall notify the same to Monte Titoli and, as long as the Class A Notes are admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, Borsa Italiana) and will cause notice of each such determination to be given to the Noteholders in accordance with Condition 17 (*Notices*).

(g) *Notice irrevocable*

Any notice as is referred to in Condition 6(f) (*Calculations and Determinations*) shall be irrevocable and the Issuer shall, in the case of any such notice, be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition 6.

(h) *Determinations by the Representative of the Noteholders*

If the Calculation Agent does not at any time for any reason determine the Principal Payment Amount and the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date and the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note of that Class) in accordance with this Condition 6, the Representative of the Noteholders shall (but without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result):

(i) determine the Principal Payment Amount and the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date and the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note of that Class) in accordance with this Condition 6; and

(ii) notify the Principal Payment Amount and the Principal Amount Outstanding of each Note in the manner specified in this Condition 6,

and any such determination and notification shall be deemed to have been made by the Calculation Agent.

(i) *No purchase by the Issuer*

The Issuer may not purchase any of the Notes.

(j) *Cancellation*

All Notes cancelled on the Cancellation Date may not be reissued or resold.

(k) *Notice to the Rating Agencies*

Any redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), shall be notified by the Issuer to the Rating Agencies.

**7. Payments**

(a) *Payments through Monte Titoli, Euroclear and Clearstream*

Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers (including Euroclear and Clearstream) whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes..

(b) *Payments subject to tax laws*

Payments of principal and interest in respect of the Notes are subject in all cases to (i) any fiscal or other applicable laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation in the Republic of Italy*) and (ii) any FATCA Withholding, any regulations or agreements under FATCA, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(c) *Payments on Business Days*

If the due date for any payment of principal and/or interest in respect of any Note is not a Business Day, the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

(d) *Notification to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 5 (*Interest*) or Condition 6 (*Redemption, purchase and cancellation*), whether by the Paying Agent, the Calculation Agent or the Representative of the Noteholders, shall (in the absence of wilful misconduct (*dolo*), gross negligence (*colpa grave*) or manifest error) be binding on the Issuer, the Noteholders and all Other Issuer Creditors and (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) no liability to the Representative of the Noteholders, the Noteholders or the Other Issuer Creditors shall attach to the Paying Agent, the Calculation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 5 (*Interest*) or Condition 6 (*Redemption, purchase and cancellation*).

(e) *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 resign in accordance with the provisions of the Agency and Accounts Agreement. The Issuer shall be obliged to appoint a substitute paying agent prior to such resignation becoming effective. The appointment of any substitute paying agent shall be subject to the prior written consent of the Representative of the Noteholders and the prior notice to the Rating Agencies. The Issuer shall procure that any change in the identity of the Paying Agent will be notified as soon as reasonably practicable in accordance with Condition 17 (*Notices*).

The Issuer may at any time, with the prior written consent of the Representative of the Noteholders and the prior notice to the Rating Agencies, vary or terminate the appointment of the Paying Agent and appoint a substitute subject to the terms of the Agency and Accounts Agreement. Notice of any such termination or appointment will be given to the Noteholders in accordance with Condition 17 (*Notices*).

**8. Taxation in the Republic of Italy**

All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Withholding or any other withholding or deduction required to be made by applicable law. The Issuer shall not be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

**9. Purchase Termination Events**

(a) The occurrence of any of the following events will constitute a **Purchase Termination Event**:

(i) *Breach of obligations by ProFamily*:

ProFamily defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is a party, provided that such default (A) is materially prejudicial to the interests of the Noteholders, and (B) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to ProFamily, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(ii) *Breach of representations and warranties by ProFamily*:

any of the representations and warranties made by ProFamily under any of the Transaction Documents to which it is a party proves to be untrue, incorrect or misleading, provided that such breach (A) is materially prejudicial to the interests of the Noteholders, and (B) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to ProFamily, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(iii) *Insolvency of ProFamily*:

(A) an application is made for the commencement of an insolvency proceeding or any other similar proceeding applicable in any jurisdictions against ProFamily and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant within 90 (ninety) days following the date of the relevant application, unless a legal opinion or other adequate comfort is given to the Representative of the Noteholders confirming that such application is manifestly without grounds (it being understood that, pending the 90 (ninety)-day or the shorter period necessary for obtaining the aforementioned legal opinion or other adequate comfort, ProFamily will not be able to submit any Transfer Offer); or

(B) ProFamily takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations; or

(iv) *Winding up of ProFamily*:

an order is made or an effective resolution is passed for the winding up or liquidation of ProFamily; or

(v) *Breach of ratios*:

(A) the Cumulative Gross Default Ratio exceeds the Default Trigger Level; or

(B) the Delinquency Ratio exceeds the Delinquency Trigger Level; or

(C) an Uncured Principal Deficiency Event has occurred; or

(vi) *Cash Reserve*:

on any Payment Date during the Revolving Period, the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Required Amount is not credited; or

(vii) *Failure to use the Issuer Available Funds to purchase Subsequent Portfolios*:

on any Payment Date during the Revolving Period, the Issuer Available Funds remaining after the purchase of any Subsequent Portfolio exceed 10 per cent. of the Outstanding Principal of the Receivables comprised in the Initial Portfolio as at the relevant Effective Date; or

(viii) *Failure to offer for sale Subsequent Portfolios*:

ProFamily fails to offer for sale Subsequent Portfolios for 3 (three) consecutive Offer Dates (unless such failure is attributable to Covid-19 pandemic); or

(ix) *Termination of Servicer's appointment*:

the Issuer has terminated the appointment of ProFamily as Servicer following the occurrence of a Servicer Termination Event in accordance with the provisions of the Servicing Agreement; or

(x) *Receipt of a Trigger Notice*:

the Issuer has received a Trigger Notice; or

(xi) *Delivery of a notice of early redemption for taxation, legal or regulatory reasons*:

the Issuer has delivered the notice referred to in Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*).

(b) Upon the occurrence of a Purchase Termination Event, the Issuer shall refrain from purchasing further Subsequent Portfolios under the Master Transfer Agreement.

**10. Trigger Events**

(a) *Trigger Events*

(i) *Non-payment*: default is made by the Issuer:

(A) in respect of any payment of Interest Amount on the Class A Notes, provided that such default remains unremedied for a period of 3 (three) Business Days; or

(B) in respect of any repayment of principal due on any Class of Notes on the Final Maturity Date, provided that such default remains unremedied for a period of 3 (three) Business Days; or

(C) in respect of any repayment of principal on the Class A Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for a period of 3 (three) Business Days (it being understood that, prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no amount of principal will be due and payable in respect of the Notes); or

(ii) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under the Notes or the Transaction Documents (in any respect which is material for the interests of the Noteholders) and such default remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(iii) *Misrepresentation*: any of the representations and warranties given by the Issuer under or in connection with any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated (in any respect which is material for the interests of the Noteholders) and such breach remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such breach is not capable of remedy, in which case no notice requiring remedy will be given); or

(iv) *Issuer Insolvency Event*: an Issuer Insolvency Event occurs; or

(v) *Unlawfulness*: it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document, or any obligation of the Issuer under any Transaction Document ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained or purported to be contained therein is not effective or is alleged by the Issuer to be ineffective for any reason, or any of the Issuer's rights under the Notes or any Transaction Document are or will (by reason of a change in law or the interpretation or administration thereof since the Issue Date) be materially adversely affected.

(b) *Delivery of a Trigger Notice*

If a Trigger Event occurs, then the Representative of the Noteholders:

(i) in the circumstances under paragraphs (a)(i) (*Non-payment*), (iv) (*Issuer Insolvency Event*) and (v) (*Unlawfulness*) above, shall; or

(ii) in the circumstances under paragraphs (a)(ii) (*Breach of other obligations*) or (a)(iii) (*Misrepresentation*) above, may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes),

serve a Trigger Notice to the Issuer (with copy to the Originator, the Servicer, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*)) declaring the Notes to be due and payable, provided that the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all duly documented fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

(c) *Consequences of the delivery of a Trigger Notice*

(i) Upon the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Notes shall (subject to Condition 16 (*Limited recourse and non-petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest, without further action, notice or formality, and all payments due by the Issuer shall be made in accordance with the Post-Enforcement Priority of Payments.

(ii) Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

(d) *Representative of the Noteholders as* mandatario esclusivo

The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and repayable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

**11. Enforcement**

(a) *Proceedings*

At any time after the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings as it thinks fit, to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been so directed by an Extraordinary Resolution of the Noteholders and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

(b) *Disposal of the Aggregate Portfolio following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event*

Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Aggregate Portfolio pursuant to article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. In case of such disposal, the Originator will have the right to purchase the Aggregate Portfolio with preference to any third party purchaser, pursuant to the terms and subject to the conditions set out in the Intercreditor Agreement.

**12. Representative of the Noteholders**

(a) *Legal representative*

The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.

(b) *Appointment of Representative of the Noteholders*

Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, will be made by the Noteholders subject to and in accordance with the Rules, except for the initial Representative of the Noteholders which has been appointed by the Subscriber in the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.

## 13. Modification and waiver

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make amendment or modification to these Conditions or any of the Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 17 (*Notices*), as soon as practicable after it has been made.

## 14. Agents

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Account Bank, the Calculation Agent, the Cash Manager and the Paying Agent shall act as agents (*mandatari*) solely of the Issuer and (to the extent provided therein) the Representative of the Noteholders and shall not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Issuer reserves the right (with the prior written consent of the Representative of the Noteholders and the prior notice to the Rating Agencies) at any time to vary or terminate the appointment of the Account Bank, the Calculation Agent, the Cash Manager and/or the Paying Agent and to appoint a relevant successor or an additional agent at any time, in accordance with the terms of the Agency and Accounts Agreement and these Conditions.

## 15. Statute of limitation

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof. In this Condition 15, **Relevant Date** in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all Notes due on or before that date has not been duly received by the Paying Agent on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17 (*Notices*).

## 16. Limited recourse and non-petition

(a) *Limited recourse*

Notwithstanding any other provision of the Conditions, all obligations of the Issuer to make payments to each Issuer Creditor (other than the obligation to pay the Advanced Purchase Price for the Initial Portfolio to the Originator), including, without limitation, the obligations under the Notes or any Transaction Document to which such Issuer Creditor is a party, are limited in recourse and shall arise and become due and payable in an amount equal as at the relevant date to the lower of: (i) the aggregate nominal amount of such payment which, but for the operation of this Condition 16 and the applicable Priority of Payments, would be due and payable at such time to such Issuer Creditor; and (ii) the Issuer Available Funds net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to, or *pari passu* with, sums payable to such Issuer Creditor.

In particular:

(i) if the Issuer Available Funds are insufficient to pay any amount due and payable on any Payment Date in accordance with the applicable Priority of Payments, the shortfall then occurring will not be payable on that Payment Date but will become payable on the

subsequent Payment Date if and to the extent that funds may be used for this purpose in accordance with the applicable Priority of Payments. Such shortfall will not accrue interest;

(ii) accordingly, it is agreed that (A) the limited recourse nature of the obligations under the Notes or any Transaction Documents produces the effect of a *contratto aleatorio* and the consequences thereof are accepted, including but not limited to the provisions of article 1469 of the civil code, and (B) the Issuer Creditors will have an existing claim against the Issuer only in respect of the Issuer Available Funds which may be applied for the relevant purpose as at the relevant date 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;

(iii) all payments to be made by the Issuer to each Issuer Creditor, whether under the Notes or any Transaction Document to which such Issuer Creditor is a party or otherwise, will be made by the Issuer solely on the Payment Dates from the Issuer Available Funds, except as permitted in the Transaction Documents; and

(iv) unless paid before in accordance with the provisions set out above, all the obligations of the Issuer to each Issuer Creditor will expire on the Cancellation Date.

(b) *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 of the Issuer arising under the Notes and the Transaction Documents and no Issuer Creditor shall be entitled to proceed directly against the Issuer to obtain payment of such obligations. In particular:

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

(ii) until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any other notes issued by the Issuer in the context of any Further Securitisation have been redeemed in full and/or cancelled, no Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all Further Securitisations carried out by the Issuer (if any) have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) shall initiate or join any person in initiating an Issuer Insolvency Event; and

(iii) no Issuer Creditor is entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step that would result in any Priority of Payments not being complied with.

**17. Notices**

(a) *Valid notices*

All notices to the Noteholders, as long as the Notes are held through Monte Titoli and/or by a common depository for Euroclear and/or Clearstream, shall be deemed to have been validly given if delivered to Monte Titoli and/or Euroclear and/or Clearstream for communication by them to the entitled accountholders and shall be deemed to be given on the date on which it was delivered to Monte Titoli, Clearstream and Euroclear, as applicable. In addition, 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 Servicer (being, as at the date of this Prospectus, https://www.securitisation-services.com).

(b) *Date of publication*

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required above.

(c) *Other methods*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them, if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which any of the Notes are then listed, and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

**18. Governing law and jurisdiction**

(a) *Governing law*

The Notes, these Conditions, the Rules and the Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

(b) *Jurisdiction*

Any dispute which may arise in relation to the Notes, these Conditions, the Rules and the Transaction Documents, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## SCHEDULE 1 TO THE TERMS AND CONDITIONS OF THE NOTES

## RULES OF THE ORGANISATION OF NOTEHOLDERS

## PART 1

## GENERAL PROVISIONS

### 1. GENERAL

The Organisation of Noteholders is created concurrently with the issue and the subscription of the Notes, it is governed by these Rules of the Organisation of Noteholders (the **Rules**), and it shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these Rules are deemed to form part of each Note issued by the Issuer.

### 2. DEFINITIONS

In these Rules, the following terms shall have the following meanings:

**24 Hours** means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included all or part of a day upon which banks are open for business, as above.

**48 Hours** means two consecutive periods of 24 Hours.

**Affiliates** means, in respect of ProFamily, (i) a company controlled directly or indirectly by ProFamily, (ii) a company or natural person controlling directly or indirectly ProFamily, (iii) a company controlled directly or indirectly by a company or a natural person controlling directly or indirectly ProFamily, or (iv) a company in respect of which ProFamily, or any of the companies or natural persions referred to under paragraphs (i), (ii) and (iii) above, can exercise (directly or indirectly, including through any of the entities under paragraphs (i), (ii) and (iii)) a material influence by virtue of contractual arrangements. For the purposes of this definition the concept of control must be construed in accordance with article 2359 of the Italian civil code.

**Basic Terms Modification** means:

(a) a change in the date of maturity of the Notes of any Class;

(b) a change in any date fixed for the payment of principal or interest in respect of the Notes of any Class;

(c) the reduction, cancellation or annulment of the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction, cancellation or annulment permitted under the relevant Terms and Conditions) or any alteration in the method calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(d) a change in the quorum required at any Meeting or the majority required to pass any Resolution;

(e) a change in the currency in which payments are due in respect of any Class of Notes;

(f) an alteration of the Priority of Payments;

(g) the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(h) a change to this definition.

**Blocked Notes** means the Notes which have been blocked in an account with the Monte Titoli Account Holder for the purposes of obtaining (i) a Voting Certificate or (ii) if applicable, a Blocked Voting Instruction and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any).

**Blocked Voting Instruction** means, in relation to any Meeting, a document issued by the Paying Agent:

(a) confirming that, on the basis of the Voting Certificate shown by the relevant Noteholder, the Blocked Notes have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

(b) stating that, on the basis of the Voting Certificate shown by the relevant Noteholder, the relevant holder of each Blocked Note has requested that (i) the votes attributable to such Blocked Note are to be cast in a particular way on each Resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked and (ii) one or more Proxies named therein are authorised to vote on its behalf in respect of the Blocked Notes in accordance with such instructions; and

(c) attaching the relevant Voting Certificate.

**Chairman** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 9 (*Chairman of the Meeting*).

**Class of Notes** means the Class A Notes or the Class J Notes, as the context requires.

**Disenfranchised Matter** means any of the following matters:

(a) the termination of ProFamily in its capacity as Servicer;

(b) the delivery of a Trigger Notice in accordance with Condition 10 (*Trigger Events*);

(c) the direction of the disposal of the Aggregate Portfolio and the taking of any enforcement action after the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event in accordance with Condition 11 (*Enforcement*);

(d) the enforcement of any of the Issuer's rights under the Transaction Documents against ProFamily in any of its capacities under the Securitisation; and

(e) any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, may exist a conflict of interest between the Noteholders, on the one hand, and ProFamily in any of its capacities (other than as Noteholder), on the other hand, under the Securitisation.

**Disenfranchised Noteholders** means, with respect to a Class of Notes, Profamily or any of its Affiliates, unless it is (or more than one of them together in aggregate are) the holders of 100 per cent. of the Notes of such Class.

**Extraordinary Resolution** means a resolution of a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 21 (*Powers exercisable by an Extraordinary Resolution*).

**Meeting** means a meeting of the Relevant Class Noteholders (whether originally convened or resumed following an adjournment).

**Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream and Euroclear.

**Ordinary Resolution** means a resolution of a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 20 (*Powers exercisable by an Ordinary Resolution*).

**Proxy** means, in relation to any Meeting, a person (who need not to be a Noteholder) indicated under a Blocked Voting Instruction as the person entitled to vote in a Meeting in accordance with the instructions reproduced in such Blocked Voting Instruction.

**Relevant Class Noteholders** means (i) the Class A Noteholders; (ii) the Class J Noteholders; and/or (iii) a combination of the Class A Noteholders and the Class J Noteholders, as the context requires.

**Relevant Fraction** means:

(a) for voting on any Ordinary Resolution, (i) one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) one-tenth of the Principal Amount Outstanding of all Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) two-thirds of the Principal Amount Outstanding of all Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the relevant Class of Notes;

provided however that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) for voting on any Ordinary Resolution or any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) one-twentieth of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or (ii) one-twentieth of the Principal Amount Outstanding of the Notes of all Classes (in case of a joint Meeting of a combination of Classes of Notes); and

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the relevant Class of Notes.

**Resolution** means an Ordinary Resolution or an Extraordinary Resolution, as the context may require.

**Voter** means, in relation to any Meeting, the holder of a Blocked Note.

**Voting Certificate** means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder under the Monte Titoli system pursuant to the CONSOB and Bank of Italy Joint Resolution and dated:

(a) stating that, on the date thereof, on request of the relevant Noteholder the Blocked Notes have been blocked in an account with a clearing system or the depository Monte Titoli Account Holders (under the Monte Titoli system in accordance with CONSOB and Bank of Italy Joint Resolution) and will not be released until the conclusion of the Meeting specified in such Voting Certificate or any adjournment of such Meeting (if any);

(b) listing the ISIN code or other suffix or identification number of the Blocked Notes;

(c) specifying the principal outstanding amount of the Blocked Notes; and

(d) stating that the bearer of such certificate (named therein) is entitled to attend and vote at the Meeting or to request the issue of a Blocked Voting Instruction in respect of the Blocked Notes.

**Written Resolution** means a Resolution in writing signed by or on behalf of all Noteholders who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

Capitalised terms not defined in these Rules shall have the meanings attributed to them in the Conditions.

## 3. ORGANISATION PURPOSE

Each holder of the Notes becomes a member of the Organisation of Noteholders upon subscription or purchase of the relevant Notes.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these Rules, any reference to **Noteholders** shall be considered as a reference to the Class A Noteholders and/or the Class J Noteholders, as the case may be.

# PART 2

# THE MEETING OF NOTEHOLDERS

## 4. GENERAL

Any Resolution passed at a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with these Rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

The following provisions shall apply while Notes of the two Classes of Notes are outstanding:

(a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of the Notes of such Class of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects both Classes of Notes shall be transacted either at separate Meetings of the holders of each Class of Notes or at a single Meeting of the holders of both Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion, provided however that (i) each time that in the opinion of the Representative of the Noteholders there is an actual or potential conflict of interest between the

holders of one Class of Notes and the holders of the other Class of Notes, or (ii) an Extraordinary Resolution relating to Basic Terms Modifications shall be taken, in each case the relevant Resolution shall be transacted, proposed and adopted at separate Meetings of the holders of each Class of Notes.

In this subparagraph **business** includes (without limitation) the passing or rejection of any Resolution.

In relation to each Class of Notes:

(a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of the Class A Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Class JNotes;

(b) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class A Notes shall be binding on the Class J Notes irrespective of the effect thereof on their interests;

(c) no Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class J Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the holders of the Class A Notes.

The Rating Agencies shall be notified by the Issuer of (i) any proposed Meeting of the Noteholders together with the relevant agenda and (ii) the Resolution of any such Meeting.

## 5. ISSUE OF VOTING CERTIFICATES AND BLOCKED VOTING INSTRUCTIONS

In order to provide evidence of its entitlement to attend a Meeting and/or vote in that Meeting (also through a Proxy), any Noteholder shall request to the Monte Titoli Account Holder the issue of Voting Certificates. Should the Noteholder want that the vote is casted in a particular way and that a Proxy votes on its behalf on the relevant Meeting, shall require the Paying Agent (providing it with the relevant Voting Certificate) to issue a Blocked Voting Instruction instructing how the vote shall be casted and the appointed Proxy, in each case by arranging for its Notes to be blocked in an account with a clearing system not later than 48 Hours before the time fixed for the Meeting of the Relevant Class Noteholders.

A Voting Certificate or a Blocked Voting Instruction shall be valid until the conclusion of the Meeting or any adjournment of such Meeting (if any), when the Blocked Notes to which it relates shall be released.

So long as a Voting Certificate or a Blocked Voting Instruction is valid, the bearer of it (in the case of a Voting Certificate) or any Proxy named in it (in the case of a Blocked Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting.

## 6. VALIDITY OF BLOCKED VOTING INSTRUCTIONS

A Blocked Voting Instruction shall be valid only if it is deposited at the office of the Paying Agent, or at some other place approved by the Paying Agent, at least 24 Hours before the time fixed for the Meeting of the Relevant Class Noteholders and, if not deposited before such deadline, the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Paying Agent so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Paying Agent shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

## 7. CONVENING OF MEETING

The Representative of the Noteholders may convene a Meeting at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing of:

(a) Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes; or

(b) the Issuer's board of directors or the sole director (as the case may be),

subject in each case to being indemnified and/or secured to its satisfaction.

Any Disenfranchised Noteholders shall not be entitled to request to convene a Meeting in respect of the Disenfranchised Matters. It is understood that the Notes held by a Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the threshold set out in paragraph (a) above.

Every Meeting convened by the Representative of the Noteholders shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in an EU Member State.

If any of the Noteholders or the Issuer has requested the Representative of the Noteholders to convene the Meeting, they or it shall send a communication in writing to that effect to the Representative of the Noteholders suggesting the day, time and location of the Meeting (provided that such location shall be in an EU Member State), and specifying the items to be included in the agenda and the full text of any Resolution to be proposed.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, provided that:

(a) the Chairman can ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;

(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real time;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and

(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (provided that such place shall be in an EU Member State).

## 8. NOTICE

At least 21 (twenty-one) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date (falling no later than 30 (thirty) days after the date of delivery of such notice), time, the relevant quorum determined in accordance with paragraph 10 (*Quorum for conducting business at Meetings and passing Resolutions*) and place of the Meeting (provided that such place shall be in an EU Member State) shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). Any notice to Noteholders shall be given in accordance with Condition 17 (*Notices*). The notice shall set out the full text of any Resolutions to be proposed (unless the Representative of the Noteholders determines - in its absolute discretion - that the notice shall instead specify the nature of the

Resolution to be proposed at such Meeting without specifying the full text) and shall state that the Notes must be blocked in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing Proxies (in accordance with the terms of these Rules) not later than 48 Hours before the time fixed for the Meeting.

## 9. CHAIRMAN OF THE MEETING

Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but (i) if no such nomination is made; or (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

## 10. QUORUM FOR CONDUCTING BUSINESS AT MEETINGS AND PASSING RESOLUTIONS

The quorum for conducting business (*quorum costitutivo*) (relating either to an Ordinary Resolution or an Extraordinary Resolution) at any Meeting convened by due notice shall be at least one Voter representing or holding not less than the Relevant Fraction relative to (a) that Class of Notes (in case of a Meeting of one Class of Notes) or (b) all relevant Classes of Notes (in case of a joint Meeting).

The quorum for passing an Ordinary Resolution and an Extraordinary Resolution (*quorum deliberativo*) at any Meeting is provided for under paragraph 15 (*Passing for Ordinary Resolution or Extraordinary Resolution*).

Any Disenfranchised Noteholder shall not be entitled to participate to a Meeting, nor to vote on any Resolution, concerning a Disenfranchised Matter. It is understood that the Notes held by a Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the required quorum set out in this paragraph 10.

## 11. ADJOURNMENT FOR WANT OF QUORUM

If within 15 (fifteen) minutes after the time fixed for any Meeting the quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty-two) days) and to such place as the Chairman determines (provided that such place shall be in an EU Member State); provided, however, that:

  (i) the Meeting shall be dissolved if the Issuer so decides; and

  (ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

## 12. ADJOURNED MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place (provided that such place shall be in an EU Member State), but no

business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

## 13. NOTICE FOLLOWING ADJOURNMENT

Paragraph 8 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

(a) at least 10 (ten) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given unless the notice of the original Meeting set the date for a second call, in which case no such notice shall be necessary;

(b) the notice shall specifically set out the quorum determined in accordance with paragraph 10 (*Quorum for conducting business at meetings and passing resolutions*) which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

## 14. PARTICIPATION

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent;

(c) the directors, internal auditors (*sindaci*) (if appointed) and external auditors (*revisori*) of the Issuer;

(d) the financial advisers to the Issuer;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent;

(f) the Representative of the Noteholders; and

(g) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

## 15. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION

An Ordinary Resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

An Extraordinary Resolution is validly passed when 75 (seventy-five) per cent. of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

## 16. VOTING BY SHOW OF HANDS

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded pursuant to paragraph 17 (*Voting By Poll*) before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a Resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the Resolution.

## 17. VOTING BY 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 who represent or hold at least one-twentieth of the Principal Amount Outstanding of the relevant Class of Notes.

If at any Meeting a poll is so demanded, it shall be taken in such manner and either at once or after such adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. Notwithstanding the foregoing, the demand for a poll shall not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.

Any poll demanded at any Meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

## 18. VOTES

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

Unless the terms of any Blocked Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

## 19. VOTING BY PROXIES

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment except for any appointment of a Proxy in relation to a Meeting which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

## 20. POWERS EXERCISABLE BY AN ORDINARY RESOLUTION

A Meeting shall have the exclusive power exercisable by Ordinary Resolution to determine any matter submitted to the Meeting in accordance with the provisions of these Rules and the Transaction Documents which is not subject to paragraph 21 (*Powers exercisable by an Extraordinary Resolution*) below.

## 21. POWERS EXERCISABLE BY AN EXTRAORDINARY RESOLUTION

A Meeting shall have exclusive power exercisable by Extraordinary Resolution only to:

(a) approve any Basic Terms Modification;

(b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;

(c) waive any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event;

(d) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;

(e) approve any amendments of the provisions of (i) these Rules, (ii) the Conditions, (iii) the Intercreditor Agreement, (iv) the Agency and Accounts Agreement, or (v) any other Transaction Document which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(f) discharge or exonerate, including prior or retrospective discharge or exoneration, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

(g) grant any authority, order or sanction and/or give any direction or instruction which, under the provisions of these Rules or of the Conditions or the Transaction Documents, must be granted or given pursuant to an Extraordinary Resolution (including in respect of the delivery of a Trigger Notice or the disposal of the Aggregate Portfolio pursuant to the Intercreditor Agreement);

(h) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(i) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(j) appoint and remove the Representative of the Noteholders; and

(k) authorise or object to individual actions or remedies of Noteholders under paragraph 25 (*Individual actions and remedies*) below.

**22. CHALLENGE OF RESOLUTION**

Any Noteholder can challenge a Resolution which is not passed in conformity with the provisions of these Rules.

**23. MINUTES**

Minutes shall be made of all Resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all Resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

**24. 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 an Ordinary Resolution, as if it were an Ordinary Resolution.

## 25. INDIVIDUAL ACTIONS AND REMEDIES

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 (thirty) days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has resolved to authorise such action or remedy and in accordance with the provisions of this paragraph 25.

# PART 3

# THE REPRESENTATIVE OF THE NOTEHOLDERS

## 26. APPOINTMENT, REMOVAL AND REMUNERATION

### 26.1 Appointment

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this paragraph 26, save in respect of the appointment of the first Representative of the Noteholders which, in accordance with the Intercreditor Agreement, will be Banca Finint.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

### 26.2 Identity of the Representative of the Noteholders

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(b) a financial institution registered under article 106 of the Consolidated Banking Act; or

(c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian Civil Code cannot be appointed as the Representative of the Noteholders.

### 26.3 Duration of appointment

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

### 26.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 26.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

### 26.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date on which the Notes have been redeemed in full and/or cancelled in accordance with the Conditions.

In the event of the Representative of the Noteholders considering it necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders set out in the Conditions or in these Rules, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them and notified in advance to the Rating Agencies. In the event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon the amount of such additional remuneration, within 10 (ten) Business Days from the date on which the Representative of the Noteholders serves a written notice on the Issuer notifying it that a duty is of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders and requesting it to pay an additional remuneration, then such matter shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third merchant bank (the expenses involved in such nomination and the fees of such merchant banks being payable by the Issuer) and the determination of any such nominated merchant bank shall be final and binding upon the Representative of the Noteholders and the Issuer and shall be promptly notified to the Rating Agencies.

## 27. DUTIES AND POWERS

(a) *Legal Representative*

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the **Relevant Provisions**).

(b) *Meetings*

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders. The Representative of the Noteholders has the right to attend Meetings. Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders of a Class of Notes vis-à-vis the Issuer.

(c) *Conflict of interests*

Each of the Noteholders acknowledges and agrees that:

(i) the Representative of the Noteholders shall, as regards the exercise and performance of all powers, authorities, duties and discretion of the Representative of the Noteholders under the Conditions, these Rules and any relevant Transaction Document (except where expressly provided otherwise), have regard to the interests of the Noteholders and the Other Issuer Creditors, provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and the interests of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders;

(ii) where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its opinion, there is a conflict between the interests of the Class A Noteholders and the interests of the Class J Noteholders, the Representative of the Noteholders shall consider only the interests of the Class A Noteholders; and

(iii) if at any time there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the Other Issuer Creditors, then, subject to paragraph (i) above, the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the applicable Priority of Payments for the payment of the amounts therein specified.

(d) *Delegation of powers by the Representative of the Noteholders*

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct 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 of such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall give prior notice to the Issuer and the Rating Agencies of the appointment of any delegate appointed by it and of any renewal, extension or termination of such appointment. Any expense or cost in relation to any such delegation shall be borne by the Representative of the Noteholders.

(e) *Insurance*

The Representative of the Noteholders shall have the power (but not the obligation) to insure against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it:

(i) as a result of the Representative of the Noteholders acting or failing to act in a certain way (otherwise than by reason of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)); and

(ii) as a result of any act or failure to act by any person to whom the Representative of the Noteholders has delegated any of its trusts, powers, authorities, duties, discretions and obligations or appointed as its agent;

and the Issuer shall, to the extent such insurance does not form part of the normal insurance cover carried by the Representative of the Noteholders for its business activities, pay all insurance premiums and expenses which the Representative of the Noteholders may properly incur in relation to such insurance, subject to the applicable Priority of Payments and provided that such insurance premiums and expenses shall be approved by the Issuer and notified in advance to the Rating Agencies.

(f) *Representation in Insolvency Proceedings*

The Representative of the Noteholders shall be authorised to represent the Noteholders in judicial proceedings, including enforcement proceedings and Insolvency Proceedings against the Issuer in so far as they relate to the Notes and the other Transaction Documents.

(g) *Minor amendments or modifications*

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to a prior notice to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

(i) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; and

(ii) any amendment or modification to these Conditions or to any of the Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

(h) *Waiver or authorisation of breach*

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditor (other than those which are parties to the relevant Transaction Documents) and subject to a prior notice to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver, provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

(i) *Additional modifications*

Notwithstanding the provisions of these Rules, the Representative of the Noteholders shall be obliged, without any consent or sanction of the Noteholders or any of the Other Issuer Creditors, to concur with the Issuer or any other relevant parties in making any modification (other than in respect of a Basic Terms Modification) to the Conditions or any other Transaction Document that the Issuer (after consultation with the Originator) considers necessary:

(i) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended), for the purposes of maintaining such eligibility, provided that the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or

(ii) for the purposes of complying with the specific framework for STS-securitisations and the other EU Securitisation Rules, provided that the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification has been advised by a firm providing verification services in relation to the Securitisation pursuant to article 28 of the EU Securitisation Regulation or a reputable international law firm, is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Servicer on behalf of the Issuer pursuant to paragraph (i) or (ii) above being a **Modification Certificate**).

The Representative of the Noteholders is only obliged to concur with the Issuer in making any modification for the purposes referred to in paragraph (i) or (ii) above if the following conditions have been satisfied (the **Modification Conditions**):

(i) at least 30 (thirty) days' prior written notice of any such proposed modification has been given to the Representative of the Noteholders;

(ii) the Modification Certificate in relation to such modification shall be provided to the Representative of the Noteholders both at the time the Representative of the Noteholders is notified of the proposed modification and on the date that such modification takes effect;

(iii) the Issuer provides the Representative of the Noteholders with such legal opinions as the Representative of the Noteholders considers necessary in connection with the implementation of such modifications;

(iv) the person who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Representative of the Noteholders in connection with such modification;

(v) the Issuer, or the Servicer on its behalf, certifies to the Representative of the Noteholders (which certification may be in the Modification Certificate) that the proposed modification is not, in the reasonable opinion of the Issuer or Servicer (as applicable) formed on the basis of due consideration, a modification in respect of a Basic Terms Modification; and

(vi)

the Servicer, on behalf of the Issuer, certifies in the Modification Certificate that it has notified each of the Rating Agencies of the proposed modification and, in the Servicer's reasonable opinion, the relevant modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Senior Notes by any Rating Agency or (y) any Rating Agency placing the Senior Notes on rating watch negative (or equivalent).

Any modification made in accordance with this paragraph (i) shall be binding on all Noteholders and shall be notified by the Issuer (or the Paying Agent on its behalf) without undue delay to each Rating Agency, the Other Issuer Creditors and the Noteholders in accordance with Condition 17 (*Notices*).

The Representative of the Noteholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders, would have the effect of (i) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Representative of the Noteholders in the Transaction Documents and/or the Conditions.

(j) *Advice from experts*

The Representative of the Noteholders shall be entitled to act on the advice, certificate or opinion of or on any information obtained from any lawyer, accountant, banker or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, provided that, where such lawyer, accountant, banker or other expert is appointed by the Representative of the Noteholders, such appointment is made with due care in all the circumstances, and, subject to the aforesaid, the Representative of the Noteholders shall not, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), be liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, email, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

(k) *Certificates of Issuer as sufficient evidence*

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate.

(l) *Certificates of Other Issuer Creditors as sufficient evidence*

The Representative of the Noteholders shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine of any party to the Intercreditor Agreement, any Other Issuer Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so.

(m) *Certificate from Monte Titoli Account Holder or common depository as sufficient evidence*

The Representative of the Noteholders may call for, and shall be at liberty to accept and place full reliance on, as suitable evidence of the facts stated therein, a certificate or letter of confirmation as true and accurate and signed on behalf of any Monte Titoli Account Holder or common depository, as the case may be, as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time, or throughout any particular period, any party hereto is, was or will be shown in its records as entitled to a determined number of Notes.

(n) *Discretion in exercise of rights and powers*

The Representative of the Noteholders, save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by the Conditions, 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 wilful misconduct (*dolo*) or gross negligence (*colpa grave*).

(o) *Instructions in respect of discretional matters*

In relation to the matters in respect of which the Representative of the Noteholders is entitled to exercise any of its rights and discretions hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such right or discretion. The Representative of the Noteholders shall not be obliged to take any action in respect of the Conditions, these Rules, the Notes or any Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

(p) *Full reliance on Resolutions of Noteholders*

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

(q) *Trigger Event*

The Representative of the Noteholders may determine whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such determination shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to any of the Transaction Documents.

(r) *Default of the Issuer capable of 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 Conditions or contained in the Notes or any other Transaction Documents is capable of remedy and, if the Representative of the Noteholders certifies that any such default is not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party hereto.

(s) *No Notes held by the Issuer*

The Representative of the Noteholders may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer.

(t) *Acknowledgement of role and functions of the Representative of the Noteholders*

Each Noteholder, by acquiring title to a Note is deemed to agree and acknowledge that:

(i) the Representative of the Noteholders has agreed to become a party to each of the Transaction Documents to which the Issuer is a party only for the purpose of taking the benefit of such Transaction Document and regulating the agreement of amendments to it;

(ii) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders the right to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that

Noteholder's rights under the Securitisation Law in respect of the Aggregate Portfolio and all amounts and/or other assets of the Issuer arising from the Aggregate Portfolio and the Transaction Documents;

(iii) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Class and recovering any amounts owing under the Notes or under the Transaction Documents;

(iv) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under the Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Consolidated Banking Act or otherwise, unless a Trigger Notice shall have been served or an Issuer Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this provision shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(v) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian Civil Code; and

(vi) the provisions of this paragraph 27 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

## 28. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer and the Rating Agencies without assigning any reason therefore and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders provided that if a new Representative of the Noteholders has not been so appointed within 60 (sixty) days of the date of such notice of resignation, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to paragraph 26.2 above.

## 29. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders, in its capacity as such, shall not assume any other obligations related to the Securitisation in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) *No ascertainment of events*

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 or any Noteholder under these Rules, the Notes, the Conditions or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no a Trigger Event or such other event, condition or act has occurred;

(b) *No monitoring duties*

shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and their obligations under, these Rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) *Collection and payment services*

shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of article 2, paragraph 6. of the Securitisation Law and the relevant implementing regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy;

(d) *No notices related to the Securitisation*

except as expressly required under the Transaction Documents, shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(e) *No investigation duties*

shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to the Transaction Documents; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Receivables; or (vi) any matter which is the subject of any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders contained herein or in any Transaction Document;

(f) *Use of proceeds*

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;

(g) *Maintenance of rating*

shall have no responsibility for the maintenance of the rating of the Class A Notes by the Rating Agencies or any other credit or rating agency or any other person;

(h) *Rights and title to the Receivables*

shall not be bound or concerned to examine, or enquire into, or be liable for any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) *No registration duties*

shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(j) *No insurance obligations*

shall not be under any obligation to insure the Loans, the Receivables or any part thereof;

(k) *No responsibility for calculations and payments*

shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priority of Payments;

(l) *No regard of domicile of Noteholders*

shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) *Effect of amendments*

shall not be under any obligation to consider the effect of any amendment of these Rules, the Conditions or any of the Transaction Documents on the financial condition of individual Noteholders or any other party to the Transaction Documents; and

(n) *No disclosure of information*

shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

(o) *Rating Agencies*

shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions that such exercise will not be prejudicial to the interests of the Noteholders if the Representative of the Noteholders has ground to believe that the then current rating of the Class A Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order to properly exercise its rights or fulfil its obligations, deems it necessary to notify the Rating Agencies of the exercise of any power, authority, duty or discretion under or in relation to the Conditions, the Representative of the Noteholders shall so inform the Issuer, which will have to notify the Rating Agencies at its expense on behalf of the Representative of the Noteholders. Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

**30. INDEMNITY**

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all duly documented costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, including but not limited to properly incurred legal expenses, reasonable travelling expenses and any reasonable attorney's fees, stamp, issue, registration, documentary and other taxes or duties due to be paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought against or contemplated by the Representative of the Noteholders pursuant to these Rules, the Notes, the Conditions or any Transaction Document, or against the Issuer or any other person for enforcing any obligations under these Rules, the Notes or the Transaction Documents, other than as a result of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) on the part of the Representative of the Noteholders.

**PART 4**

## THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER NOTICE AND/OR OCCURRENCE OF AN ISSUER INSOLVENCY EVENT AND/OR A SPECIFIED EVENT

### 31. POWERS

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise that, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, has been irrevocably appointed as from the date of execution of the Intercreditor Agreement and with effect on the date on which the Notes will become due and payable following the service of a Trigger Notice or the occurrence of an Issuer Insolvency Event, as exclusive, true and lawful agent (*mandatario esclusivo con rappresentanza*), of the Noteholders and the Other Issuer Creditors to, including without limitation, receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

In particular, the Representative of the Noteholders shall be authorised to:

(a) exercise all and any of their rights under the Securitisation Law in respect of the Aggregate Portfolio and the available Collections and all amounts and/or other assets of the Issuer deriving from the Aggregate Portfolio, if any;

(b) receive on their behalf all moneys resulting from the action under (a) above or otherwise payable by the Issuer to the Noteholders and the Other Issuer Creditors, such moneys to be applied by the Representative of the Noteholders in accordance with the applicable Priority of Payments;

(c) following the occurrence of an Issuer Insolvency Event only, deal with the insolvency procedure (including the filing of any claim for payment) and to receive on their behalf from the procedure any and all monies payable by the insolvency receiver to any of the Issuer Creditors and to apply such monies in accordance with the Post-Enforcement Priority of Payments; and

(d) do any act, matter or thing which it considers necessary to exercise or protect the Noteholders and the Other Issuer Creditors' rights under any of the Transaction Documents.

In addition, the Representative of the Noteholders, in its capacity as true and lawful agent (*mandatario con rappresentanza*) of the Issuer in the interest, and for the benefit of, the Noteholders and the Other Issuer Creditors pursuant to article 1723, second paragraph of the Italian civil code, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, upon delivery of a Trigger Notice and/or the occurrence of an Issuer Insolvency Event or a Specified Event, in the name and on behalf of the Issuer any and all of the Issuer's rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In particular, the Representative of the Noteholders will be entitled, until the Notes have been redeemed in full and/or cancelled in accordance with the Conditions:

(a) to request the Account Bank to transfer all monies standing to the credit of each of the Accounts held with it to replacement accounts opened for such purpose by the Representative of the Noteholders with the same or a replacement Account Bank;

(b) to require performance by any Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Aggregate Portfolio and the other Securitisation Assets;

(c) to instruct the Servicer in respect of the recovery of any amounts due under the Aggregate Portfolio or in relation to any other Securitisation Asset;

(d) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all available Collections (by way of a power of attorney granted under the terms of the Intercreditor Agreement) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments;

(e) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (a) above to the Noteholders and the Other Issuer Creditors in accordance with the applicable Priority of Payments.

## PART 5

## GOVERNING LAW AND JURISDICTION

### 32. GOVERNING LAW AND JURISDICTION

These Rules are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to these Rules, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## TAXATION IN THE REPUBLIC OF ITALY

**The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all of the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.**

### Tax treatment of Notes

Legislative Decree 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to 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**) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to the Securitisation Law.

*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 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 private or public institution (other than a company), a trust not carrying out mainly or exclusively commercial activities; or

(iv) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a substitutive tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes), unless the relevant holder of the Notes referred to under paragraph (i), (ii) or (iii) above has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so called "*regime del risparmio gestito*" (the **Asset Management Regime**) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended.

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 income 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 deduction from Italian income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called **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 Department of Revenue of Italian Ministry of Finance having appointed an Italian representative for

the purposes of Decree 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 and the relevant coupons are not deposited with an Intermediary meeting the requirements under (a) and (b) above, the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

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 all the requirements from time to time applicable as set forth under Italian law.

Where (a) an Italian resident Noteholder is (i) a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and (ii) the beneficial owners of payments of Interest on the Notes and (b) the Notes are deposited with an authorised intermediary, 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 (and, in certain circumstances, depending on the status of Noteholder, also to regional tax on productive activities - **IRAP**).

Italian resident real estate investment funds and Italian resident real estate investment companies with fixed capital (*società di investimento a capitale fisso*, **Real Estate SICAFs**, and, together with the Italian real estate investment funds, the **Real Estate Funds**) qualifying as such from a legal and regulatory perspective 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 Real Estate Fund is the beneficial owner of the payments under the Notes and the Notes, together with the relevant coupons, are timely deposited with an authorised Intermediary. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by a Real Estate Fund or upon redemption or sale of the units or shares in the Real Estate Fund and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in a Real Estate Fund owning more than 5 per cent. of the Real Estate Fund's units or shares.

Where an Italian resident Noteholder is an open-ended or a closed-ended collective investment fund, an investment company with variable capital (*società di investimento a capitale variabile* (SICAV)), an investment company with fixed capital (SICAF) other than a Real Estate SICAF (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 authorised intermediary, payments of Interest on such Notes beneficially owned by the Fund 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 (the **Collective Investment Fund Withholding Tax**).

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 authorised intermediary, payments of Interest relating to the Notes beneficially owned by the pension fund and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of each tax period, subject to a 20 per cent. annual *imposta sostitutiva* (the **Pension Fund 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 Pension Fund Tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

*Non-Italian resident Noteholders*

According to Decree 239, payments of Interest in respect of the Notes will not be subject to *imposta sostitutiva* at the rate of 26 per cent. if made to either (a) beneficial owners or (b) certain institutional investors, even if not possessing the status of taxpayers in their own country of incorporation, who in either case are non Italian resident holders of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

(a) such beneficial owners or institutional investors are resident for tax purposes in a State or territory which allows for an adequate exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended and supplemented (lastly by Ministerial Decree of 23 March 2017) and possibly further amended by future decrees to be issued pursuant to Article 11(4)(c), of Decree 239 (the **White List**); and

(b) all the requirements and procedures set forth in Decree 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.

Decree 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; and (ii) central banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

(a) be either the beneficial owners of payments of Interest on the Notes or qualify as one of the above mentioned institutional investors even if not possessing the status of taxpayers in their own country of incorporation;

(b) deposit the Notes in due time together with the coupons relating to such Notes, directly or indirectly, with a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, or with a non Italian resident entity participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and

(c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the countries included in the White List. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), shall be valid until withdrawn or revoked and does not need be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non Italian resident investors that are international entities or organisations established in accordance with international agreements ratified in Italy or central banks or entities which manage, *inter alia*, the official reserves of a foreign State.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on Interests payments to such non resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes, provided all conditions for its application are met.

**Capital gains tax**

*Italian resident Noteholders*

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (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 permanent establishment in Italy of foreign entities to which the Notes are effectively connected, or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual not engaged in 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, or (iii) a 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 *imposta sostitutiva*, levied at the rate of 26 per cent..

Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of 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 all the requirements from time to time applicable as set forth under Italian law.

In respect of the application of *imposta sostitutiva*, taxpayers under (i) to (iii) above may opt for one of the three regimes described below.

1. 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 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 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.

2. 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). 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) an 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 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.

3. 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 opted for the Asset Management Regime 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 Asset Management Regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

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. However, a withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by a Real Estate Fund or upon redemption or sale of the units or shares in the Real Estate Fund and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in a Real Estate Fund owning more than 5 per cent. of the Real Estate Fund's units or shares.

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. Such result will not be taxed at the level of the Fund, but income realised by unitholders or shareholders in case of distributions, redemption or sale of the units or shares, may be subject to the Collective Investment Fund Withholding Tax.

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 Pension Fund 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 Pension Fund Tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

*Non-Italian resident Noteholders*

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 Notes traded on regulated markets are not subject to *imposta sostitutiva* (subject, in certain cases, to the filing of a self-declaration stating that the relevant Noteholder is not resident in the Republic of Italy for 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 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. 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 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.

Under these circumstances, if non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the risparmio amministrato regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

**Transfer tax**

Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds are subject to a fixed registration tax of €200; (ii) private deeds are subject to registration only in "case of use" (*caso d'uso*) or upon occurrence of an "explicit reference" (*enunciazione*) or voluntary registration.

**Inheritance and gift taxes**

The transfers of any valuable asset (including the Notes) as a result of death or donation are taxed as follows:

(i) transfers in favour of the spouse and of 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 €1,000,000 (per beneficiary);

(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 €100,000 (per beneficiary);

(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 beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of 5 February 1992, the tax is applied only on the value of the assets (including the Notes) received in excess of € 1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

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 from time to time applicable as set forth under Italian law.

**Stamp taxes and duties**

Pursuant to Article 13(2-ter) of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, 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 resident banks and other financial intermediaries 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. 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 a banking, financial or insurance activity in any form within the Italian territory.

**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 Presidential Decree No. 917 of 22 December 1986) 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 Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes holding financial products – including the Notes – outside of the Italian territory are required to declare in its 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).

## SUBSCRIPTION AND SALE

### The Subscription Agreement

On or about the Issue Date, the Issuer, the Originator and the Representative of the Noteholders have entered into the Subscription Agreement, pursuant to which the Subscriber has agreed to subscribe for the Notes, subject to the terms and conditions set out thereunder.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Subscriber in certain circumstances prior to payment for the Notes to the Issuer. The Issuer has agreed to indemnify the Subscriber against certain liabilities in connection with the issue of the Notes.

The Subscription Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Subscription Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

### Selling restrictions

#### *General*

Persons into whose hands this Prospectus comes are required by the Issuer and the Subscriber 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**). Prospective investors should note that, although the definition of "U.S. persons" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and (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 Subscriber 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 Subscriber 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 Subscriber 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 Subscriber 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 Subscriber 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 Subscriber 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 (**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 Subscriber 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 European Union (Withdrawal) Act 2018.

***United States***

The Notes have not been and will not be registered under the United States Securities Act and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person 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 the regulations thereunder.

Each of the Issuer and the Subscriber 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 (forty) 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 this offering) may violate the requirements of the Securities Act.

***Republic of Italy***

Each of the Issuer and the Subscriber has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and 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 Subscriber 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 Subscriber has represented and agreed that:

(a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the relevant Notes to the public in the Republic of France;

(b) offers, sales and transfers of the relevant 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

(c) 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*

Each of the Issuer and the Subscriber has, pursuant to the Subscription Agreement, represented, warranted and undertaken that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

*General*

The Securitisation Law was enacted on 30 April 1999 and subsequently amended and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true sale" (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law (the **SPV**) and all amounts paid by the debtors in respect of the receivables are to be used by the SPV exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

*Assignment pursuant to Law 52*

Law Decree no. 145 of 23 December 2013 converted into law by Law no. 9 of 21 February 2014 (**Decree 145**) has simplified the assignments under the Securitisation Law of receivables falling within the scope of Law 52, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, it has been provided that the transfer of above-mentioned type of receivables, which do not need to be identifiable as a pool (*in blocco*), can be perfected also applying certain provisions of Law 52.

In addition, Decree 145 has established that if the transaction parties choose to use Law 52 as described above, then the relevant notice of assignment to be published in the Italian Official Gazette will need to set out only the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment.

Pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein, the transfer of receivables and related ancillary rights is rendered enforceable against any third party creditors of the seller (including any insolvency receiver of the same) alternatively through (i) the publication of a notice of transfer in the Official Gazette and the registration of the same in the competent companies' register, or (ii) the annotation of the monies received from the SPV as purchase price for the relevant receivables on the seller's account into which they have been paid, in order for the relevant payment to bear date certain at law (*data certa*) in accordance with the provisions of article 2, paragraph 1, letter b), of Legislative Decree no. 170 of 21 May 2004.

The enforceability of the transfer of the receivables against the debtors is governed by the ordinary regime provided for by the Italian civil code. As a result, the transfer of the receivables from the assignor to the assignee will become enforceable (*opponibile*) against the relevant debtors only at such time as a notice (in any form) of the relevant assignment from the assignor to the assignee has been given to the relevant debtors, or the relevant debtors have accepted such assignment, in each case in accordance with the provisions of article 1264 of the Italian civil code. In this respect, it should be noted that, as a consequence of the application of article 4, second paragraph, of the Securitisation Law, as from the date of publication of the notice of transfer in the Official Gazette or the date of payment of the relevant purchase price bearing a date certain at law (*data certa*), a debtor will not have the right to set-off its claims vis-à-vis the assignor which have arisen after such date against the amounts due by the relevant debtor to the assignee in respect of the receivables. In addition, if a notice of the assignment to the assignee is sent to the relevant debtor (i) by the assignee or (ii) by any other entity validly acting as agent and in the name and on behalf of the assignee or the assignor, provided that such notice duly and unequivocally identifies the relevant eeceivable, the transfer

of the relevant receivable from the assignor to the assignee will become enforceable (*opponibile*) against the relevant debtor, in accordance with the provisions of article 1264 of the Italian civil code.

*Limitation to the set-off rights of the assigned debtors*

Decree 145 has provided that, with effect from the date of the publication of the notice of transfer in the Official Gazette and registration of the same in the competent companies' register (or of the purchase price payment, as the case may be, as described in the preceding paragraph headed "*Assignment pursuant to Law 52"*), in derogation of any other provision of law, the assigned debtors of the relevant securitised receivables are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date of publication and registration (or of the payment of the purchase price payment, as the case may be).

*Exemption of claw-back of prepayments*

The Securitisation Law stated that payments made by the assigned debtors benefit from an exemption from the claw-back provided for by article 67 of the Italian Bankruptcy Law. However, nothing was said under the Securitisation Law in relation to the claw-back action pursuant to article 65 of the Italian Bankruptcy Law, being the claw-back in respect of any prepayments. Decree 145 has established an express exemption also in respect of such claw-back action under article 65 of the Italian Bankruptcy Law.

*Ring-fencing of the assets*

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

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

*Claw-back*

Assignments executed under the Securitisation Law are still subject to claw-back action on bankruptcy pursuant to article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made (i) within three months of the securitisation transaction, in case paragraph 1 of article 67 applies and (ii) within six months of the securitisation transaction, in case paragraph 2 of article 67 applies (and not six months or 1 year, respectively, as the normal regime of article 67 provides).

Moreover, following the publication of the notice in the Official Gazette and registration of the same in the companies' register (payment to bear date certain at law (*data certa*)), the payments made to the SPV by any assigned debtors in respect of the relevant receivables may not be clawed-back pursuant to Article 67 of the Italian Bankruptcy Law (by the receiver of any such debtor which becomes subject to any insolvency proceedings).

**Consumer credit provisions**

*Consumer credit provisions and enactment of Legislative Decree 141*

The Initial Portfolio comprises, and each Subsequent Portfolio will comprise, only Loans which qualify as "consumer loans", i.e. loans extended to individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities. In Italy consumer loans are regulated by, amongst others: (i) articles 121 to 126 of the Consolidated Banking Act and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of law decree 13 August 2010 number 141 (as subsequently amended, **Legislative Decree 141**) which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Legislative Decree 141 has become enforceable on 19 September 2010.

*Legislative Decree 141 and existing credit consumer agreements*

Even if Legislative Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive 2008/48 and the implementing measures of Legislative Decree 141, it can be stated that the provisions set by Legislative Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.

*Scope of application*

Prior to the entry into force of Legislative Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmi*o (**CICR**) (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Current article 122 of the Consolidated Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.

*Right of withdrawal*

Pursuant to article 125-*ter* of the Consolidated Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (a) either from the day of the conclusion of the credit agreement, or (b) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-*bis* of the Consolidated Banking Act, if that day is later than the date referred to under point (a). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-*duodecies* of the Consumer Code will apply. Pursuant to article 125-*quater* of the Consolidated Banking Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Legislative Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

**The Issuer**

According to the Securitisation Law, the Issuer shall be a *società di capitali*. Under the regime normally prescribed for Italian companies under the Italian civil code, it is unlawful for any company (other than banks) to issue securities for an amount exceeding two times the company's share capital. Under the provisions of the Securitisation Law, the standard provisions described above are inapplicable to the Issuer.

**The enforcement proceedings in general**

The enforcement proceedings can be carried out on the basis of final judgments or other legal instruments

known collectively as *titoli esecutivi*.

Save where the law provides otherwise, the enforcement must be preceded by service of the order for the execution (*formula esecutiva*) and the notice to comply (*atto di precetto*).

The notice to comply (*atto di precetto*) is a formal notice by a creditor to his debtor advising that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than ninety days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian code of civil procedure provides for different rules concerning respectively:

(a) distraint and forced liquidation of mobile goods in possession of the debtor;

(b) distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and

(c) distraint and forced liquidation of real estate properties.

The Italian code of civil procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

(a) *first*, the debtor's goods are seized;

(b) *second*, other creditors may intervene;

(c) *third*, the debtor's assets are liquidated; and

(d) *fourth*, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

**Enforcement proceedings on movable assets in possession of the debtor**

With reference to the seizure and forced liquidation of movable assets in possession of the debtor, seizure begins with the application of the lawyer to the bailiff to proceed at the debtor's house/office or other place and to seize all the debtor's movable assets he/she will find there. The bailiff may look for the movables assets to seize in the debtor's house or in other places related to such debtor and the bailiff is also free to evaluate assets found and keep them seized. However, certain items of personal property cannot be seized.

After the seizure, the bailiff writes a record that contains the injunction to the debtor to refrain from any act that would interfere with the liquidation of the seized property and the description of the movables beings seized. Normally the debtor is named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence.

After the seizure, the bailiff must deposit the record and the title executed and the notice to comply in the chancery of the execution judge. In this moment the chancellor will open the file of the execution.

After the deposit of the written petition above, the judge fixes the date for the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge decides for the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount which must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge agrees, he provides consequently to the distribution. If there is no agreement between the creditors the judge provides to the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

The debtor may avoid the seizure by paying the amount due to the bailiff for delivery to the creditor. Such payment does not constitute recognition of the debt and the debtor is not precluded from bringing an action for restitution of the amount, should he prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He/she may select various types of property and may bring proceedings in more than one district. However, if he/she selects more properties than necessary to satisfy his/her right, the debtor may apply to have this selection restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of ninety days, otherwise the seizure lapses.

Normally, the debtor's distrainted property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors *in lieu* of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 90 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

(a) money received upon the sale or assignment of the debtor's assets;

(b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

(c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

(a) costs and expenses of the proceeding are paid first;

(b) preferred creditors are paid in the order of their degree of priority;

(c) unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;

(d) creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and

(e) any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge hears the parties and decides. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

**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 loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian Law Decree no. 7 of 31 January 2007, as converted into law by Italian Law no. 40 of 2 April 2007, 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 working 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.

**Restructuring agreements in accordance with Law no. 3 of 27 January 2012**

Articles from 6 to 19 of Italian Law no. 3 of 27 January 2012, as amended by Italian Law Decree no. 179 of 18 October 2012 converted into Law no. 221 of 17 December 2012 (the **Law no. 3**), have introduced a special composition procedure for the situations of crisis due to over-indebtedness (*procedimento per la composizione delle crisi da sovraindebitamento*) (the **Over-Indebtedness Composition Procedure**).

The Over-Indebtedness Composition Procedure applies to debtors who/which (i) are in a situation of persisting financial stress between their assets and liabilities which can be promptly liquidated and are seriously not capable of fulfilling their obligations or definitively not capable of fulfilling on a regular basis their obligations, (ii) may not be subject to any other insolvency proceedings, and (iii) have not entered into the Over-Indebtedness Composition Procedure for the last 5 (five) years. Law no. 3 applies both to small enterprises which are not subject to any other insolvency proceedings and to consumers.

The Over-Indebtedness Composition Procedure consists of a restructuring agreement between the debtor and its creditors (the **Restructuring Agreement**). The Restructuring Agreement is proposed by the debtor on the basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the **Plan**).

The Plan shall contain, *inter alia*: (i) the terms of the debt restructuring, including the re-scheduled payment dates and the modalities of payments, (ii) the modalities of liquidation (if any) of the assets; (iii) the security interests (if any) created in favour of the creditors. In addition, the Plan may provide for a payment standstill (*moratoria*) in respect of amounts due to the creditors who/which do not adhere to the Plan for a period not exceeding 1 (one) year, subject to the conditions that (i) the Plan is capable of ensuring the payment of such amounts at the expiry of the standstill period, and (ii) the Plan is executed by an administrative receiver (*liquidatore*) appointed by the court upon proposal of the Crisis Composition Body (as defined below), and (iii) the standstill (*moratoria*) does not apply to claims which may not be subject to attachment or seizure (*crediti impignorabili*).

The Restructuring Agreement shall be approved by such creditors representing at least 60 (sixty) per cent. of the indebtedness of the debtor. If the approval is achieved, the Restructuring Agreement shall be validated by the court, upon verification that all the requirements provided for by Law no. 3 are satisfied. The court may order that until the Restructuring Agreement is approved (*omologazione*), any individual action is forbidden or suspended (if already pending). Law no. 3 provides for the establishment of composition bodies (*organismi di conciliazione*) (the **Crisis Composition Bodies**). The Crisis Composition Bodies should cooperate with the debtor and its creditors in any activity relating to the Over-Indebtedness Composition Procedure in order to achieve a successful composition. It is only in December 2013 that the first Restructuring Agreement obtained the approval of the court (reference is made to court order (*decreto di omologa*) issued by Court of Pistoia on 27 December 2013) and, as at the date of this Prospectus, the number of Restructuring Agreements being reviewed by courts is still limited.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 (ninety) days from the relevant due date or if the relevant debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

**Accounting treatment of the Receivables**

Pursuant to Bank of Italy's regulations of 29 March 2000 ("*Schemi di bilancio delle società di cartolarizzazione dei crediti*"), and on 14 February 2006 (istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"*elenco speciale*", degli IMEL delle SGR e delle SIM) the accounting information relating to the securitisation of the Receivables will be contained in the Issuer's supplementary note (*nota integrative*), which, together with the balance sheet and the profit and loss statements form part of the financial statements of Italian companies.

## GENERAL INFORMATION

### Admission to trading

Application has been made for the Class A Notes to be admitted to trading on the ExtraMOT PRO of the ExtraMOT Market, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana.

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

### Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes has been authorised by the resolution of the Quotaholder's meetings dated 2 December 2020 and 11 February 2021.

### Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

| ***Class*** | ***ISIN Code*** | ***Common Code*** |
|---|---|---|
| Class A Notes | IT0005434979 | Not Applicable |
| Class J Notes | IT0005434987 | Not Applicable |

### Post-issuance transaction information

On or prior to each Investors Report Date, the Calculation Agent shall prepare and deliver to the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Account Bank, the Eligible Investment Settlement Bank (if any), the Representative of the Noteholders and the Rating Agencies the Investors Report, setting out certain information with respect to the Aggregate Portfolio and the Notes. Such report will be available for inspection on the website of the Calculation Agent (being, as at the date of this Prospectus, https://www.securitisation-services.com). The first Investors Report will be available on the Investors Report Date falling in March 2021.

In addition, under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it shall fulfil after the Issue Date the information requirements pursuant to article 7(1) of the EU Securitisation Regulation and article 22 of the EU Securitisation Regulation. For further details, see the section headed "*Risk Retention and Transparency Requirements*".

### No material litigation

Since the date of incorporation of the Issuer there have been no pending or threatened governmental, legal or arbitration proceedings which may have or which have had material effects on the Issuer's financial position or profitability.

### No material adverse change

Since the date of incorporation of the Issuer, there has been no material adverse change, or any development

reasonably likely to involve a material adverse change, in the financial position or prospects of the Issuer.

**Documents available for inspection**

As long as any of the Notes is outstanding, copies of the following documents may be inspected on the Securitisation Repository:

(a) the articles of association (*atto costitutivo*) and by-laws (*statuto*) of the Issuer;

(b) the Issuer's financial statements and the relevant auditors' reports;

(c) the Master Transfer Agreement;

(d) each Transfer Agreement;

(e) the Warranty and Indemnity Agreement;

(f) the Servicing Agreement;

(g) the Corporate Services Agreement;

(h) the Administrative Services Agreement;

(i) the Intercreditor Agreement;

(j) the Agency and Accounts Agreement;

(k) the Quotaholder's Agreement;

(l) the Stichting Corporate Services Agreement;

(m) this Prospectus;

(n) any other Transaction Document that may be entered into from time to time by the Issuer after the Issue Date; and

(o) any other information made available or to be made available on the Securitisation Repository pursuant to the section headed "*Risk Retention and Transparency Requirements*".

The documents listed under paragraphs (c) to (m) (included) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation.

**Financial statements of the Issuer**

The Issuer's accounting reference date is 31 December in each year.

Since the date of its incorporation, no financial statements have been made up as at the date of this Prospectus.

**Fees and expenses**

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 100,000.00 (excluding servicing fees and any VAT, if applicable).

The total expenses payable in connection with the admission of the Senior Notes to trading on the ExtraMOT PRO of the ExtraMOT Market, amount approximately to Euro 2,500 (plus VAT, if applicable).

## GLOSSARY OF TERMS

**Account Bank** means BNYM, Milan Branch or any other entity acting as account bank from time to time pursuant to the Agency and Accounts Agreement.

**Account Bank Report** means the report to be prepared and delivered by the Account Bank pursuant to the Agency and Accounts Agreement.

**Account Bank Report Date** means the date falling 3 (three) Business Days prior to each Calculation Date.

**Accounts** means the Collection Account, the Cash Reserve Account, the Expenses Account, the Securities Account (if any), the Payments Account and any other account that may be opened by the Issuer under the Securitisation in accordance with the Transaction Documents.

**Administrative Servicer** means ProFamily S.p.A. or any other entity acting as administrative servicer from time to time pursuant to the Administrative Services Agreement.

**Administrative Services Agreement** means the administrative services agreement entered into on or about the Issue Date between the Issuer and the Administrative Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Advanced Purchase Price** means, in respect of the Initial Portfolio and each Subsequent Portfolio, the portion of the purchase price payable by the Issuer to the Originator on the Issue Date in respect of the Initial Portfolio or on each Payment Date following the relevant Transfer Date in respect of each Subsequent Portfolio, being equal to the aggregate of the Advanced Individual Purchase Prices of the Receivables comprised in the Initial Portfolio or in the relevant Subsequent Portfolio, as the case may be.

**Advanced Individual Purchase Price** means the purchase price of each Receivable as indicated in the List of Receivables, being equal to the Principal Component of the relevant Receivable as at the relevant Effective Date, plus the relevant Interest Accrual.

**Agency and Accounts Agreement** means the agency and accounts agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Calculation Agent, the Account Bank, the Cash Manager, the Paying Agent, the Administrative Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Agents** means, collectively, the Calculation Agent, the Paying Agent, the Account Bank, the Cash Manager and the Eligible Investment Settlement Bank (if any).

**Aggregate Interest Amount** has the meaning ascribed to such term in Condition 5(d)(i) (*Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Aggregate Portfolio** means, collectively, the Initial Portfolio and the Subsequent Portfolios transferred pursuant to the Master Transfer Agreement and the relevant Transfer Agreement (where applicable).

**AIFM Regulation** means Regulation (EU) no. 231/2013, as amended and/or supplemented from time to time.

**Amortisation Period** means the period commencing on (and including) the Payment Date immediately following the end of the Revolving Period and ending on (and including) the Payment Date on which the Notes are redeemed in full and/or cancelled.

**Amortisation Plan** means, with reference to each Receivable, the payment of the Instalments scheduled in the relevant Loan Agreement.

**Assigned Debtors** means each person who has entered into a Loan Agreement (as obligor or co-obligor) and any transferee, successor or assignee who is obliged to pay the relevant Receivable.

**Back-up Servicer** means any entity which may be appointed by the Issuer as back-up servicer under the Securitisation in accordance with the provisions of the Servicing Agreement.

**Back-up Servicing Facilitator** means Banca Finint or any other entity acting as back-up servicer facilitator from time to time pursuant to the Intercreditor Agreement.

**Balloon Instalment** means, with reference to a Loan (other than Personal Loans), the last Instalment provided for (if any) under the relevant Loan Agreement, whose amount is significantly higher than the amount of the preceding Instalments.

**Banca Finint** means Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

**Banco BPM** means Banco BPM S.p.A., a bank incorporated under the laws of the Republic of Italy as joint stock company (*società per azioni*), having its registered office at Piazza F. Meda 4, 20121 Milan, Italy, VAT code and enrolment with the companies' register of Milano-Monza-Brianza-Lodi under no. 09722490969, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5584.8, parent company of the Banco BPM Group.

**Banco BPM Group** means the banking group which ProFamily belongs to, whose parent company is Banco BPM, enrolled with the banking group's register held by the Bank of Italy pursuant to article 60 of the Consolidated Banking Act under no. 8065.

**BNYM Mellon, Milan Branch** means The Bank of New York Mellon SA/NV, Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan under no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

**Borsa Italiana** means Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy.

**Breach of Ratio** means any of the following circumstances:

(a) the Cumulative Gross Default Ratio exceeds the Default Trigger Level; or

(b) the Delinquency Ratio exceeds the Delinquency Trigger Level; or

(c) an Uncured Principal Deficiency Event has occurred.

**Business Day** means any day, other than Saturday or Sunday, on which banks are open for general business in Milan, London and Luxembourg and the Trans-European Automated Real time Gross settlement Express Transfer system 2 (TARGET 2) (or any successor thereto) is open for the settlements of payments in Euro.

**Calculation Agent** means Banca Finint or any other entity acting as calculation agent from time to time pursuant to the Agency and Accounts Agreement.

**Calculation Date** means the date falling 4 (four) Business Days prior to each Payment Date.

**Cancellation Date** means the date of cancellation of the Notes, being:

(a) the earlier of (A) the Final Maturity Date if the Notes are redeemed in full, and (B) the date on which the Notes are finally redeemed following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or pursuant to Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*); or; or

(b) if the Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, the later of (i) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the date on which all the Receivables then outstanding will have been entirely written off by the Issuer as a consequence of the Servicer having determined that there is no reasonable likelihood of there being any further realisations in respect of the Aggregate Portfolio and the other Securitisation Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Notes.

**Cash Manager** means ProFamily or any other entity acting as cash manager from time to time pursuant to the Agency and Accounts Agreement.

**Cash Manager Report** means the report to be prepared and delivered by the Cash Manager pursuant to the Agency and Accounts Agreement.

**Cash Manager Report Date** means the date falling 5 (five) Business Days prior to each Payment Date.

**Cash Reserve Account** means the Euro denominated account with IBAN IT12R0335101600009337279780, opened in the name of the Issuer with the Account Bank.

**Cash Reserve Initial Amount** means an amount equal to Euro 8,600,000.00.

**Cash Reserve Release Date** means the earlier of (i) the Final Maturity Date, (ii) the Payment Date on which the Class A Notes will be early redeemed in full and/or cancelled, and (iii) the Payment Date following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event.

**Cash Reserve Required Amount** means, with reference to any Payment Date, an amount equal to:

(a) during the Revolving period, the Cash Reserve Initial Amount; or

(b) during the Amortisation Period, an amount equal to the higher of:

  (i) 1 (one) per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Priority of Payments); and

  (ii) an amount equal to 20 (twenty) per cent. of the Cash Reserve Initial Amount,

it being understood that, on the Cash Reserve Release Date and on any Payment Date thereafter (if any), such amount will be equal to 0 (zero).

**Cash Trapping Condition** means, with reference to any Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), the circumstance that the Cumulative Gross Default Ratio, calculated as at the immediately preceding Servicer's Report Date, exceeds 7.5 per cent.

**Class** means a class of Notes being the Class A Notes or the Class J Notes, as the case may be.

**Class A Noteholders** means the holders of the Class A Notes.

**Class A Notes** means Euro 860,000,000.00 Class A Asset Backed Fixed Rate Notes due December 2040.

**Class A Principal Payment** means, with reference to each Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount equal to the lower of (i) the Target Amortisation Amount on such Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with item (viii) (*eighth*) of the Pre-Enforcement Priority of Payments, and (iii) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**Class J Noteholders** means the holders of the Class J Notes.

**Class J Notes** means Euro 100,932,000.00 Class J Asset Backed Fixed Rate Notes due December 2040.

**Class J Principal Payment** means, with reference to each Payment Date prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount equal to the lower of (i) the Target Amortisation Amount on such Payment Date less the Class A Principal Payment on such Payment Date; (ii) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments; and (iii) the Principal Amount Outstanding of the Class J Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments), provided that, in the case of all Payment Dates other than the Cancellation Date, the Class J Principal Payment will be capped to an amount that makes the Principal Amount Outstanding of the Class J Notes on such Payment Date (after any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments) not lower than Euro 1,000.

**Clean-up Call Condition** has the meaning ascribed to such term in Condition 6(e) (*Early redemption at the option of the Issuer*).

**Clearstream** means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

**Collateral Integration Amount** means, with reference to any Payment Date during the Revolving Period, the amount (if positive) calculated as follows: (i) the Target Collateral Amount on such Payment Date; minus

(ii) the Advanced Purchase Price for the Subsequent Portfolio (if any) purchased by the Issuer on the Transfer Date immediately preceding such Payment Date.

**Collection Account** means the Euro denominated account with IBAN IT05P0335101600009337259780, opened in the name of the Issuer with the Account Bank.

**Collection Depositary Bank** means each depositary bank with which the ProFamily Accounts are and/or will be opened, including Poste Italiane S.p.A..

**Collection End Date** means the last calendar day of each month in each year.

**Collection Period** means each monthly period commencing on (but excluding) a Collection End Date and ending on (and including) the immediately following Collection End Date, provided that the first Collection Period will commence on (and including) the Effective Date of the Initial Portfolio and will end on (and including) the Collection End Date falling in February 2021.

**Collection Third Depositary Bank** means any third depositary bank, other than a Collection Depositary Bank, with which a Direct Debit is domiciled.

**Collections** means all amounts received or recovered in respect of the Receivables.

**Condition** means a condition of the Conditions.

**Conditions** means the terms and conditions of the Notes.

**Connected Third Party Creditors** means any creditors (other than the Issuer Creditors) in respect of fees, costs, expenses and taxes due by the Issuer in relation to the Securitisation.

**CONSOB** means *Commissione Nazionale per le Società e la Borsa*.

**CONSOB and Bank of Italy Joint Resolution** means the resolution of 13 August 2018 jointly issued by CONSOB and Bank of Italy (named "*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*") containing rules on custody, clearing and settlement, as amended and/or supplemented from time to time.

**Consolidated Banking Act** means the Italian Legislative Decree no. 385 of 1 September 1993, as amended and supplemented from time to time.

**Consolidated Financial Act** means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented from time to time.

**COR** means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

**Corporate Servicer** means Banca Finint or any other entity acting as corporate servicer from time to time pursuant to the Corporate Services Agreement.

**Corporate Services Agreement** means the corporate services agreement entered into on or about the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**CRA Regulation** means Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of

16 September 2009 on credit rating agencies, as subsequently amended.

**Credit and Collection Policies** means the procedures for the origination, management, collection and recovery of the Receivables attached as schedule 1 to the Servicing Agreement.

**CRR** means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time.

**CRR Amendment Regulation** means Regulation (EU) no. 2401 of 12 December 2017 amending the CRR.

**CRR Assessment** means the assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR carried out by PCS.

**Cumulative Gross Default Ratio** means the ratio, calculated on each Servicer's Report Date, between (a) the Outstanding Principal, as at the Collection End Date of the Collection Period in which the relevant Receivable has been classified as Defaulted Receivable, of all Receivables which have become Defaulted Receivables from the Effective Date of the Initial Portfolio up to (and including) the Collection End Date immediately preceding such Servicer's Report Date; and (b) the aggregate of (i) the Outstanding Principal, as at the relevant Effective Date, of the Initial Portfolio; and (ii) the Outstanding Principal, as at the relevant Effective Date, of each Subsequent Portfolio assigned to the Issuer up to (and including) the Collection End Date.

**DBRS** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Class A Notes, DBRS Ratings GmbH, and (ii) in any other case, any entity that is part of the DBRS group or Morningstar Credit Ratings, LLC, which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

**DBRS Equivalent Rating** means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

| DBRS | Moody's | S&P | Fitch |
|---|---|---|---|
| AAA | Aaa | AAA | AAA |
| AA(high) | Aa1 | AA+ | AA+ |
| AA | Aa2 | AA | AA |
| AA(low) | Aa3 | AA- | AA- |
| A(high) | A1 | A+ | A+ |
| A | A2 | A | A |
| A(low) | A3 | A- | A- |
| BBB(high) | Baa1 | BBB+ | BBB+ |
| BBB | Baa2 | BBB | BBB |
| BBB(low) | Baa3 | BBB- | BBB- |
| BB(high) | Ba1 | BB+ | BB+ |

| | | | |
|---|---|---|---|
| BB | Ba2 | BB | BB |
| BB(low) | Ba3 | BB- | BB- |
| B(high) | B1 | B+ | B+ |
| B | B2 | B | B |
| B(low) | B3 | B- | B- |
| CCC(high) | Caa1 | CCC+ | CCC+ |
| CCC | Caa2 | CCC | CCC |
| CCC(low) | Caa3 | CCC- | CCC- |
| CC | Ca | CC | CC |
| C | C | D | D |

**DBRS Minimum Rating** means:

(a) if a long-term senior debt rating by Fitch, a long-term senior debt rating by Moody's and a long-term senior debt rating by S&P in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such long-term senior debt rating remaining after disregarding the highest and lowest of such long-term senior debt ratings from such rating agencies (provided that (i) if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one long-term senior debt rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such long-term senior debt ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but long-term senior debt ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such long-term senior debt ratings (provided that if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but long-term senior debt ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such long-term senior debt rating (provided that if such long-term senior debt rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Debtors** means, collectively, the Assigned Debtors and the Guarantors.

**Decree 239** means Italian Legislative Decree no. 239 of 1 April 1996, as amended and/or supplemented from time to time, and any related regulations.

**Decree 239 Withholding** means any withholding or deduction for or on account of "*imposta sostitutiva*"

under Decree 239.

**Default Trigger Level** means in respect of any Servicer's Report Date falling during the Revolving Period 0.5 per cent.

**Defaulted Receivables** means, with reference to any given date, the Receivables (i) having at least 8 (eight) Unpaid Instalments; or (ii) in respect of which ProFamily has terminated the relevant Loan Agreement or has declared the relevant Loan immediately due and repayable (*decadenza dal beneficio del termine*) in accordance with the Credit and Collection Policies.

**Deferred Purchase Price** means, in respect of the Initial Portfolio and each Subsequent Portfolio, the portion of the purchase price payable by the Issuer to the Originator on each Payment Date following the Issue Date in respect of the Initial Portfolio and the relevant Transfer Date in respect of each Subsequent Portfolio, being equal to the Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

**Delinquency Ratio** means the ratio, calculated on each Servicer's Report Date with reference to the immediately preceding Collection End Date, between (i) the Outstanding Principal of all Receivables which are Delinquent Receivables as at such Collection End Date; and (ii) the Outstanding Principal of all Receivables other than the Defaulted Receivables as at such Collection End Date.

**Delinquency Trigger Level** means, in respect of any Servicer's Report Date falling during the Revolving Period, 5 (five) per cent.

**Delinquent Receivables** means, with reference to any given date, the Receivables which are not Defaulted Receivables and which have at least 4 (four) Unpaid Instalments.

**Direct Debit** means each interbank remittance relating to the Receivables, credited to the ProFamily Accounts by the depositary banks of the Debtors by way of direct debit through the Single Euro Payments Area (SEPA).

**Early Redemption Event** has the meaning ascribed to such term in Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*).

**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** means the European Central Bank.

**EEA** means the European Economic Area.

**Effective Date** means (i) in relation to the Initial Portfolio, 10 October 2020 (included); or (ii) in relation to any Subsequent Portfolio, the economic effective date (included) of the relevant transfer falling no more than 30 (thirty) Business Days prior to the relevant Transfer Date, as specified in the relevant Transfer Offer.

**Eligibility Criteria** means the eligibility criteria of each Receivable which are listed in schedule 1 to the Master Transfer Agreement.

**Eligible Institution** means a depository institution organised under the laws of any state which is a member of the European Union or the UK or of the United States of America:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS, a rating at least equal to "A" being:

(A) in case a public or private rating has been assigned by DBRS, the higher of (I) the rating one notch below the institution's COR (if assigned), and (II) the long-term senior unsecured debt rating or deposit rating; or

(B) in case a long-term COR has not been assigned by DBRS, the higher of the relevant institution's issue rating, long-term senior unsecured debt rating or deposit rating; or

(C) in case a public or private rating has not been assigned by DBRS, a DBRS Minimum Rating,

or such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch, a long-term public rating at least equal to "A" or a short-term public rating at least equal to "F1"; or

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by a depository institution organised under the laws of any state which is a member of the European Union or the UK or of the United States of America, whose unsecured and unsubordinated debt obligations are rated as set out in paragraph (a) above, provided that such guarantee has been notified in advance to the Rating Agencies and complies with the Rating Agencies' criteria.

**Eligible Investment Settlement Bank** means an Eligible Institution that may be appointed by the Issuer for the purposes of settling Eligible Investments in accordance with the Agency and Accounts Agreement.

**Eligible Investments** means any senior, unsubordinated debt securities, investment, commercial paper, deposit or other instrument which is denominated in Euro and is in the form of bonds, notes, commercial papers, deposits or other financial instruments having at least the following ratings:

(a) with respect to DBRS: (A) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public or private rating at least equal to "A" in respect of long-term debt, or (B) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "A" in respect of long-term debt, or such other rating as may from time to time comply with DBRS' criteria; and

(b) with respect to Fitch, a short-term public rating at least equal to "F1" or a long-term public rating at least equal to "A",

provided that: (a) each maturity date shall fall not later than the immediately following Eligible Investment Maturity Date; (b) any investment shall guarantee a fixed amount on account of principal at maturity not lower than the initial invested amount; and (c) in any event, any account, deposit, instrument or fund which consist, in whole or in part, actually or potentially, of credit-linked notes, synthetic securities or similar claims resulting from the transfer of credit risk by means of credit derivatives, swaps or tranches of other asset backed securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time shall be excluded.

**Eligible Investments Maturity Date** means, with reference to each Eligible Investment, the day falling 4 (four) Business Days prior to the Payment Date immediately following the Collection Period in respect of which the Eligible Investment has been made.

**ESMA** means the European Securities and Markets Authority.

**EU Insolvency Regulation** means Regulation (EU) no. 848 of 20 May 2015, as amended and/or supplemented from time to time.

**EU Securitisation Regulation** means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or supplemented from time to time.

**EU Securitisation Rules** means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, and (vi) any other rule or official interpretation implementing and/or supplementing the same.

**Euro**, **EUR** or **€** means the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

**Euroclear** means Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

**Expense Component** means, in relation to each Receivable, any fee and/or expense included in each Instalment due pursuant to the relevant Loan Agreement.

**Expenses** means any documented fees, costs, expenses and taxes required to be paid to any Connected Third Party Creditor arising in connection with the Securitisation, and required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing or to comply with applicable legislation.

**Expenses Account** means the Euro denominated account with IBAN IT02M0503411701000000002756, opened in the name of the Issuer with Banco BPM.

**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 meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986.

**FATCA Withholding** means any withholding applicable under FATCA or an IGA (or any law implementing an IGA).

**Final Maturity Date** means the Payment Date falling in December 2040.

**Finalised Loans** means the loans granted by ProFamily to the Debtors for the purchase of goods or services other than Vehicles.

**Fitch** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (*Sede secondaria Italiana*), and (ii) in any other case, any entity of Fitch Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

**Further Securitisation** has the meaning ascribed to such term in Condition 4(b) (*Further securitisations and corporate existence*)

**Guarantee** means any guarantee issued in order to secure the payment of the Receivables.

**Guarantor** means any third party who has granted a Guarantee.

**IFRS 9 Value** means, with reference to any Defaulted Receivable or Delinquent Receivable, the value of such Defaulted Receivable or Delinquent Receivable, as the case may be, as determined by the Originator taking into account any expected credit loss in accordance with International Financial Reporting Standard 9 (IFRS 9) (as amended) or any such equivalent financial reporting standard promulgated by the International Accounting Standards Board in order to replace IFRS 9.

**IGA** means each intergovernmental agreement entered into between the United States and other relevant jurisdictions to facilitate the implementation of FATCA.

**Initial Portfolio** means the portfolio of Receivables initially transferred from ProFamily to the Issuer pursuant to the Master Transfer Agreement.

**Inside Information and Significant Event Report** means the report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation (including, *inter alia*, any material change of the Priority of Payments and of the credit policies relating to the Receivables to be included in any Subsequent Portfolio and the occurrence of any Trigger Event), to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.

**Insolvency Proceedings** means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of-court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

**Instalment** means each instalment due under a Loan Agreement pursuant to the relevant Amortisation Plan, including the Principal Component, the Interest Component and the Expense Component.

**Insurance Companies** means the insurance companies with which ProFamily has entered into Insurance Policies.

**Insurance Policies** means the insurance policies entered into by ProFamily in relation to each Loan Agreement (i) to which the relevant Debtor may have adhered as beneficiary at the time of the execution of the relevant Loan Agreement; and (ii) pursuant to which ProFamily pays in advance the full premium relating to the Loan Agreement to the relevant Insurance Companies, and the relevant Debtor reimburses the amount of such premium as a part of each Instalment.

**Intercreditor Agreement** means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (acting for itself and on behalf of the Noteholders) and the Other Issuer Creditors and the Reporting Entity, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Accrual** means, with reference to each Receivable as at the relevant Effective Date, the interest accrued on the relevant Receivable but not yet due as at the relevant Effective Date.

**Interest Amount** has the meaning ascribed to such term in Condition 5(d)(i) (*Interest - Calculation of Interest Amount, Aggregate Interest Amount*).

**Interest Component** means, in relation to each Receivable, the interest component of each Instalment due pursuant to the relevant Loan Agreement.

**Interest Determination Date** means the 2nd (second) Business Day immediately preceding the beginning of the relevant Interest Period.

**Interest Period** means each period from (and including) a Payment Date to (but excluding) the next immediately following Payment Date, provided that the first Interest Period will commence on (and including) the Issue Date and will end on (but excluding) the Payment Date falling in March 2021.

**Investors Report** means the report setting out certain information with respect to the Aggregate Portfolio and the Notes, to be prepared and delivered by the Calculation Agent in accordance with the Agency and Accounts Agreement.

**Investors Report Date** means the date falling 1 (one) Business Day after each Payment Date.

**Issue Date** means the date falling on 24 February 2021, on which the Notes will be issued.

**Issuer** means Profamily SPV S.r.l., a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 05037400263, with a quota capital of Euro 10,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 7 June 2017 under no. 35764.0, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

**Issuer Available Funds** means, with reference to each Payment Date, the aggregate of:

(a) all Collections received or recovered by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding Collection Period;

(b) any other amount received by the Issuer in relation to the Aggregate Portfolio in respect of the immediately preceding Collection Period (including, for the avoidance of doubt, any adjustment of the Advanced Purchase Price paid to the Issuer pursuant to the Master Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Warranty and Indemnity Agreement and any indemnity paid by the Originator or the Servicer pursuant to the Master Transfer Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement, as the case may be);

(c) all amounts on account of principal (without double counting), interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments settled by an Eligible Investment Settlement Bank in accordance with the Agency and Accounts Agreement using funds standing to the credit of the Collection Account and the Cash Reserve Account in respect of the immediately preceding Collection Period;

(d) all amounts of interest accrued and paid on the Accounts (other than the Expenses Account and the Securities Account) during the immediately preceding Collection Period (net of any applicable withholding or expenses);

(e) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the first Payment Date, the Cash Reserve Initial Amount);

(f) any amount credited to the Collection Account on the immediately preceding Payment Date under item (vii) (*seventh*), paragraph (B), or (ix) (*ninth*) of the Pre-Enforcement Priority of Payments;

(g) any amount credited to the Collection Account on the immediately preceding Payment Date under item (xii) (*twelfth*) of the Pre-Enforcement Priority of Payments;

(h) on final redemption and/or cancellation of the Notes in accordance with the Conditions, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer falling due after the redemption in full or cancellation of the Notes;

(i) the proceeds deriving from the disposal (if any) of the Aggregate Portfolio pursuant to the Master Transfer Agreement or the Intercreditor Agreement;

(j) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer's Report in a timely manner in accordance with the provisions thereof; and

(k) any other amount received by the Issuer from any Transaction Party in respect of the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), if the Servicer fails to deliver the Servicer's Report to the Calculation Agent by the relevant Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (v) (*fifth*) (inclusive) of the Pre-Enforcement Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Priority of Payments.

**Issuer Creditors** means, collectively, the Noteholders and the Other Issuer Creditors.

**Issuer Insolvency Event** means, in respect of the Issuer, any of the following events:

(a) an order is made or an effective resolution is passed for the winding up of the Issuer or any of the events under article 2484 of the Italian civil code occurs; or

(b) an Insolvency Proceeding has been instituted against the Issuer under applicable laws and such proceeding is not, in the opinion of the Representative of the Noteholders, being disputed in good faith with a reasonable prospect of success; or

(c) the Issuer takes any action for a readjustment 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 the Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it, or it applies for or consents to the suspension of payments or an administrator, administrative receiver or liquidator or other similar official of the Issuer being appointed over or in respect of the whole or any part of the undertaking,

assets and/or revenues of the Issuer or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer.

**Italian Bankruptcy Law** means Italian Royal Decree no. 267 of 16 March 1942, as amended and/or supplemented from time to time.

**Junior Notes** means the Class J Notes.

**Law 52** means Italian Law no. 52 of 21 February 1991, as amended and/or supplemented from time to time.

**List of Receivables** means, as the case may be, (i) the list of Receivables comprised in the Initial Portfolio attached as schedule 4 to the Master Transfer Agreement; or (ii) the list of Receivables comprised in a Subsequent Portfolio, in the form attached as schedule A to the relevant Transfer Offer.

**Loan Agreements** means the consumer loan agreements entered into between ProFamily and the Assigned Debtors pursuant to articles 121 and following of the Consolidated Banking Act, from which the Receivables arise.

**Loan by Loan Report** means the report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Quarterly Report Date (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, if available), in compliance with point (a) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.

**Loans** means, collectively, the New Vehicle Loans, the Used Vehicle Loans, the Finalised Loans and the Personal Loans.

**Master Transfer Agreement** means the master transfer agreement entered into on 16 December 2020 between the Originator and the Issuer, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Meeting** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**Monte Titoli** means Monte Titoli S.p.A., a joint stock company under the laws of the Republic of Italy, having its registered office at Piazza degli Affari 6, 20123 Milan, Italy, VAT code and enrolment with the companies' register of Milan no. 03638780159.

**Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

**Monte Titoli Mandate Agreement** means the agreement entered into on or about the Issue Date between the Issuer and Monte Titoli, whereby Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Moody's** means Moody's Investors Service Inc..

**Most Senior Class of Notes** means (i) until redemption in full of the Class A Notes, the Class A Notes; or (ii) following redemption in full of the Class A Notes, the Class J Notes.

**New Vehicle Loans** means the loans granted by ProFamily to the Debtors for the purchase of new Vehicles.

**Noteholders** means, collectively, the Class A Noteholders and the Class J Noteholders.

**Notes** means, collectively, the Class A Notes and the Class J Notes.

**Offer Date** means, during the Revolving Period, the date falling no later than 2 (two) Business Days immediately preceding the relevant Calculation Date, on which a Subsequent Portfolio is offered for sale by the Originator to the Issuer pursuant to the Master Transfer Agreement.

**Ordinary Resolution** has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**Originator** means ProFamily.

**Other Issuer Creditors** means the Originator, the Servicer, the Back-up Servicer (if any), the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Administrative Servicer, the Account Bank, the Stichting Corporate Services Provider, the Paying Agent, the Cash Manager, the Subscriber and any other entity which may accede to the Intercreditor Agreement from time to time.

**Outstanding Balance** means, with reference to any given date and in relation to any Receivable, the aggregate of (i) the Outstanding Principal of such Receivable, (ii) any interest, fee and expense due but unpaid thereon, and (iii) any interest accrued but not yet due thereon, as at such date.

**Outstanding Principal** means, with reference to any given date and in relation to any Receivable, the aggregate of (i) all Principal Components due pursuant to the relevant Loan Agreement following that date, and (ii) all Principal Components due but unpaid as at that date, provided that the Outstanding Principal of each Receivable as at the relevant Effective Date is equal to the aggregate of all the Principal Components due pursuant to the relevant Loan Agreement starting from such date.

**Paying Agent** means BNYM, Milan Branch or any other entity acting as paying agent from time to time pursuant to the Agency and Accounts Agreement.

**Payment Date** means (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the 20th (twentieth) calendar day of each month in each year (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Payment Date will fall on 22 March 2021; or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation.

**Payments Account** means the Euro denominated account with IBAN IT57Q0335101600009337269780, opened in the name of the Issuer with the Account Bank.

**Payments Report** means the report to be prepared by the Calculation Agent pursuant to the Agency and Accounts Agreement.

**PCS** means Prime Collateralised Securities (PCS) EU SAS.

**Personal Loans** means the loans granted by ProFamily to the Debtors pursuant to the relevant Loan Agreements, which do not require the purpose of the relevant Loan to be specified.

**Portfolio** means, as the case may be, the Initial Portfolio or a Subsequent Portfolio.

**Post Note** means each post note used by the Debtors for the payment of the Receivables.

**Post-Enforcement Priority of Payments** means the order of priority pursuant to which the Issuer Available Funds shall be applied, in accordance with Condition 3(b) (*Priority of Payments - Post-Enforcement Priority of Payments*), following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or in case of redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*).

**Post-Renegotiation Weighted Average Yield** means, with reference to all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio following a renegotiation of the interest rate, the aggregate of the yield of each Receivable calculated as follows:

(a) the Outstanding Principal, as at the Collection End Date immediately preceding the relevant date of renegotiation, of the relevant Receivable; multiplied by

(b) the annual nominal interest rate applicable to the relevant Receivable pursuant to the relevant Loan Agreement (as renegotiated (if any)),

divided by the Outstanding Principal, as at the Collection End Date immediately preceding the relevant date of renegotiation, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio.

**Pre-Enforcement Priority of Payments** means the order of priority pursuant to which the Issuer Available Funds shall be applied, in accordance with Condition 3(a) (*Priority of Payments - Pre-Enforcement Priority of Payments*), prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*).

**Principal Amount Outstanding** means, with reference to any given date and in relation to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

**Principal Component** means, in relation to each Receivable, the principal component of each Instalment due pursuant to the relevant Loan Agreement.

**Principal Deficiency Trigger Level** means with reference to any Payment Date during the Revolving Period, 2.50 per cent. of the Outstanding Principal of the Initial Portfolio as at the relevant Effective Date.

**Priority of Payments** means, as the case may be, the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments.

**Privacy Rules** means the Regulation (EU) no. 679 of 27 April with regard to the processing of personal data and the free movement of such data, Legislative Decree no. 196 of 30 June 2003, as well as the implementing legislation supplemented by the provisions from time to time issued on the matter by the Italian Data Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*), as subsequently amended and supplemented.

**ProFamily** means ProFamily S.p.A., a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via Massaua 6, 20146 Milan, Italy, tax code no. 10884890962, VAT Group no. 10537050964 and enrolment with the Rea MI no.

2563796, registered with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under no. 233, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) of Banco BPM S.p.A. pursuant to articles 2497 and following of the Italian civil code, belonging to the Banco BPM Group.

**ProFamily Accounts** means the accounts opened in the name of ProFamily with each Collection Depositary Bank.

**Prospectus** means the prospectus related to the issuance of the Notes.

**Prospectus Regulation** means Regulation (EU) 2017/1129, as amended and/or supplemented from time to time.

**Purchase Price** means, collectively, the Advanced Purchase Price and the Deferred Purchase Price.

**Purchase Termination Event** means any of the events described in Condition 9 (*Purchase Termination Events*).

**Quarterly Report Date** means (i) prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the date falling no later than one month after each Payment Date falling in March, June, September and December in each year, provided that the first Quarterly Report Date will fall in April 2021, or (ii) following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the date falling no later than one month after each quarterly date designated as Payment Date by the Representative of the Noteholders.

**Quota Capital Account** means the Euro denominated account with IBAN IT76N0503411701000000002757, opened in the name of the Issuer with Banco BPM.

**Quotaholder** means Stichting Naviglio.

**Quotaholder's Agreement** means the quotaholder's agreement entered into on or about the Issue Date between the Quotaholder, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions thereof contained and including any agreement or other document expressed to be supplemental thereto.

**Rate of Interest** has the meaning ascribed to such term in Condition 5(c) (*Interest - Rate of interest on the Notes*).

**Rating Agencies** means, collectively, DBRS and Fitch.

**Receivables** means all rights and claims of the Issuer arising from the Loans granted pursuant to the Loan Agreements including without limitation:

(a) all claims for the repayment of the Principal Components due in relation to the Receivables starting from the relevant Effective Date (excluding all the receivables for the repayment of the Principal Components of the Unpaid Instalments as at the relevant Effective Date);

(b) all claims for the payment of the Interest Components due in relation to the Receivables starting from the relevant Effective Date, as well as for the payment of the Interest Accrual as at the relevant Effective Date (excluding all the receivables for the payment of the Interest Components of the Unpaid Instalments as at the relevant Effective Date);

(c) all claims for the payment of the Expense Components due in relation to the Receivables starting from the relevant Effective Date (excluding all the receivables for the payment of the Expense Components of the Unpaid Instalments as at the relevant Effective Date);

(d) all claims for the payment of interest for late payments (calculated at the contractual rate applicable from time to time), prepayment penalties, costs, indemnities and damages due in relation to the Receivables starting from the relevant Effective Date, as well as any other sum due by the Debtors to ProFamily in relation to or in connection with the Loan Agreements starting from the relevant Effective Date,

all together with the Guarantees (except for the fideiussioni *omnibus* vis-à-vis the Debtors relating to a plurality of juridical relationships and therefore not aimed at guaranteeing exclusively the obligations arising from the Loan Agreements), privileges and priority rights (*diritti di prelazione*) supporting the aforesaid rights and claims, all other rights ancillary thereto and any other right, claim and action (also for damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims and their exercise in accordance with the relevant Loan Agreement and all the other deeds and agreements related thereto and/or pursuant to the applicable laws and regulations, including, without limitation, the right of ProFamily to terminate the relevant Loan Agreement due to a default or any other cause and the right to declare any amount under the relevant Loan Agreement immediately due and payable, any right of ProFamily under any Insurance Policies, as well as any other right of ProFamily towards, and any other sum (if any) due by, the suppliers of the relevant assets or services finance pursuant to the Loan Agreements in accordance with article 125-*quinquies* of the Consolidated Banking Act.

**Regulation S** has the meaning ascribed to such term in the Securities Act.

**Regulatory Technical Standards** means:

(a) the regulatory and implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(b) in relation to risk retention requirements, the transitional regulatory technical standards applicable pursuant to article 43 of the EU Securitisation Regulation prior to the entry into force of the relevant regulatory technical standards referred to in paragraph (a) above.

**Representative of the Noteholders** means Banca Finint or any other person acting as representative of the Noteholders under the Securitisation from time to time.

**Reporting Entity** means the Originator or any other person acting as reporting entity pursuant to article 7(2) of the EU Securitisation Regulation from time to time under the Securitisation as notified by the Issuer to the investors in the Notes.

**Required Rating** means a long term rating equal to "B (high)" by DBRS.

**Retention Amount** means an amount equal to Euro 50,000.

**Revolving Period** means the period commencing on (and including) the Issue and ending on the earlier of:

(a) the Payment Date falling in June 2021 (included); and

(b) the date on which a Purchase Termination Event occurs (excluded).

**Rules of the Organisation of the Noteholders** or **Rules** means the rules of the Organisation of Noteholders attached as schedule 1 to the Conditions.

**S&P** Standard & Poor's Financial Services LLC and/or Standard & Poor's Credit Market Services Europe Limited, as the case may be.

**Securities Account** means the Euro denominated account that may be opened in the name of the Issuer with an Eligible Investment Settlement Bank.

**Securities Act** means the U.S. Securities Act of 1933, as amended.

**Securitisation** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

**Securitisation Assets** means the Aggregate Portfolio, the Collections, the Eligible Investments and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation.

**Securitisation Law** means Italian Law no. 130 of 30 April 1999, as amended and/or supplemented from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

**Senior Noteholders** means the Class A Noteholders.

**Senior Notes** means the Class A Notes.

**Servicer** means ProFamily or any other entity acting as servicer from time to time pursuant to the Servicing Agreement.

**Servicer's Report** means the report to be prepared and delivered by the Servicer pursuant to the Servicing Agreement.

**Servicer's Report Date** means the 7th (seventh) Business Day following each Collection End Date (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Servicer's Report Date will fall in March 2021.

**Servicing Agreement** means the servicing agreement entered into on 16 December 2020 between the Issuer and the Servicer, and as from time to time further modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Solvency II Amendment Regulation** means the Commission Delegated Regulation (EU) no. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

**Solvency II Regulation** means Regulation (EU) no. 35/2015, as amended, supplemented and/or replaced from time to time.

**Specified Event** means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 15 (fifteen) Business Days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requiring the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such authorities or powers, to give any such direction or to make any such determination.

**SR Investors Report** means the report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation), to be prepared and delivered by the Calculation Agent in accordance with the Agency and Accounts Agreement.

**Stichting Corporate Services Agreement** means the stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Stichting Corporate Services Provider** means Wilmington Trust or any other entity acting as stichting corporate services provider from time to time under the Securitisation.

**STS** means simple, transparent and standardised within the meaning of article 18 of the EU Securitisation Regulation.

**STS Assessments** means, collectively, the STS Verification and the CRR Assessment.

**STS Notification** means the notification sent by the Originator on or prior to the Issue Date in respect of the Securitisation for the inclusion in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation.

**STS-securitisation** means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the EU Securitisation Regulation.

**STS Verification** means the assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation carried out by PCS.

**Subscriber** means ProFamily.

**Subscription Agreement** means the subscription agreement relating to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Subsequent Portfolio** means each portfolio of Receivables purchased by the Issuer after the transfer of the Initial Portfolio, pursuant to the Master Transfer Agreement and the relevant Transfer Agreement.

**Successor Servicer** means any successor servicer appointed by the Issuer in accordance with the provisions of the Servicing Agreement.

**Target Amortisation Amount** means, in respect of any Payment Date during the Amortisation Period prior to the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event or the redemption of the Notes in accordance with Condition 6(a) (*Final redemption*), Condition 6(d) (*Early redemption for taxation, legal or regulatory reasons*) or Condition 6(e) (*Early redemption at the option of the Issuer*), an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio.

**Target Collateral Amount** means, in respect of any Payment Date during the Revolving Period, an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio.

**Transfer Agreement** means each transfer agreement to be entered into between the Originator and the Issuer in relation to the purchase of Subsequent Portfolios, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Transaction Documents** means the Master Transfer Agreement, each Transfer Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Subscription Agreement and any other agreement, deed or documents which may be entered into by the Issuer under the Securitisation from time to time.

**Transaction Party** means any party to the Transaction Documents (other than the Issuer).

**Transfer Date** means (i) in relation to the Initial Portfolio, the date of execution of the Master Transfer Agreement (included); or (ii) in relation to any Subsequent Portfolio, the date of execution of the relevant Transfer Agreement (included).

**Transfer Limits** means the limits which each Subsequent Portfolio shall comply with as at the relevant Offer Date pursuant to the Master Transfer Agreement.

**Transfer Offer** means the transfer offer to be executed in relation to the transfer of each Subsequent Portfolio, in the form attached as schedule 2 to the Master Transfer Agreement.

**Trigger Event** means any of the events described in Condition 10(a) (*Trigger Events*).

**Trigger Notice** means the notice described in Condition 10(b) (*Trigger Events*).

**Uncured Principal Deficiency Event** means, with reference to any given Calculation Date during the Revolving Period, the circumstance that the Issuer Available Funds which may be applied pursuant to item (vii) (*seventh*) of the Pre-Enforcement Priority of Payments are less than the Target Collateral Amount, and such deficiency is higher than the Principal Deficiency Trigger Level.

**UK** means the United Kingdom.

**Unpaid Instalment** means an Instalment which has not been paid in full on the relevant due date and which has remained unpaid for more than (i) 6 (six) days from the relevant due date in case of payment to be made through Direct Debit, and (ii) 10 (ten) days from the relevant due date in case of payment to be made through Post Note.

**Used Vehicle Loans** means the loans granted by ProFamily to the Debtors for the purchase of used Vehicles.

**Usury Law** means Italian Law no. 108 of 7 March 1996, as from time to time amended and/or supplemented, and the relevant implementing regulations.

**VAT** means the Italian value added tax (IVA) provided for in Italian Presidential Decree no. 633 of 26 October 1972, as amended, supplemented and/or replaced from time to time, and any law or regulation supplemental thereto.

**Vehicle Seller** means each dealer or other seller from which a Debtor has purchased its own Vehicle.

**Vehicles** means each car or other vehicle purchased by a Debtor from a Vehicle Seller.

**Volcker Rule** means Section 619 of the Dodd-Frank Act.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on 16 December 2020 between the Originator and the Issuer, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**Weighted Average Yield** means, on each Offer Date with reference to all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio (inclusive of the Subsequent Portfolio offered for sale), the aggregate of the yield of each Receivable calculated as follows:

(a) the Outstanding Principal, as at the Collection End Date immediately preceding the relevant Offer Date (or, in relation to each Receivable comprised in the Subsequent Portfolio offered for sale, as at the relevant Effective Date), of the relevant Receivable; multiplied by

(b) the annual nominal interest rate applicable to the relevant Receivable pursuant to the relevant Loan Agreement,

divided by the aggregate of (A) the Outstanding Principal, as at the relevant Effective Date, of all Receivables comprised in the Subsequent Portfolio; and (B) the Outstanding Principal, as at the Collection End Date immediately preceding the relevant Offer Date, of all Receivables (other than the Defaulted Receivables) comprised in the Aggregate Portfolio already transferred to the Issuer.

**Wilmington Trust** means Wilmington Trust SP Services (London) Limited, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, enrolment with the Trade Register of the Chamber of Commerce of England and Wales under no. 02548079.

**ISSUER**

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