## IMPORTANT NOTICE

**IMPORTANT: You must read the following before continuing.** The following applies to the prospectus attached to this electronic transmission (the "**Prospectus**" or "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF VEICOLO DI SISTEMA S.R.L. (THE "**ISSUER**"). IN PARTICULAR, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. ACCORDINGLY, THE SECURITIES ARE BEING OFFERED AND/OR SOLD ONLY OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NOTWITHSTANDING THE FOREGOING, IN NO EVENT MAY THE SECURITIES BE SOLD, ASSIGNED OR TRANSFERRED TO A RISK RETENTION U.S. PERSON (AS DEFINED HEREIN). SEE THE SECTION HEADED "SUBSCRIPTION AND SALE" AND "RISK FACTORS - U.S. RISK RETENTION REQUIREMENTS.

THE ISSUER IS RELYING ON THE EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). ACCORDINGLY, NO NOTES MAY BE SOLD, ASSIGNED OR TRANSFERRED TO A U.S. PERSON EXCEPT TO A "QUALIFIED PURCHASER" (AS DEFINED IN THE INVESTMENT COMPANY ACT). THE ISSUER DOES NOT INTEND TO QUALIFY FOR THE "LOAN SECURITIZATION" EXCLUSION SET FORTH IN THE IMPLEMENTING REGULATIONS OF THE VOLCKER RULE UNDER THE DODD-FRANK ACT (BOTH AS DEFINED HEREIN) AND, AS A RESULT, MAY BECOME A "COVERED FUND" AS MORE FULLY EXPLAINED HEREIN. HOWEVER, THE ISSUER IS OF THE VIEW THAT, UNDER THE VOLCKER RULE, THE SENIOR NOTES SHOULD NOT BE REGARDED AS "OWNERSHIP INTERESTS" IN THE ISSUER. NO ASSURANCE CAN BE GIVEN AS TO THE CHARACTERIZATION OF THE SENIOR NOTES UNDER THE VOLCKER RULE AND INVESTORS SHOULD CONSULT THEIR OWN LEGAL AND REGULATORY ADVISORS WITH RESPECT TO SUCH MATTERS.

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

**PROHIBITION OF SALES TO 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 ("**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**"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 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 REGULATION (EU) 2017/1129 (AS AMENDED, THE "**EU PROSPECTUS REGULATION**"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA 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.

**BENCHMARKS REGULATION** - AMOUNTS PAYABLE UNDER THE CLASS A NOTES ARE CALCULATED BY REFERENCE TO THE EURIBOR WHICH IS PROVIDED BY EUROPEAN MONEY MARKETS INSTITUTE WITH ITS OFFICE IN BRUSSELS, BELGIUM (THE "**ADMINISTRATOR**"). AS AT THE DATE OF THIS PROSPECTUS, THE ADMINISTRATOR OF EURIBOR IS INCLUDED IN THE REGISTER OF ADMINISTRATORS AND BENCHMARKS ESTABLISHED AND MAINTAINED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY ("**ESMA**") PURSUANT TO ARTICLE 36 OF THE BENCHMARKS REGULATION (REGULATION (EU) 2016/1011).

**EU MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

**UK RESTRICTIONS ON SALES** - THE NOTES MUST NOT BE OFFERED OR SOLD AND THIS PROSPECTUS AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE NOTES MUST NOT BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19 (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (AS AMENDED) (THE "**ORDER**") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A)-(D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED)

("**FSMA**") DOES NOT APPLY TO THE ISSUER OR ARE PERSONS TO WHOM THIS PROSPECTUS OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

NEITHER THIS PROSPECTUS NOR THE NOTES ARE OR WILL BE AVAILABLE TO PERSONS WHO ARE NOT RELEVANT PERSONS AND THIS PROSPECTUS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. THE COMMUNICATION OF THIS PROSPECTUS TO ANY PERSON IN THE UNITED KINGDOM WHO IS NOT A RELEVANT PERSON IS UNAUTHORISED AND MAY CONTRAVENE THE FSMA.

**UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** - SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S (THE "MANUFACTURERS") 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 UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY THE EUROPEAN UNION (WITHDRAWAL AGREEMENT) ACT 2020, AS MAY BE AMENDED, VARIED, SUPERSEDED OR SUBSTITUTED FROM TIME TO TIME ("**EUWA**") ("**UK MIFIR**"); AND (II) ALL CHANNELS FOR DISTRIBUTION 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 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 MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

**PROHIBITION OF SALES TO 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 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 UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA, AND AS AMENDED; OR (III) NOT A QUALIFIED INVESTOR ("**UK QUALIFIED INVESTOR**") AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "**UK PROSPECTUS REGULATION**"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA, AND AS AMENDED (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.

**Confirmation of your Representation:** In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This Prospectus is being sent at your request and by accepting the e-mail and accessing this Prospectus, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, any States of the United States or the District of Columbia and that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Arranger, the Sellers nor the Transaction Parties (each as defined below) nor any person who controls any of such person nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer.

# PROSPECTUS

## VEICOLO DI SISTEMA S.R.L.

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

**Euro 70,000,000 Class A Asset Backed Floating Rate Notes due 31 December 2036**

*Issue Price: 100%*

**Euro 42,248,885 Class B Asset Backed Fixed Rate Notes due 31 December 2046**

*Issue Price: 100%*

**Euro 50,265,458 Class J Asset Backed Variable Return Notes due 31 December 2046**

*Issue Price: 100%*

In the context of a securitisation transaction carried out by the Issuer (the "**Securitisation**"), on 14 December 2023 (the "**Issue Date**") the Issuer issued the Euro 70,000,000 Class A Asset Backed Floating Rate Notes due 31 December 2036 (the "**Class A Notes**" or the "**Senior Notes**" or the "**Rated Notes**"), the Euro 42,248,885 Class B Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B Notes**" or the "**Mezzanine Notes**") and the Euro 50,265,458 Class J Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J Notes**" or the "**Junior Notes**", and together with the Senior Notes and the Mezzanine Notes, the "**Notes**" ).

The Class B Notes and the Class J Notes will be issued by the Issuer on the Issue Date in series (each a "**Series**"). In particular:

(a) the Series of the Mezzanine Notes will be the following: (i) the Euro 17,544,025 Class B1 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B1 Notes**"); (ii) the Euro 8,175,776 Class B2 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B2 Notes**"); (iii) the Euro 4,376,188 Class B3 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B3 Notes**"); (iv) the Euro 4,706,191 Class B4 Asset Backed Floating Rate Notes due 31 December 2036 (the "**Class B4 Notes**"); (v) the Euro 7,291,402 Class B5 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B5 Notes**"); and (vi) the Euro 155,302 Class B6 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B6 Notes**");

(b) the Series of the Junior Notes will be the following: (i) the Euro 24,538,088 Class J1 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J1 Notes**"); (ii) the Euro 1,839,496 Class J2 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J2 Notes**"); (iii) the Euro 7,034,980 Class J3 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J3 Notes**"); (iv) the Euro 11,395,695 Class J4 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J4 Notes**"); (v) the Euro 5,140,545 Class J5 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J5 Notes**"); and (vi) the Euro 316,653 Class J6 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J6 Notes**").

This Prospectus does not comprise a prospectus with regard to the Issuer and the Notes for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**EU Prospectus Regulation**") or article 3 of the EU Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**" and, together with the EU Prospectus Regulation, the "**Prospectus Regulations**"). This Prospectus also constitutes the admission document of the Senior Notes for the admission to the multilateral trading facility "Euronext Access Milan", which is a multilateral system for the purposes of the Market and Financial Instruments Directive (Directive 2014/65/EC (the "**MIFID II**")), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). Euronext Access Milan is not a "regulated market" for the purpose of MIFID II. The Mezzanine Notes and the Junior Notes are not being offered pursuant to this Prospectus and no application has been made to list Mezzanine Notes and the Junior Notes on any stock exchange.

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

**The program of the transaction (the "Program") to be issued pursuant to article 3 of the law of the Republic of San Marino no. 157 of 30 August 2021 (the "San Marino Securitisation Law") has been approved by the Central Bank of the Republic of San Marino on 7 December 2023. This Prospectus does not amend, supplement or integrate the Program, which is available for consultation (only in Italian language) to the registered office of the Master Servicer.**

The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made in respect of 6 (six) portfolios of banking assets which have been purchased by the Issuer pursuant to the provisions of 6 (six) transfer agreements (together the "**Transfer Agreements**" and each a "**Transfer Agreement**") each entered into on 29 November 2023 between the Issuer and respectively:

(1) Banca di San Marino S.p.A. ("**BSM**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**BSM Portfolio**" and the "**BSM Banking Assets**");

(2) Cassa di Risparmio della Repubblica di San Marino S.p.A. ("**CRSS**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**CRSS Portfolio**" and the "**CRSS Banking Assets**");

(3) Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. ("**BAC IBS**" and, together with CRSS and BSM, the "**Seller Banks**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**BAC IBS Portfolio**" and the "**BAC IBS Banking Assets**");

(4) Società di Gestione degli Attivi ex BNS S.p.A. ("**SGA**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**SGA Portfolio**" and the "**SGA Banking Assets**");

(5) 739 SG S.p.A. ("**739**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**739 Portfolio**" and the "**739 Banking Assets**"); and

(6) Veicolo Pubblico di Segregazione Fondi Pensione ("**VPSFP**" and together, with 739 and SGA, the "**Other Sellers**"; the Seller Banks and the Other Sellers, collectively, the "**Sellers**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively the "**VPSFP Portfolio**" and together with the 739 Portfolio, the SGA Portfolio, the BAC IBS Portfolio, the CRSS Portfolio and the BSM Portfolio, (together the "**Portfolio**" and each a "**Sub-Portfolio**") and the "**VPSFP Banking Assets**", and together with 739 Banking Assets, SGA Banking Assets, BAC IBS Banking Assets, CRSS Banking Assets, BSM Banking Assets, the "**Banking Assets**").

If the Notes cannot be redeemed in full on the relevant Final Maturity Date following the application of all funds available, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus.

If any amounts remain outstanding in respect of the Notes upon expiry of the relevant Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled. The amount and timing of repayment of principal under the Banking Assets will affect also the yield to maturity of the Notes which cannot be predicted.

The Notes will be subject to mandatory redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Senior Notes will be redeemed on the Payment Date falling on 31 December 2036 (the "**Class A Final Maturity Date**" or the "**Senior Notes Maturity Date**") and the Mezzanine Notes and the Junior Notes will be redeemed on the Payment Date falling on 31 December 2046 (the "**Mezzanine and Junior Notes Final Maturity Date**", and together with the Senior Notes Maturity Date, the "**Final Maturity Date**"). The Notes of each Class will be redeemed in the manner specified in Condition 8 (*Redemption and Purchase*). Before the relevant Final Maturity Date, the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 8.2 (*Redemption for Taxation*) and Condition 8.4 (Optional Redemption).

Interest on the Notes started accruing from the Issue Date. Save as provided for in Condition 7.7 (*Unpaid Interest on the Class A Notes*) Interest on the Notes will be payable semi-annually in arrears on the last calendar day of June and December in each year or, if such day is not a Business Day, the immediately preceding Business Day (each such date a "**Payment Date**"). The first Payment Date will fall on 28 June 2024 (the "**First Payment Date**").

The Class A Notes and the Class B Notes will bear interest from (and including) a Payment Date to (but excluding) the next following Payment Date (each an "**Interest Period**") provided that the first Interest Period (being the "**Initial Interest Period**") begins on (and includes) the period which begins on (and includes) the Issue Date and ends on (but excludes) the First Payment Date.

The floating rate of interest applicable to the Class A Notes shall be a floating rate equal to 4.3% *per annum* (the "**Class A Notes Margin**") plus the Reference Rate (the "**Class A Notes Interest Rate**"), provided that in any case the Class A Notes Interest Rate shall not be in any case negative. The fixed rate of interest applicable to the Class B Notes shall be equal to 6.0% *per annum* (the "**Class B Interest Rate**" and, together with the Class A Notes Interest Rate, the "**Interest Rates**"). The Class J Notes bear interest in the form of the Class J Notes Variable Return to be calculated in accordance with the Conditions.

All payments of principal, interest and Class J Notes Variable Return on the Notes will be made free and clear of any withholding in accordance with the provisions of the San Marino Securitisation Law, as subsequently amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other Person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence. For further details see the section entitled "Taxation in the Republic of San Marino".

The Notes of each Class and Series will initially be represented by a Global Note Certificate which will be registered in the name of a Common Depositary for Clearstream Banking S.A., Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank

S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and each Global Note Certificate will be deposited on or about the Issue Date with the Common Depositary for Euroclear and/or Clearstream, Luxembourg. Definitive Note Certificates evidencing holdings of Notes will only be available in certain limited circumstances in accordance with the Conditions and the Note Trust Deed. On issue, the Class A Notes are expected to be rated BBB(l) by DBRS Ratings GmbH ("**DBRS**") and BBB by ARC Ratings, S.A. ("**ARC**"). As of the date of this Prospectus, each of DBRS and ARC are established in the European Union and were registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and by Regulation (EU) 462/2013 of the European Parliament and of the Council of 21 May 2013 (the "**CRA Regulation**") and were included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus (the "**ESMA Website**"). It is not expected that the Class B Notes and the Class J Notes will be assigned a credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Notwithstanding the foregoing, in no event may the Notes be sold, assigned or transferred to a Risk Retention U.S. Person (as defined herein). See the section headed "Subscription and Sale" and "Risk Factors - U.S. Risk Retention Requirements".

The Issuer is relying on the exemption from the definition of "investment company" under Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, no Notes may be sold, assigned or transferred to a U.S. person except to a "qualified purchaser" (as defined in the Investment Company Act). Under the Volcker Rule of the Dodd-Frank Act (both as defined herein) certain banking entities are prohibited acquiring or retaining an ownership interest in a covered fund (which is defined to include issuers relying on Section 3(c)(7) of the Investment Company Act). The Issuer does not intend to qualify for the "loan securitization" exclusion set forth in the implementing regulations of the Volcker Rule and, as a result, may become a "covered fund". However, the Issuer is of the view that, under the Volcker Rule, the Senior Debt should not be regarded as "ownership interests" in the Issuer and accordingly banking entities subject to the Volcker Rule should not be prohibited from purchasing such Senior Notes under the Volcker Rule. There can be no assurance that the Issuer will not be a covered fund or that an investment in any Class of Notes will not constitute an "ownership interest" in a covered fund. The Arranger has not made any investigation or representation as to the characterization of the Notes under the Volcker Rule. Investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the legality of their investments in the Notes.

Even if the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**EU Securitisation Regulation**") is not directly applicable to the Sellers or the Issuer, each of the Sellers has undertaken, under the Subscription Agreement, to voluntarily retain at the Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% (calculated for each Seller with respect to the Banking Assets comprised in the relevant Portfolio which have been transferred to the Issuer) in the Transaction in accordance with paragraph (d) of Article 6(3) of the EU Securitisation Regulation (the "**EU Retained Interest**"). The EU Retained Interest shall not be subject to any credit risk mitigation or hedging, except to the extent permitted under the applicable provisions of the EU Securitisation Regulation.

In addition, even if the EU Securitisation Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (and as may be further amended, supplemented or replaced, from time to time) (the "**UK Securitisation Regulation**", and together with the EU Securitisation Regulation, the "**Securitisation Regulations**") is not directly applicable to the Sellers, each of the Sellers has undertaken to retain at the Issue Date and to maintain on an ongoing basis a material net economic interest in the Transaction of at least 5% (calculated for each Seller with respect to the Banking Assets comprised in the relevant Portfolio which have been transferred to the Issuer) in accordance with paragraph (d) of Article 6(3) of the UK Securitisation Regulation (the "**UK Retained Interest**" and together with the EU Retained Interest, the "**Retained Interest**"). The Retained Interest shall not be subject to any credit risk mitigation or hedging, except to the extent permitted under the applicable provisions of the UK Securitisation Regulation.

Neither the Sellers nor any other person intends to retain a risk retention interest contemplated by the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather the Seller intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. In furtherance of the foregoing, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Person. See the section headed "Risk Factors – U.S. Risk Retention Requirements". No assurance can be given as to the availability of the "foreign safe harbor" under the U.S. Risk Retention Rules and investors should consult their own legal and regulatory advisors with respect to such matters.

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

**BENCHMARKS REGULATION** – Amounts payable under the Class A Notes are calculated by reference to the EURIBOR as specified in the Conditions. As at the date of this Prospectus, EURIBOR is provided by the European Money Markets Institute (the "**EMMI**"). As at the date of this Prospectus, EMMI is authorised as benchmark administrator and included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**").

**PROHIBITION OF SALES TO 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 ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 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. 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.

**NOTICE TO RESIDENTS OF THE UNITED KINGDOM** – The Notes must not be offered or sold and this Prospectus and any other document in connection with the offering and issuance of the Notes must not be communicated or caused to be communicated in the United Kingdom ("**UK**") except to persons who have professional experience in matters relating to investments and qualify as Investment Professionals under Article 19 (Investment Professionals) of the Financial Services And Markets Act 2000 (Financial Promotion) Order 2005, (as amended) (the "**Order**") or are persons falling within Article 49(2)(a)-(d) (high net worth companies, unincorporated associations, etc.) of the Order or who otherwise fall within an exemption set forth in such order such that Section 21(1) of the Financial Services And Markets Act 2000 (as amended) ("**FSMA**") does not apply to the issuer or are persons to whom this Prospectus or any other such document may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Neither this Prospectus nor the Notes are or will be available to persons who are not Relevant Persons and this Prospectus must not be acted on or relied on by persons who are not Relevant Persons. The communication of this Prospectus to any person in the UK who is not a relevant person is unauthorised and may contravene the FSMA.

**UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** Solely for the purposes of each Manufacturer's (the "**Manufacturers**") 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MIFIR**"); and (ii) all channels for distribution 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 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 manufacturers' target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO 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 UK. For these purposes, a 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 UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) no 600/2014, as it forms part of UK domestic law by virtue of the EUWA, and as amended. Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of UK domestic law by virtue of the EUWA, and as amended (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.

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

All capitalised words and expressions herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the glossary attached hereto (the "**Glossary**") or, if not contained therein, in the Transaction Documents, as amended from time to time.

***Arranger***

**J.P. Morgan**

**Dated 14 December 2023**

***Responsibility Statement***

*None of the Issuer, the Trustee, J.P. Morgan Securities PLC as Arranger and International Placement Agent, or any other party to any of the Transaction Documents (as defined below), other than the Sellers and the Business Plan Developer, has undertaken or will undertake any investigations, searches or other actions to verify details of the Banking Assets sold by the Sellers to the Issuer, nor any guarantees securing the Banking Assets, nor of any orders of assignment issued in connection with the Banking Assets nor any repayment plan entered into in connection with the Banking Assets nor of the Loan Agreements, nor of any other document, agreement and/or deed related to the Loan Agreements, nor have the Issuer, the Trustee, J.P. Morgan Securities PLC as Arranger and International Placement Agent, or any other party to any of the Transaction Documents, other than the Sellers and the Business Plan Developer, undertaken, nor will they undertake, any investigations, searches or other actions in order to, inter alia and without limitation, establish (i) the existence and the total claim amount of any of the monetary receivables in the Portfolios nor any guarantees securing the Banking Assets nor of any orders of assignment issued in connection with the Banking Assets or of any rights thereunder or (ii) the creditworthiness of any Assigned Debtors in respect of the Banking Assets.*

***The Issuer***

*Veicolo di Sistema S.r.l. accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of Veicolo di Sistema S.r.l. and the Master Servicer (which have taken all reasonable care to ensure that such is the case), such information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Veicolo di Sistema S.r.l., having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the issuance, offering, initial subscription and registration of the Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this Prospectus or any of such information misleading.*

***The Sellers***

*Each of BSM, CRSS, BAC IBS, SGA, 739 and VPSFP has provided the information under the section "Securitisation Regulations Requirements", "The Portfolio" and "The Sellers" and any other information contained in this Prospectus relating to themselves, the Banking Assets, the Loan Agreements, the Assigned Debtors and accepts responsibility for the information contained in those sections. To the best knowledge of each of the Sellers (which has taken all reasonable care to ensure that such is the case), the information and data in relation to which it is responsible as described above are true and accurate in all material respects, are not misleading, are in accordance with the facts and does not omit anything likely to affect the import of such information and data. Save as aforesaid, the Sellers have not, however, been involved in the preparation of, and do not accept responsibility for this Prospectus or any part hereof.*

***The Calculation Agent, the Monitoring Agent and the Master Servicer Adviser***

*Banca Finanziaria Internazionale S.p.A. has provided the information included in this Prospectus in the relevant parts of the section headed "The Calculation Agent, the Monitoring Agent and the Master Servicer Adviser'' and accepts responsibility for the information contained in that section. To the best of the knowledge of Banca Finanziaria Internazionale S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as aforesaid, Banca Finanziaria Internazionale S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

***The Business Plan Developer and the Special Servicer Adviser***

*Guber Banca S.p.A. has provided the information under the section headed "The Business Plan Developer and the Special Servicer Adviser" and "The Business Plan" and, accepts responsibility for the information contained in that section related to itself. To the best of the knowledge of Guber Banca 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. Save as aforesaid, Guber Banca S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, (i) this Prospectus or any part hereof and (ii) the implementation of the Business Plan which will be implemented, in the context of the Transaction by the Special Servicer.*

***The Trustee, the Italian Account Bank, the English Account Bank, the Paying Agent and the Registrar***

*The relevant BNYM Party has provided the information included in this Prospectus in the relevant part of the section headed "The Trustee, the English Account Bank, the Paying Agent, the Italian Account Bank and the Registrar" and accepts responsibility for the information contained in that section. To the best of the knowledge the relevant BNYM Party (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as aforesaid, the relevant BNYM Party has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

***The Cap Counterparty***

*J.P. Morgan SE has provided the information relating to it under the section headed "The Cap Counterparty" below and accepts responsibility for the information contained in that section. To the best of the knowledge and belief of J.P. Morgan SE (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. Save as aforesaid, J.P. Morgan SE has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

***The Master Servicer and the Issuer Corporate Services Provider***

*Istituto per la Gestione e il Recupero dei Crediti S.p.A. has provided, and accepts responsibility for, the information included in this Prospectus in the relevant parts of the sections headed "The Master Servicer and the Issuer Corporate Services Provider" and the "Collection and Recovery Policy of the Special Servicer" and accepts responsibility for the information contained in those sections. To the best of the knowledge and belief of Istituto per la Gestione e il Recupero dei Crediti 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. Save as aforesaid, Istituto per la Gestione e il Recupero dei Crediti S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

***The Special Servicer***

*S3 – Special Servicer Sammarinese S.r.l. has provided, and accepts responsibility for, the information included in this Prospectus in the relevant parts of the sections headed "The Special Servicer" and accepts responsibility for the information contained in those sections. To the best of the knowledge and belief of S3 – Special Servicer Sammarinese S.r.l. (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. Save as aforesaid, S3 – Special Servicer Sammarinese S.r.l. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

***General Responsibility Statement***

*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 Sellers, the Arranger, or any other party to the Transaction*

*Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Seller or the Arranger, the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

*To the fullest extent permitted by law, neither the Arranger nor the International Placement Agent accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by any person or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger and the International Placement Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.*

*Each of the Arranger and the International Placement Agent makes no representation, warranty or undertaking, express or implied, to any person and does not accept responsibility regarding the legality of any investment in the Notes by any such prospective investor or purchaser under applicable investment or similar laws or regulations or regarding any legal or regulatory determination in connection with the holding of the Notes.*

*The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of the law of the Republic of San Marino, the Issuer's rights, title and interest in and to the Portfolio and the other Issuer's Rights and to all amounts deriving therefrom will be segregated from all other assets of the Issuer. In addition, the Class A Notes only will have the benefit of the Class A Notes Guarantees.*

*The Notes will not be obligations or responsibilities of, or guaranteed by the Sellers (in any capacity), the Issuer Quotaholder, the Arranger, the International Placement Agent and any Secured Creditors (as defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.*

*Both before and after a winding-up of the Issuer, the Issuer's rights, title and interest in and to the Portfolio and the other Issuer's Rights and to all amounts deriving therefrom will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Secured Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer. The "**Secured Creditors**" are the Sellers, the Master Servicer, the Trustee, the Master Servicer Adviser, the Special Servicer Adviser, the Special Servicer, the Business Plan Developer, the Cap Counterparty, the Registrar, the Account Banks, the Paying Agent, the Issuer Corporate Services Provider, the Monitoring Agent and the Calculation Agent. The Noteholders will agree that the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the orders of priority set forth in the Conditions (the "**Orders of Priority**").*

*In addition to the interests described in this Prospectus, prospective noteholders should be aware that the Arranger, the International Placement Agent and their related entities, associates, officers or employees (each a "**Relevant Entity**") may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any transaction party, both on its own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or any other transaction party may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may*

*continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.*

***Neither the International Placement Agent and the Arranger nor any Relevant Entity has made an independent verification of the information contained in this Prospectus in connection with the issue or offering of the Notes and no representation or warranty, express or implied, is made by the International Placement Agent, the Arranger or any Relevant Entity with respect to the accuracy or completeness of such information. No responsibility is accepted by the International Placement Agent, the Arranger or any Relevant Entity for any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes. Nothing contained in this Prospectus is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the International Placement Agent, the Arranger or any Relevant Entity in any respect.***

*The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer 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 can only be used for the purposes for which it has been issued.*

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

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws and to a person which is a "qualified purchaser" within the meaning of Section 3(c)(7) of the U.S. Investment Company Act of 1940. Notwithstanding the foregoing, in no event may any Notes be sold to a Risk Retention U.S. Person. See the section entitled "Subscription and, Sale and Selling Restrictions" (below).*

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

*ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.*

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

*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.*

*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". 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.*

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

*The language of the 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.*

*In this Prospectus references to "**Euro**", "**EUR**", "**€**" and "**cents**" are to the single currency introduced in the member states of the European Union which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995 and the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community of 1 December 2009. In accordance with the Monetary Convention (2012/C 121/02) between the Republic of San Marino and the European Union Euro is the single currency used in the Republic of San Marino.*

**TABLE OF CONTENTS**

# RISK FACTORS

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of interest or 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.*

*Prospective Noteholders should also read the detailed information set out in this Prospectus (including the risk factors set out in this section) and the Transaction Documents and reach their own views prior to making any investment decision.*

## 1. RISKS RELATED TO THE ISSUER

### Issuer's ability to meet its obligations under the Notes

The Notes constitute direct, secured limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by the Arranger, the International Placement Agent, the Sellers (save for the guarantee granted by the Sellers through the Escrow Account Pledge), the Master Servicer, the Special Servicer, the Special Servicer Adviser, the Trustee, the Master Servicer Adviser, the Business Plan Developer, the Calculation Agent, the Monitoring Agent, the Account Banks, the Registrar, the Paying Agent, the Cap Counterparty, the Issuer Corporate Services Provider, the Issuer Quotaholder, or the initial Noteholders. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Issuer does not, as of the date of this Prospectus, have any significant assets other than the Portfolio and the other Issuer's Rights in order to meet its obligations under the Notes.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the relevant Final Maturity Date, upon redemption by acceleration of maturity following the service of an Enforcement Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, and/or to repay the Notes in full. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon the Issuer's actual receipt of: (i) collections and the recoveries with respect to the relevant Portfolio (including the real estate assets included in the Banking Assets) made on its behalf by the Special Servicer (advised by the Special Servicer Adviser); (ii) any payments made by the Cap Counterparty under the Cap Agreement; and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts, ***provided that***, if the Class A Notes Guarantees are in place, the Senior Notes will not be cancelled on the Class A Final Maturity Date since unpaid amounts due in respect of the Senior Notes can be recovered through the enforcement of the relevant Class A Notes Guarantee after that

date. Cancellation of the Notes will occur only once there are no further payments that can be made on the Notes after application of all Issuer Available Funds) and all proceeds deriving from the enforcement of the Class A Notes Guarantees in respect of the Senior Notes.

The Noteholders should be aware that, the net proceeds of the realization of the Portfolio (including the disposal of the real estate assets included in the Banking Assets) and the security granted by the Issuer under the Deed of Charge and the Italian Account Pledge may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished. It remains understood that with respect to the Class A Notes only, in case of occurrence of a Class A Notes Shortfall Event, the Issuer (acting through the Master Servicer) shall enforce (on behalf of the Class A Noteholders) the Class A Notes Guarantees in order to cure such Class A Notes Shortfall Event.

In this regard it shall be considered that each of the Noteholders, the Trustee and the Secured Creditors under the relevant provisions of the Transaction Documents undertakes not to (directly or by means of any other person acting on behalf of them) institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes or the other documents relating to the issue of the Notes for one year (or two years in case of early redemption of the Notes) and one day after the latest date on which the Notes are due to mature.

However, it shall be noted that the Issuer, before the issuance of the Notes, has requested the Republic of San Marino to guarantee the payments of interest and principal on the Class A Notes pursuant to article 21 of the San Marino Securitisation Law. See in this respect the section entitled the "*Description of the Transaction Documents - RSM Guarantee Agreemnet*" below. On 7 December 2023 the San Marino Congress (il *Congresso di Stato*) has approved the form of the RSM Guarantee and, prior to the Issue Date, the State of San Marino and the Issuer has entered into the RSM Guarantee (which is in the form and the substance in line with the form approved by the San Marino Congress (il *Congresso di Stato*)).

**Liquidity and credit risk**

The Issuer is subject to a liquidity risk in case of delay between the expected timing of receipt of recoveries and collections and the actual receipt of payments from (a) the Assigned Debtors and/or (b) the Guarantors. This risk is addressed in respect of the Notes through the support provided to the Issuer: (i) in respect of interest payments on the Class A Notes, from the Class A Notes Guarantees and the Liquidity Reserve and (ii) in respect of the principal payments on the Class A Notes (at the Class A Notes Final Maturity Date), from the Class A Notes Guarantees.

However, it should be noted that amounts available to the Issuer under the Escrow Account Pledge are limited to a maximum aggregate amount equal to the Escrow Amount and amounts available to the Issuer under the Liquidity Reserve are limited to a maximum amount on each Payment Date equal to the Target Liquidity Reserve Amount.

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are parties. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent, *inter alia*, on the solvency of each relevant party.

In particular, the Issuer's ability to make payments in respect of the Notes will be dependent on the ability of the Special Servicer (as advised by the Special Servicer Adviser) to service the Portfolio, which will be given the necessary authority to manage legal enforcement proceedings and to collect and realise the Banking Assets (including the real estate assets included in the Banking Assets) in accordance with the

provisions of the Servicing Agreement, and there can accordingly be no assurance that the level of recoveries received from the Portfolio together with any other available funds of the Issuer will be adequate to ensure timely and full receipt of amounts due under the Notes.

In connection with the risks related to the termination of the Special Servicer please see Section below "*Risk Factors - Servicing of the Portfolio*".

In addition, among other things, the timely payment of amounts due on the Class A Notes will depend upon the continued availability of hedging under the Cap Agreement. Prospective Noteholders should note that the Cap Counterparty might terminate the Cap Agreement if an Event of Default or Termination Event (each as defined in the Cap Agreement) occurs and has not been remedied within the relevant grace periods (see also "*Risk Factors - Interest rate risk"* and *"Description of the Transaction Documents - The Cap Agreement*").

In addition, the Issuer's ability to make payments in respect of the Notes may depend, to an extent, upon the Sellers' performance of their indemnity obligations under the Transfer Agreements in accordance with their liability pursuant to the Transfer Agreements. In particular, in the event that a Seller becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its indemnification obligations to the Issuer under the relevant Transfer Agreement. In such case, any payments made by the Sellers as indemnity under the relevant Transfer Agreement may be subject to ordinary claw back regime under the law of the Republic of San Marino (other than the shorter claw back period that applies to the transfer of the Banking Assets to the Issuer).

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Special Servicer and the Cap Counterparty (or any permitted successors or assignees appointed under the Servicing Agreement and the Cap Agreement) and the other parties to the Transaction Documents as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparties of the Issuer pursuant to the terms of the Transaction Documents.

In some circumstances (including after service of an Enforcement Notice), the Issuer could attempt to sell the Portfolio, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for asset-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for asset-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities.

This has had a materially adverse impact on the market value of asset-backed securities and resulted in the secondary market for asset-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have been forced to sell asset-backed securities into the secondary market. The price of credit protection on asset-backed securities through credit derivatives has risen materially. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to 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 the Noteholders.

It is not known for how long these market conditions will continue and no assurance can be made that these market conditions will not continue or whether they will become more severe.

**Certain material interests**

Certain parties to the transaction may perform multiple roles. In particular: (i) the Sellers are, in addition to being the Sellers, pledgors under the Escrow Account Pledge, the Class J Notes Subscribers and the Class B Notes Subscribers and the Sellers Banks perform also the role of the Local Placement Agents; (ii) Banca Finanziaria Internazionale S.p.A. is, in addition to being the Master Servicer Adviser, also the Calculation Agent and the Monitoring Agent and Escrow Agent; (iii) Istituto per la Gestione e il Recupero dei Crediti S.p.A. is, in addition to being the Master Servicer, also the Issuer Corporate Services Provider, (iv) Bank of New York Mellon (acting through various entities) is, in addition to being the Italian Bank Account, the English Account Bank, the Registrar, the Paying Agent and the Trustee; (v) Guber Banca S.p.A. is, in addition to being the Special Servicer Adviser, the Business Plan Developer; and (vi) J.P. Morgan Securities PLC is, in addition to being the Arranger, the International Placement Agent.

In addition, each of the Arranger and the International Placement Agent is a financial institution that provides a range of financial services to a diversified client base. As such, the Arranger and the International Placement Agent may be involved in a broad range of transactions both for its own account and that of other persons which may result in actual or potential conflicts of interest arising in the ordinary course of business. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party.

Moreover:

(i) S3 – Special Servicer Sammarinese S.r.l., which is the Special Servicer of the Portfolio, is participated by the Seller Banks (and in particular each Seller Bank holds 1/3 of the entire share capital of the Special Servicer). In addition, Guber Banca S.p.A. may acquire – following the Issue Date – a minority shareholding in the Special Servicer; and

(ii) Istituto per la Gestione e il Recupero dei Crediti S.p.A., which is the Master Servicer of the Portfolio, is participated by State of San Marino. However, in accordance with the provisions of San Marino Delegate Decree No. 100 of 6 July 2022, the Seller Banks (together with other San Marino Banks) may acquire shares in the Master Servicer in accordance with the provisions of the above-mentioned decree.

Please see paragraph named "*Servicing of the Portfolio – Conflict of Interest*" for the measures implemented by the Master Servicer and the Special Servicer to mitigate the risk of conflict of interest deriving from the participation of the banks in the share capital of such companies.

Accordingly, conflicts of interest may exist or may arise as a result of parties to the Transaction:

(A) having previously engaged or in the future engaging in transactions with other parties to the Transaction;

(B) having multiple roles in the Transaction; and/or

(C) carrying out other transactions for third parties.

The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. The aforementioned parties may engage in commercial relationships and provide general banking, investment and other financial services to the Assigned Debtor and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders.

In order to avoid conflict of interest that may arise as a result of the Sellers having multiple roles in the Transaction, those Notes which are for the time being held by the Sellers shall (unless and until ceasing to be so held) be deemed not to remain "outstanding" for the purposes of the right to vote at any Meeting of

Noteholders duly convened in accordance with the Conditions and the Provisions for Meetings of Noteholders to transact the matters specifically described therein.

**Issuer reliance on third parties**

The Issuer is party to contracts with a number of third parties in addition to the Master Servicer and the Special Servicer, who have agreed to perform services in relation to the management of the Portfolio in the context of the Transaction.

In particular, but without limitation, (a) the Account Banks have agreed to hold and manage each of the relevant Issuer Accounts pursuant to the relevant Transaction Documents; (b) the Calculation Agent, the Paying Agent and the Registrar have agreed to provide payment, calculation, reporting and other services with respect to the Notes in the context of the Transaction; (c) the Business Plan Developer has agreed to prepare the Business Plan and (v) the Cap Counterparty has agreed to provide hedging to the Issuer pursuant to the Cap Agreement.

In the event that any of the above parties were to fail to perform their obligations under the respective Transaction Documents to which they are a party, the Noteholders may be adversely affected.

**Banking Assets of unsecured creditors of the Issuer**

By operation of the San Marino Securitisation Law, the right, title and interest of the Issuer in and to the Portfolio (including the real estate assets included in the Banking Assets) and the other Issuer's Rights shall be segregated from all other assets of the Issuer (including, for the avoidance of doubt, from assets relating to other securitisations carried out by the Issuer pursuant to the San Marino Securitisation Law, if any). Accordingly, amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts opened with the SM Account Bank under the Transaction and not commingled with other sums) shall be available on a winding up of the Issuer only to satisfy the Issuer's obligations to the Noteholders and to pay other costs of the Securitisation. Pursuant to article 5 of the San Marino Securitisation Law, the amounts derived from the Portfolio and the other Issuer's Rights (for as long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer. On such amount and Issuer's Rights no actions are permitted by creditors of the Issuer other than the Noteholders and Securitisation's costs creditors.

In order to ensure such segregation: (i) the Issuer is obliged pursuant to the Regulation 2022-04 to open and to keep separate accounts in relation to each securitisation transaction; (ii) the Master Servicer and the Special Servicer shall be able to identify at any time, pursuant to the Regulation 2022-04, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; and (iii) the amounts will be credited, in accordance with the timing set out in the Transaction Documents on accounts opened in the Republic of San Marino with the SM Account Bank. In this respect, it should be noted that the combined provisions of article 5 and 6 of the Securitisation Law concerning the *patrimonio separato* are not likely to apply in circumstances where the cash-flow referred above is not deposited in a bank account opened with a bank established in the Republic of San Marino. Thus, in order to mitigate the risk associated to the fact that any amount pertaining to the Securitisation not deposited in a bank account opened with a bank established in the Republic of San Marino could not be included in the *patrimonio separato*, the Transaction Documents provide that: (i) the account opened outside the Republic of San Marino will be pledged in favour of the Secured Creditors and will be opened with an Eligible Institution bank; and (ii) the amounts credited on the relevant Issuer Collection Account will be credited on the Issuer Transaction Account within 15 days from the date of the relevant reconciliation, in accordance with the San Marino Securitisation Law.

It should be noted that the San Marino Securitisation Law provides, among other things, that the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 4 of the San Marino Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the Assigned Debtors as well as any other amount due to the

relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfill the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation, and to pay the expenses to be borne in connection with the securitisation. Should any insolvency or administrative proceeding under Part II, Title IIV of the LISF, or any other insolvency procedure apply to the relevant servicer or depositary bank, provided that such bank is established in the Republic of San Marino, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

In addition, in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the borrowers may be credited, the creditors of the relevant servicer or sub-servicer may exercise actions only in respect of the amounts credited on such accounts that exceed the amounts due to the issuer, provided that such accounts are held with banks established in the Republic of San Marino. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the issuer in accordance with the provisions of the servicing agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Prospective Noteholders should be aware that, in the context of the Securitisation, no amounts will be collected by the Special Servicer on its own account, while all the collections shall be directly credited on the Issuer's bank accounts in accordance with the Cash Allocation, Management and Payments Agreement.

Prospective Noteholders should be aware that, as at the date of this Prospectus, these provisions of the San Marino Securitisation Law have not been tested before the courts nor has any guidance been provided in any further regulation.

In addition, no guarantee can be given that the parties to the Transaction will comply with their legal obligations and the contractual provisions set out in the relevant Transaction Documents in order to ensure the segregation of the Banking Assets. Furthermore, under law of the Republic of San Marino, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

However, the corporate purpose of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Trust Documents and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transaction that is not contemplated in the Transaction Documents. To the extent that the Issuer has creditors not being party to the Transaction Documents, the Issuer has established the Issuer Expenses Account and the Issuer Recovery Expenses Reserve Account and the funds credited therein may be used (i) in relation to the Issuer Expenses Account, for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Secured Creditors, in respect of the Securitisation, to the extent that payment of such fees, costs, expenses and taxes is not deferrable to the immediately succeeding Payment Date; and (ii) in relation to the Issuer Recovery Expenses Reserve Account, for the purposes of paying the Recovery Expenses.

**Sharing with other creditors**

The proceeds of enforcement and collection of the security created by the Issuer under the Deed of Charge and the Italian Pledge Account in favour of the Trustee (for its own account and as a trustee for the Secured Creditors) will be used in accordance with the Acceleration Order of Priority to satisfy claims of all the Noteholders and the Secured Creditors thereunder.

Pursuant to the Acceleration Order of Priority the receivables of certain Secured Creditors will rank senior to the receivables of the Noteholders. To this extent, payments by the Issuer of amounts due to the

Noteholders under the Transaction Documents will be paid in accordance with such Acceleration Order of Priority.

**Further securitisations**

The Issuer may purchase and securitise further portfolios of monetary receivables in addition to the Portfolio. Pursuant to article 5 of the Securitisation Law, the assets relating to each individual securitisation transaction will, by operation of law, be segregated from all other assets of the Issuer. On a winding up of such company, such assets will only be available to holders of notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by such company in connection with the securitisation of the relevant assets.

In any case, it should be noted that the Issuer is qualified, in accordance with article 11 of the San Marino Securitisation Law, as "*veicolo di sistema*" and thus is authorised to securitise only banking assets (in accordance with the provisions of Part III of the San Marino Securitisation Law) purchased from (i) company authorised to carry out the activities under letters (A) and (B) of schedule 1 of the LISF and (ii) fund established in the Republic of San Marino for the management of the non-performing loan. In case the Issuer implements a further securitisation, it has undertaken in the Note Trust Deed to give prior notification in writing to the Rating Agencies, the Trustee and the Noteholders in accordance with the Conditions.

## 2. RISKS RELATED TO THE CHARACTERISTICS OF THE NOTES

**Limited Recourse nature of the Notes**

The Notes are limited recourse obligations of the Issuer and, if the Issuer has insufficient funds to pay amounts in full, amounts outstanding will cease to be due and payable as described in more detail in Condition 12 (*Enforcement, Limited Recourse and Non-Petition*). The Noteholders will receive payments in respect of principal, interest and other amounts on the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payments in accordance with the applicable Order of Priority. If, upon the delivery of an Enforcement Notice or, if no Enforcement Notice has been delivered, on the relevant Final Maturity Date, the Issuer Available Funds are not sufficient to pay such obligations in full, the relevant Class of Noteholders shall be entitled to receive payments in respect of such obligations to the extent of the Issuer Available Funds (if any) and any shortfall will (i) not be due and payable, (ii) be deemed to be waived by the relevant Noteholders and (iii) be cancelled, ***provided that***, if the Class A Notes Guarantees are in place, the Senior Notes will not be cancelled on the Class A Notes Final Maturity Date since unpaid amounts due in respect of the Senior Notes can be recovered through the enforcement of the relevant Class A Notes Guarantee after that date. Cancellation should occur only once there are no further payments that can be made on the Notes after application of all Issuer Available Funds and all proceeds deriving from the enforcement of the Class A Notes Guarantees in respect of the Senior Notes.

The Issuer does not have as at the date of this Prospectus any significant assets to be used for making payments under the Notes other than the Banking Assets and its rights under the Transaction Documents to which it is a party. Accordingly, there is no assurance that, over the life of the Notes or on the redemption date of any Class of Notes (whether on the relevant Final Maturity Date, upon redemption by acceleration of maturity following the service of a Enforcement Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay principal on the Notes in full, provided that the Class A Notes are guaranteed by the Class A Notes Guarantee. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon a number of factors, many of which are beyond its control. It is likely that collections and other recoveries on some of the Baking Assets may not occur for many years, and it is possible that collections or recoveries may not occur at all in respect of certain Banking Assets (and in particular there are no assurances that the real estate assets comprised in the Banking Assets will be sold by the Issuer (through the Special Servicer)).

Moreover, there can be no assurance that the levels of liquidity support and credit support provided will be adequate to ensure timely and full receipt of all amounts due under the Notes.

If there are insufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes, then the Noteholders will have no further receivables against the Issuer in respect of any such unpaid amounts. Following the service of an Enforcement Notice, the only remedy available to the Noteholders and the Secured Creditors is the exercise by the Trustee of the Issuer's Rights.

**Subordination**

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide for the respective priority and subordination of the different Classes of Notes issued. In this respect, Noteholders should have particular regard to the sub-sections headed *"Status and subordination"* and *"Issuer Available Funds" and "Orders of Priority"* in the section *"Overview of the Transaction"* above in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest and/or repayment of principal due under the Notes.

**Interest rate risk**

The collections received on the Banking Assets are not directly connected to a floating interest rate, whilst the Class A Notes will bear interest at a rate based on the Reference Rate determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Class A Notes and on the Portfolio.

As such, the Issuer is subject to the potential risk that any increase in the Reference Rate will not be offset by a corresponding increase in the Collections arising from the Banking Assets, and this may therefore lead to a reduction in the amounts available to the Issuer and ultimately adversely affect its ability to make payments under the Notes. To minimise the effect of such interest rate mismatch, the Issuer has entered into a Cap Agreement whereby the Cap Counterparty is obliged to make payments to the Issuer if the Reference Rate exceeds the strike price specified in the Cap Transaction. In addition, it should be noted that under Condition 7.2 (*Interest Rate*) it is provided that, in any case, the Class A Notes Interest Rate may not become negative.

The notional amount with respect to a Cap Transaction will be the scheduled notional amount set forth therein for the relevant Interest Period. Investors should be aware that entry into the Cap Agreement and the Cap Transaction does not completely eliminate the interest rate risk related to the Class A Notes.

See for further details "*Description of the Transaction Documents - The Cap Agreement*".

**Termination of the Cap Agreement**

The benefits of the Cap Agreement may not be achieved in the event of the early termination of the Cap Transaction pursuant to the terms of the Cap Agreement, including termination upon the failure of the Cap Counterparty to perform its obligations thereunder.

The Cap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Cap Transaction (see for further details "*Description of the Transaction Documents*"). In case of an early termination of the Cap Agreement, unless one or more comparable interest rate caps are entered into, the Issuer may have insufficient funds to make payment under the Notes and this may result in a downgrading of the rating of the Rated Notes.

In the event of insolvency of the Cap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Cap Counterparty in respect of any claim it has for a termination amount due from such Cap Counterparty under the Cap Agreement. Consequently, the Issuer will be subject to the credit risk of the Cap Counterparty in addition to the risk of the debtors of the Banking Assets.

An early termination of the Cap Agreement could result in the Issuer being obliged to make a termination payment to the Cap Counterparty. Except where the Cap Counterparty has caused the Cap Agreement to terminate by its own default, any termination payment due to the Cap Counterparty will rank ahead of payments of interest and/or principal on the Notes and may substantially reduce the funds available for

payments to the Noteholders.

The Cap Counterparty or its credit support provider is required to have certain ratings pursuant to the Cap Agreement. Although contractual remedies are provided in the event of a downgrading of the Cap Counterparty, any replacement arrangement with a third party may not be as favourable as the current Cap Agreement and the Noteholders may be adversely affected.

See for further details "*Description of the Transaction Documents - The Cap Agreement*".

**Limited Enforcement Rights**

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Trustee. However, it should be noted that in case of occurrence of a Class A Notes Shortfall Event, the Issuer shall automatically enforce - in accordance with the provisions of the Transaction Documents – the Class A Notes Guarantees. In enforcing such Class A Notes Guarantees, the Issuer will be assisted by the Master Servicer which shall in any case act in a merely administrative role.

The Provisions for Meetings of Noteholders (attached to the Note Trust Deed) limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of Noteholders the power to resolve on the ability of any Noteholder to commence any such individual action. Accordingly, individual Noteholders may not, without breaching the Conditions and the Note Trust Deed, 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 Provisions for Meetings of Noteholders.

**The Trustee and conflicts of interests between holders of different Classes of Notes**

The Conditions and the Note Trust Deed contain provisions regarding the fact that the Trustee shall, as regards the exercise and performance of all its powers, authorities, duties and discretion have regard to the interests of all Class of Noteholders and the Secured Creditors provided that if, in the opinion of the Trustee (i) there is a conflict between their interests, the Trustee will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes (without prejudice to the matters which are to be resolved upon by one or more specific Class(es) of Noteholders pursuant to the Provisions for Meetings of Noteholders), the Trustee will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Secured Creditors, then the Trustee shall have regard to the interests of whichever of the Secured Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified or, in respect of any matter which relates to the Cap Counterparty, of the Cap Counterparty, in all cases acting in compliance with the Transaction Documents.

**Noteholders' directions and resolutions following delivery of an Enforcement Notice**

At any time after an Enforcement Notice has been delivered, the Trustee shall be entitled, pursuant to the Deed of Charge, and unless the necessary funds are to be obtained from one or more authorised lenders pursuant to a limited recourse loan or other alternative financing structure, to direct the sale of the Portfolio (in whole or in part), *provided, however, that* a sufficient amount shall be realised to allow discharge in full of all amounts owing to the holders of the Rated Notes and amounts ranking in priority thereto or *pari passu* therewith. Accordingly, the proceeds from the disposal of the Portfolio in such circumstances may not be sufficient to redeem (whether in whole or in part) the Classes of Notes other than the Rated Notes.

In addition, the Trustee may and shall, if so requested or authorised by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, following the delivery of an Enforcement Notice take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest thereon. The directions of the holders of the Most Senior Class of Notes in such circumstances may be adverse to the interests of the other Noteholders.

**Limited nature of credit ratings assigned to the Rated Notes**

The credit rating assigned to the Rated Notes reflects the Rating Agencies' assessment only of payment of interest in a timely manner (pursuant to the Transaction Documents) and the ultimate repayment of principal on or before the Class A Final Maturity Date with respect to the Rated Notes, not that such payment of interest or repayment of principal will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement.

The ratings do not address, among others, the following:

- the likelihood that the principal will be redeemed and interest will be paid on the Rated Notes, as expected, on the scheduled payment dates;
- possibility of the imposition of European or Republic of San Marino's withholding taxes;
- the marketability of the Rated Notes, or any market price for the Rated Notes; or
- whether an investment in the Rated Notes is a suitable investment for a Noteholder.

***A rating is not a recommendation to purchase, hold or sell the Rated Notes. 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 judgement of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Rated Notes.***

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

**Limited secondary market and liquidity risk**

There is not at present an active and liquid secondary market for the Notes.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Although an application has been made for the Senior Notes to be admitted to trading on the multilateral trading facility "Euronext Access Milan" managed by Borsa Italiana S.p.A., there can be no assurance that a secondary market for the Senior Notes will develop or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of the Senior Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. Consequently, any purchaser of any of the Senior Notes must be prepared to hold such Senior Notes to maturity.

In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realize a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of the Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Prospective Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors. Consequently, 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 Noteholders.

As a result of the uncertain economic conditions, there exist additional risks for the Issuer. These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Banking Assets (including the real estate assets comprised in the Banking Assets) in accordance with the Transaction Documents; (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price; and (iii) the increased illiquidity and price volatility of the Notes as there is not at present an active and liquid secondary market for asset-backed securities. These additional risks may affect the returns on the Notes to investors.

**Suitability**

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

Investment in the Notes is only suitable for investors who:

1. have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes;
2. have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
3. are capable of bearing the economic risk of an investment in the Notes; and
4. recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

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

No communication (written or oral) received from the Issuer, the Master Servicer, the Sellers, the International Placement Agent or the Arranger or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

**Governing law**

The Conditions are based on English law in effect as at the date of this Prospectus. There can be no assurance as to the impact of any possible judicial decision or change in English law or administrative practice after the date of this Prospectus, and any such change could materially and adversely impact the value of any Notes affected by it.

**Book-Entry Interests**

Unless and until Definitive Notes are issued in exchange for the Book-Entry Interests, holders and

beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes under the Note Trust Deed. After payment to the Paying Agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Notes to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of Book-Entry Interests.

A nominee for the Common Depositary will be considered the registered holder of the Notes of each Class and Series as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole legal holder of the Global Notes under the Note Trust Deed while such Notes are represented by the Global Notes. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Note Trust Deed.

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the Paying Agent to a nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg. Upon receipt of any payment from the Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, and will be the responsibility of such participants or indirect participants. None of the Issuer, the Trustee, the Paying Agent, the Registrar or any other Transaction Party will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Note Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies available to Noteholders.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Paying Agent, the Registrar, any other Transaction Party or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

The lack of Notes in physical form could also make it difficult for a Noteholder to pledge such Notes if Notes in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder to recall such Notes because some investors may be unwilling to buy Notes that are not in physical form.

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements and in accordance with the rules and regulations of any applicable clearing system. In order for a Noteholder to effect a transfer of Notes to a potential

purchaser, the Noteholder and the potential purchaser will need to comply with the applicable transfer restrictions (please refer to the section entitled "*Description of the Notes in Global Form – Transfers and Transfer Restrictions*"). To the extent such transfer restrictions cannot be complied with, a Noteholder should be prepared to hold its Notes until the relevant Final Maturity Date or until it can effect a transfer to a potential purchaser that complies with the requirements of the applicable transfer restrictions. In order to comply with any applicable laws and regulations in respect of such transfer, potential purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered.

## 3. RISKS RELATED TO THE PORTFOLIO

**Nature of the Banking Assets**

Although the Banking Assets which are claims derive from loan agreements governed by the Law of the Republic of San Marino, some recovery procedures could be carried out – or are currently being conducted – under the Italian jurisdiction due to the fact that certain features of the debt relationships (*i.e.* certain assets are located in the Republic of Italy) can lead to such jurisdiction.

A portion of the Portfolio is currently subject to insolvency or recovery proceedings being conducted in the courts of the Republic of San Marino as well as in the Italian courts. In addition, with respect to the Banking Assets (deriving from terminated leasing agreements), some of the relevant real estate assets have not yet been repossessed by the Issuer and currently legal procedures aimed at repossession thereof are pending. Amounts owed on the Banking Assets will have to be pursued in the courts of the Republic of San Marino or the Republic of Italy (as the case may be) in prosecution of such proceedings which may involve significant delay, expenses and negotiations with the Assigned Debtors, each of which may result in lower than anticipated recoveries. To the extent that there is lower than anticipated recoveries, the ability of the Issuer to pay the Notes in full may be adversely affected. However, the Class A Notes are guaranteed by the Class A Notes Guarantees.

The recovery of overdue amounts in respect of the Banking Assets (and/or other claims comprised in the Portfolio) and the repossession of a non-repossessed Leased Asset, will be affected by the length of enforcement proceedings in respect of the Banking Assets (and/or other claims comprised in the Portfolio), which in the Republic of Italy and in the Republic of San Marino 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:

(A) regarding the Republic of Italy: (i) certain courts may take longer than the national average to enforce the Banking Assets (ii) more time will be required for the proceedings if it is necessary to first obtain a payment injunction (*decreto ingiuntivo*) or if the Assigned Debtor and/or guarantor raises a defense or a counterclaim to the proceedings; (iii) opposition by the relevant Assigned Debtors; (iv) Assigned Debtors becoming subject to bankruptcy proceedings; while,

(B) regarding the Republic of San Marino: (i) the need to obtain, prior to the commencement of the enforcement proceedings, an enforceable order (*titolo esecutivo*) (*e.g*. in cases where an unsecured loan or a guarantee needs to be enforced); (ii) in cases where the Assigned Debtor files an objection to the creditor's recovery proceedings; (iii) in cases where it is necessary to notify the commencement of an enforcement proceeding to a Assigned Debtor residing outside the Republic of San Marino; (iv) the commencement of insolvency proceeding against an Assigned Debtor (since such proceeding entail the suspension of cognitive and enforcement proceedings (including those already commenced).

The length of the judicial proceedings together with the relevant increased legal and judicial costs negatively affect the amount of cash flow available to meet payment obligations under the Notes.

**Risks related to pandemic events**

In late-2019, a highly-infectious novel coronavirus named Covid-19 (the "**Covid-19**") was identified and a

global pandemic was declared by the World Health Organization on 11 March 2020. Various countries across the world (including Italy and Republic of San Marino) have introduced measures aimed at preventing the further spread of the Covid-19, such as a ban on public events above a certain number of attendees, temporary closure of places where larger groups of people gather, lockdowns, border controls and travel and other restrictions.

Among other sectors, this situation had a strong impact on the regular execution of courts and side offices activities, due to a considerable period of impossibility of access to the courts themselves and relevant buildings.

Moreover, such measures have disrupted the normal flow of business operations in those countries and regions, due to, for example, a spread impossibility for workers of many different categories of circulating and commuting even within the area of single city or town. This situation has generally affected global supply chains and has resulted in uncertainty across the global economy and financial markets.

In addition to measures aimed at preventing the further spread of the Covid-19, governments in various countries have introduced measures aimed at mitigating the economic consequences of the outbreak. The Italian government has adopted economic measures aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment.

Although this pandemic may now be considered over, just as many of the measures implemented by the Italian and the Republic of San Marino's government to face it are no longer in force, prospective Noteholders should take into account the effects that any future pandemics could have on the Notes.

In general it should be noted that, 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 or geopolitical instabilities, including Russia's invasion of Ukraine and the Israeli-Palestinian conflict and the implication on the global economy (such as the increase of energy and oil prices or the inflation), may weaken economic conditions and negatively impact the ability of affected Assigned Debtors to make timely payments on the relevant Banking Assets. This may affect receipts on the Loans. If the timing and payment of the Banking Assets 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.

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.

**Impact of Russia-Ukraine war and Israeli-Palestinian conflict**

Throughout 2021, the Russian military build-up on the border of Ukraine has escalated tensions between Russia and Ukraine and strained bilateral relations. These events have continued in 2022 and 2023 with Russia commencing a full-scale military invasion of Ukraine in February 2022. On 21 February 2022, Russia recognized the independence of two separatist regions within Ukraine and ordered Russian troops into these regions with a purported mission to maintain peace in the area. Following the invasion of Ukraine, countries including the United States, the member states of the European Union (the "**EU**"), the United Kingdom, Switzerland, Canada, Japan, Australia and some other countries have made announcements regarding imposition of sanctions and sanctions have been implemented in the meantime. In this regard, the Republic of San Marino has also enacted legislation incorporating such EU sanctions into its domestic legislative framework. The imposition of sanctions has led to unpredictable reactions from Russia, particularly resulting in a disruption of gas supplies to the EU, rising gas prices and a delay of production due to restricted energy supply. The economy of the Republic of San Marino has been affected by the Russian invasion of Ukraine and the resultant effect on the external environment, particularly the economic

performance of EU countries. Higher imported price of energy resulting from Russia's invasion of Ukraine has led to an unprecedented energy price shock in the Republic of San Marino, leading the regulatory authority of the Republic of San Marino to grant its public energy utility company increased gas and electricity tariffs. Due to Europe's heavy reliance on import of energy commodities, including imports from Russia, Republic of San Marino's future situation in this economy is subject to considerable uncertainty, particularly as it is dependent on trade with the EU (and more specifically its main trading partner Italy) and the Republic of San Marino's economy and trade is affected by the impact of the suspension of imports of Russian crude oil, hard coal and natural gas. The Republic San Marino's strong trade and financial links with the EU and the Republic of Italy make it susceptible to shocks emanating from such major trade partners. The further weakening of the growth rate of the Eurozone may also adversely impact the Republic of San Marino's exports and investment and ultimately adversely affect economic growth in the Republic of San Marino. In the short term, the risks from the external environment come mainly from elevated geopolitical tensions. A further escalation of Russian military aggression will add to such negative impact. In such a scenario, greater supply chain disruptions can be expected, including a further rise in inflation and worsening economic conditions in the global economy, including in the Republic of San Marino.

Uncertainties about the macroeconomic policies pursued by major countries inside and outside Europe will also add to these factors. This includes the possibility of stronger monetary policy tightening by the European Central Bank in response to rising global inflation.

As at the date of this Prospectus, it is not possible to predict the broader consequences of the invasion, which could include further sanctions, export controls and embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains (including the supply of fuel and gas from Russia) and financial markets, all of which could, either directly or indirectly, have an adverse impact on the ability of the Issuer to satisfy its obligations under the Notes.

Furthermore, in October 2023, an armed conflict broke out between certain Palestinian militant groups and Israel, which is still ongoing as of the date of this Prospectus. The severity and duration of such conflict and its impact on global economic and market conditions it is – at this stage – impossible to predict, and as a result, present material uncertainty and risk with respect to the Issuer and the performance of its investments and operations, and the ability of the Issuer to achieve its investment objectives. Should any of these circumstances occur, the performance of the Portfolio may deteriorate and, as result, the amounts payable under the Notes might be affected.

**Investigation in relation to the Portfolio**

None of the Issuer, nor J.P. Morgan Securities PLC as Arranger and International Placement Agent, nor any other party to the Transaction Documents (other than the Sellers and the Business Plan Developer) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Banking Assets sold by the Sellers to the Issuer nor any guarantees securing the Banking Assets, nor of the Loan Agreements, nor of any other document, agreement and/or deed related to the Loan Agreements and/or the Banking Assets, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions in order to, *inter alia* and without limitation, establish the existence and the total claim amount of any of the monetary receivables in the Portfolio nor any guarantees securing the Banking Assets.

None of J.P. Morgan Securities PLC as Arranger and International Placement Agent, the Issuer, nor any other party to the Transaction Documents (other than the Sellers and the Business Plan Developer) has carried out any due diligence in respect of the Banking Assets, nor any other document, agreement and/or deed related to the Banking Assets in order to, *inter alia* and without limitation, (i) establish the existence and the total claim amount of any of the monetary receivables in the Portfolio nor any guarantees securing the Banking Assets nor of any Orders of Assignment nor any rights thereunder; and (ii) ascertain whether

or not the Loan Agreements or any other document, agreement and/or deed related to the Loan Agreements and/or the Banking Assets contain provisions limiting the transferability of the Banking Assets.

In any case, it should be noted that pursuant to article 12 of the San Marino Securitisation Law, the Business Plan Developer has been appointed, *inter alia*, to evaluate the Banking Asset in order to deliver the Business Plan (for further information please see the Section – *The Business Plan*).

In addition, the Issuer has entered into each Transfer Agreement with the Sellers on the basis of, and upon reliance on, the representations and warranties given by the Sellers in each Transfer Agreement.

The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Banking Assets will be the requirement that the Sellers indemnifies the Issuer for the damages deriving therefrom in accordance with the relevant Transfer Agreement. As an alternative to the payment of the indemnities, the relevant Seller may repurchase the relevant Banking Asset in relation to which a misrepresentation has occurred, in accordance the limits and the provisions set out in the relevant Transfer Agreement. However, it has to be noted that the above mentioned representation and warranties is enforceable by the Issuer only in relation to damages already occurred at the time of the relevant request and, in any case, for a limited period of time and therefore if the Issuer becomes aware of a breach of such representations following the period of validity thereof or within such period but the relevant damage is only potential, then the Issuer will not be entitled to claim payments by the Sellers under the relevant indemnity obligations. In addition, it should also be noted that the above mentioned indemnity obligations are subject to liability thresholds and caps and therefore if the relevant Seller's liability does not reach the relevant threshold, no indemnity will be due by the relevant Seller to the Issuer and if the Seller's liability exceeds the relevant cap, no indemnity will be due by the Seller to the Issuer in respect of the portion of the Seller's liability exceeding the relevant cap.

Please see the section headed "*Description of the Transaction Documents*".

The indemnification obligations undertaken by the Sellers under the Transfer Agreements are unsecured claims of the relevant Seller and no assurance can be given that the relevant Seller can or will pay the relevant amounts if and when due.

**Servicing of the Portfolio**

*Servicing Agreement*

Pursuant to the Servicing Agreement, the Master Servicer (i) in the capacity as master servicer of the Transaction will carry out, inter alia, any activity concerning the compliance of the Transaction with applicable laws and the Program of the Transaction pursuant to Article 19, paragraph 1 of the Regulation 2022-04, and (ii) the Special Servicer will carry out the activities concerning the administration, collection and recovery in relation to the Banking Assets accordance with the provisions of the Servicing Agreement and the Collection Policies. Such Collection Policies may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes. In any case, it shall be considered that, under the Servicing Agreement, any change to the Collection Policies proposed by the Special Servicer and which are not required and/or imposed by laws and/or regulation applicable to the Servicer or necessary or advisable in order to adapt to the legal (and regulatory) framework being in force from time to time is adopted only following notification to the Rating Agencies and after (i) having provided a report containing a reasoned opinion related to such amendment to the Issuer, the Master Servicer and the Trustee; and (ii) having received the written consent from the Trustee (acting in accordance with the instruction given by the Most Senior Class of Noteholders) who may not unreasonably deny it.

Under the Servicing Agreement, the Special Servicer has the power to renegotiate certain terms and conditions of the Banking Assets. See for further details "*Description of the Transaction Documents - The Servicing Agreement".*

The Portfolio is mainly composed of non-performing receivables and real estate assets deriving from

terminated lease agreement and thus the related recoveries depend largely on the ability of the Special Servicer to manage the Portfolio in accordance with the Business Plan which has been prepared by the Business Plan Developer also taking into account, *inter alia*, the relevant Banking Assets amount, the status of the relevant judicial proceedings and all the costs that may be incurred in the recovery process. In particular, the Business Plan is deposited at the office of the Special Servicer. See for further details "*Business Plan*".

*Newly established Master Servicer and Special Servicer*

Both the Master Servicer and the Special Servicer are newcos established in the current year for the purpose of carrying out this Securitisation. This is due to the fact that: (i) this Transaction is the first securitisation transaction carried out in the Republic of San Marino since the enactment of the San Marino Securitisation Law; and (ii) Istituto per la Gestione e il Recupero dei Crediti S.p.A. shall mandatory be in accordance with the provisions of article 13 of the San Marino Securitisation Law, the servicer of this kind of securitisation (*i.e.* systemic securitisation in the context of which the granting of the State guarantee is envisaged).

The risks related to the fact that the Portfolio is managed by newly constituted companies which have no previous experience in the context of securitisation transactions is mitigated by the appointment of respectively: (i) Banca Finanziaria Internazionale S.p.A. ("**FinInt**") as Master Servicer Adviser and (ii) Guber Banca S.p.A. ("**Guber**") as Special Servicer Adviser. Both FinInt and Guber are highly experienced banks having participated as master servicer and special servicer, respectively, in a considerable number of NPLs securitisation transactions carried out in the Republic of Italy.

In particular: (1) pursuant to the Master Servicer Adviser Agreement, FinInt (a) has acted as advisor of IGRC for the set-up of the corporate structure of the Master Servicer and (b) will act as advisor of IGRC (during the life of the Transaction) in the execution of certain Master Servicer's activities (as set out in the Servicing Agreement) and (2) pursuant to the Special Servicer Adviser Agreement, Guber (a) has acted as advisor of S3 for the set-up of the corporate structure of the Special Servicer and (b) will act as advisor of S3 (during the life of the Transaction) in the execution of certain Special Servicer's activities (as set out in the Servicing Agreement).

Notwithstanding the fact that certain mechanics of this Transaction are similar to those applicable to securitisation transactions carried out in Italy, in relation to which both Guber and FinInt are experienced providers of servicing activities, potential investors in the Notes should take into account that (i) in performing servicing activities, certain specific Republic of San Marino laws, rules and proceedings shall apply and that (ii) this is the first San Marino Transaction in which Guber and FinInt are involved and therefore no specific back-ground in relation to such laws, rules and proceedings are owed by such companies.

In addition, both IGRC and S3 have represented and warranted – in the context of the Servicing Agreement – to be equipped with such software, hardware, information technology and related human resources to enable each of them to perform the management, administration, collection and recovery of the Banking Assets and the management of the legal proceedings as well as the performance of their relevant obligations under the Servicing Agreement in accordance with the required efficiency standards.

In order to facilitate the on-boarding activities of the Banking Assets from the Sellers, the Issuer, the Master Servicer, the Special Servicer and the Sellers have entered – prior to the Issue Date – into an agreement (the "**Interim Servicing Agreement**") pursuant to which each Seller has undertaken to manage the relevant Banking Assets assigned to the Issuer, in accordance to the applicable provisions of the Servicing Agreement until February 2024 (extendable until March 2024 (included) with the consent of all parties of the Interim Servicing Agreement) and in any case with the prior approval of the Master Servicer in relation to any action to be carried out by each Seller as interim servicer in relation to the Portfolio, it being understood that no approval of the Master Servicer shall be required for the activities that shall be carried out (in relation to the management of the judicial proceedings or the Banking Assets) in order to avoid any

prejudices or limitations on the Issuer's rights.

*Conflict of Interest*

Master Servicer's personnels has been provided (in accordance with the applicable provisions of law) by the Seller Banks while Special Servicer's personnels has been provided by the Seller Banks and Guber (in accordance with the applicable provisions of law). Even though under the Servicing Agreement the Special Servicer and the Master Servicer have undertaken to renegotiate the terms of, and manage, the Banking Assets 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 certain Assigned Debtors which may have other debt relationship with the Sellers. However, the Master Servicer and the Servicer have adopted internal procedures to minimize this risk.

In particular, S3 has adopted an internal governance by virtue of which it will be independent from the Seller Banks (which hold the S3's share capital). In order to ensure such full operational independence, the members of the board of directors, the managing director and the general manager of S3 shall not:

(a) hold, or have held in the last five years, any position as auditor or auditor in companies directly or indirectly participated by S3 or participating in its share capital or banks or financial companies located in the Republic of San Marino;

(b) hold - directly or indirectly - significant shareholding pursuant to the regulation of the Republic of San Marino on the collection of savings and banking activities year 2007 / number 07 (*Regolamento della raccolta del risparmio e dell'attività bancaria anno 2007 / numero 07*) and the regulation of the Republic of San Marino on the lending activities (financial companies) year 2011 / number 03 (*Regolamento dell'attività di concessione di finanziamenti (società finanziarie) anno 2011 / numero 03*);

(c) hold positions as director or head of the executive structure in the companies referred to in point (a) above;

(d) be employees of the companies referred to in point (a) above;

(e) being spouses, relatives or relatives-in-law, within the second degree of kinship of those who fall within one of the hypotheses of point (a), (b) and (c) above;

(f) being an employee of the Republic of San Marino, public bodies of the Republic of San Marino (*Enti Pubblici della Repubblica di San Marino*) and Autonomous Companies (*Aziende Autonome*).

In any case, in relation to both IGRC and S3, the directors and the general manager must meet - in addition to the requirements set forth in Law No. 47 of 23 February 2006 - specific requirements of professionalism and independence.

Furthermore, in relation to the renegotiations of the Banking Assets, it should be taken into account that such renegotiations (or sale of the Banking Assets) may occur only if certain parameters and procedures, specifically set out in the Servicing Agreement, have complied with (*Please see the section – Description of the Transaction Documents – The Servicing Agreement*).

*Replacement of the Special Servicer*

Following the occurrence of a termination of the Special Servicer under the Servicing Agreement, a substitute special servicer may be appointed or, alternatively, the special servicing activities can be taken over by the Master Servicer (this in order to mitigate the risk that the failure to appoint a replacement special servicer may result in less funds being available to the Issuer to make payments on the Notes).

However, there can be no assurance that the Master Servicer (or the different replacement special servicer) will be able to provide the servicing of the Portfolio in the same manner or the same standard as the Special Servicer.

In addition, the Issuer is subject to the risk that, in the event of insolvency of the Master Servicer and/or the

Special Servicer, the collections then held by the Master Servicer or the Special Servicer are lost or temporarily unavailable to the Issuer. Such risk is mitigated by the fact that, in accordance with the provisions of the Servicing Agreement, no amount collected in respect of the Banking Asset will be deposited on an account opened in the name of the Master Servicer and the Special Servicer, and will be directly credited on Issuer Collection Accounts, which are accounts opened in the name of the Issuer.

**Data provided for in the Portfolio section and historical data of the San Marino Banking Assets recovery rates**

The information relating to the Banking Asset, contained in the section headed *"The Portfolio"*, is based on the data and information on the Portfolio provided by the Sellers as of the relevant Effective Date and it does not reflect collections and recoveries on the Banking Assets thereafter. Due to the dynamic nature of the recovery process, the status of the Portfolio is subject to on-going changes. The actual status of the Portfolio may be different from the one represented in the section headed *"The Portfolio"* below and such difference may be material. The Portfolio is made of non-performing loans and thus the recoveries depend largely on the ability of the Special Servicer to manage the Portfolio itself.

Furthermore, it should be noted that limited data are available in relation to the historical data on recovery rates of Banking Assets in the Republic of San Marino as well as in relation to the recovery timing relates to legal proceeding in the Republic of San Marino (in this regard, see also section headed "*Time of Foreclosure actions in the Courts*"). It should be noted however that the lack of the historical information has been reflected in the level of rating attributed to the Class A Notes.

**Uncertainty of net cash flows – The Business Plan**

The Business Plan has been prepared by the Business Plan Developer on the basis of the information, documents and historical data on the Portfolio provided by the Sellers as detailed in the methodology described under the section headed "*The Business Plan*" below and taking into account, *inter alia,* the Banking Assets amount, the status of the relevant Proceedings and the legal costs that may be incurred in the recovery process and certain other specific costs related to the Portfolio which are expressly indicated therein.

However, there could be other costs which may be incurred in respect of the Portfolio and which have not been taken into account for the purpose of preparing the Business Plan.

The Business Plan is based on certain judgments, assumptions and estimates about, *inter alia,* future economic events, prospects for the property market, the amounts recoverable on the Banking Assets, the time it takes to recover a Banking Asset, the assumed continued operations of the Special Servicer and the disposal strategies projected by the Special Servicer and has been prepared exclusively in order to constitute a base for the analysis of the performance of the Special Servicer and any other calculation in relation to the Collection Periods as set forth in the Transaction Documents. Such assumptions relate to a complex series of independent events and are to a significant degree subjective. Actual results will be affected by many factors outside the control of the Business Plan Developer, the Special Servicer or the Issuer so that neither the Issuer, the Business Plan Developer, the Master Servicer, the Special Servicer, the Arrangers, nor any other Transaction Party will make any representation or warranties on the collectability of the Banking Assets.

J.P. Morgan Securities PLC as Arranger and International Placement Agent has not undertaken and will not undertake any investigation, searches or other actions to verify the details or accuracy of the information contained in the Business Plan and none of it nor any of their shareholders, consultants or any of their respective representatives (including affiliates and their respective directors, officers, agents and employees) accept any liability or responsibility whatsoever for the information contained in the Business Plan (including, without limitation, the fairness, accuracy, adequacy or completeness of the Business Plan, the assumptions on which the information contained therein is based, the reasonableness of any projections or forecasts or valuations contained in the Business Plan, or any written or oral information, or as to whether

the information in the Business Plan is up to date or the suitability of any investment) and any liability therefore is hereby expressly disclaimed without limiting the foregoing, including without limitation in relation to any inaccuracy in, or omission from, the Business Plan or the information contained therein.

As a result, no assurance can be given that such judgements, assumptions and estimates will prove to be accurate. In addition, the Business Plan is not a forecast of future cashflows expected to be generated on the Portfolio but is only a base case scenario prepared on the basis of certain assumptions for calculations to be made under the Transaction and in any case in accordance with the San Marino Securitisation Law. As such, the Business Plan should not be construed as either projections or predictions on the Portfolio's performance or as legal, tax, financial, investment or accounting advice. The performance of the Portfolio cannot be predicted, because a large number of factors cannot be determined. Therefore, information included in the Business Plan must be viewed with considerable caution.

There may be differences between the Business Plan and actual results because events and circumstances frequently do not occur as expected, and those differences may be material, both with respect to timing and the aggregate amounts realised.

In performing its activities under the Servicing Agreement, the Special Servicer will from time to time evaluate alternative courses of action with respect to the collection, operation, restructuring or other recovery on the Banking Assets and monitor conditions affecting the Banking Assets. As a result, it is likely that the Special Servicer will, from time to time, change its course of action with respect to the Receivables. See section *"Risk Factors" – "Servicing of the Portfolio"* above. Consequently, to the extent that the Special Servicer adopts, in the future, courses of action with respect to the collection, operation, restructuring or other recovery of the Banking Assets different from those assumed in preparation of the Business Plan on which the estimated cash flows are based, the timing and the amount of actual sources of cash flow may differ, perhaps materially, from the sources of cash flow presented therein.

See for further details the section headed "*The Business Plan*".

**Projections, Forecasts and Estimates**

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus are, necessarily, speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors should not rely 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.

In particular, the Business Plan is not a forecast of future cashflows expected to be generated on the Portfolio but is only a base case scenario prepared on the basis of certain assumptions for calculations to be made under the Transaction and in any case in accordance with the San Marino Securitisation Law. As such, the Business Plan should not be construed as either projections or predictions on the Portfolio's performance or as legal, tax, financial, investment or accounting advice. The performance of the Portfolio cannot be predicted, because a large number of factors cannot be determined. Therefore, information included in the Business Plan must be viewed with considerable caution. There may be differences between the Business Plan and actual results because events and circumstances frequently do not occur as expected, and those differences may be material, with respect to timing, the aggregate amounts realised and the costs incurred in servicing the Portfolio.

Please see the Section headed "*Uncertainty of net cash flows – The Business Plan".*

None of the Issuer, the Arranger, the International Placement Agent nor any other party to the Transaction Documents has or will have any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

**Timing of Foreclosure actions in the Courts**

In addition, recovery of the Banking Asset depends primarily on timing of foreclosure actions in courts of the Republic of San Marino as well as the Italian courts, considering that certain legal recovery procedures may be performed in the Republic of Italy, the ability of the Special Servicer to effect out of court settlements and/or assignments of the Banking Asset and the Italian economy and the economy of the Republic of San Marino generally. There will also be differences in the timing and amount of the Issuer's operating and administrative expenses. Differences in the amount and timing of such net sources of cash flow may materially affect the expected average lives and yield to maturity of the Notes, as well as the ability of the Issuer to make payments in respect of the Notes in full at or before their maturity.

Finally, the effectiveness of enforcement proceedings in respect of the Portfolio, in the Republic of San Marino and in Italy, can take a considerable time depending on a number of factors, including the type of action required and where such action is taken, as well as depend on several other factors. Other factors which may affect the enforcement proceedings include the following: possible oppositions by the Assigned Debtors or other creditors; the circumstance that the Assigned Debtor is subject to a bankruptcy procedure. Furthermore, in relation to the Italian courts, other factors which may affect the enforcement proceedings include the following: possible issues relating to the mortgage and/or the real estate assets; proceedings in certain courts involved in the enforcement of mortgage loans and mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to 2 (two) or 3 (three) years.

As at the date of this Prospectus only limited historical data is available on the timing of the Foreclosure actions in the courts of the Republic of San Marino.

For the Republic of Italy as a whole, it takes an average of 6 (six) to 7 (seven) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any assets. In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "**Law No. 302**") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between 2 (two) and 3 (three) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Portfolio cannot be fully assessed.

The length of time needed for the completion of foreclosures, may negatively impact the cashflows on the Transaction and the Issuer’s ability to meet its payment obligations under the Notes.

**Real estate investments**

Certain of the Banking Assets are secured by real estate assets (in particular such real estate assets may be assigned to the Issuer); in addition, with respect to the Banking Assets connecting to leasing agreements, the relevant assets underlying the Banking Assets is represented by real estate assets and therefore the recovery of the Banking Assets is subject to the risks inherent in investments in or secured by real property. Such risks include adverse changes in national, regional or local economic and demographic conditions in the Republic of San Marino as well as in Italy and in real estate values generally as well as in interest rates, real estate tax rates, other operating expenses, inflation and the strength or weakness of Italian or San Marino national, regional and local economies, the supply of and demand for properties of the type involved, zoning laws or other governmental rules and policies (including environmental restrictions and changes in land use) and competitive conditions (including construction of new competing properties) all

of which may affect the value of the real estate assets and the collections and recoveries generated by them. The performance of investments in real estate has historically been cyclical. There is a possibility of losses with respect to the real estate assets for which insurance proceeds may not be adequate or which may result from risks that are not covered by insurance. As with all properties, if reconstruction (for example, following destruction or damage by fire or flooding) or any major repair or improvement is required to be made to a real estate asset, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the owner to effect such reconstruction, major repair or improvement. Any of these events would affect the amount realised with respect to the Banking Assets and the Leased Assets, and consequently, the amount available to make payments on the Notes.

Moreover, the Italian real estate market as well as those of the Republic of San Marino has been negatively impacted by the crisis and, starting from 2008, relevant prices have been declining and real estate transactions have reduced. In addition, when real estate assets, such as the case at hand, constitute collateral of loan agreements, in case of default by the relevant Assigned Debtors, the foreclosure procedures before Italian and the Republic of San Marino courts are typically quite long and complex. This renders the relevant real estate assets even more illiquid. As a consequence, the purchase price of real estate assets in the context of a foreclosure procedure is typically significantly lower than the relevant market value.

**Reliance on liquidation and sale proceeds of the mortgaged asset, real estate assets (deriving by terminated lease agreements) and other assets assigned to the Issuer for payments on the Rated Notes**

As described herein, certain Banking Assets are secured by mortgages over real estate assets while the Portfolio includes assets (deriving by terminated lease agreements) repossessed by the Sellers and sold to the Issuer, or terminated lease agreement for which the relevant assets have not been repossessed. In this respect, it is expected that, with respect to many of the Banking Assets which are secured by mortgages over real estate assets which are currently under foreclosure, the related real estate assets will be sold in the context of the foreclosure procedures as market conditions permit or may be assigned to the Issuer. In addition, it is expected that, with respect to a portion of the remaining Banking Assets which are secured by mortgages over real estate assets that are defaulted, the Special Servicer will, absent determining that a modification is in the best interest of the Noteholders and the Issuer, foreclose upon such real estate assets. In addition, it is expected that the assets (deriving by terminated lease agreements) and the real estate assets assigned to the Issuer will be sold or rented by the Issuer.

As a result, payments on the Rated Notes are partly expected to come from liquidation and sale proceeds of real estate assets (including assets (deriving by terminated lease agreements) and real estate assets assigned to the Issuer). The cash flow realized on the sale of the real estate assets depends on the Special Servicer's skill and diligence in servicing the Banking Assets composed by assets (deriving by terminated lease agreements) and the real estate assets assigned to the Issuer or secured by real estate assets and managing the foreclosure and disposition process, the local real estate market for each such real estate assets, the value of the related real estate assets and several other factors. In addition, as discussed in this Prospectus, current market and political conditions and other factors (such as the length of the relevant foreclosure procedure) may cause substantial delays in the ability of the Special Servicer to foreclose upon the real estate assets and may adversely affect the amount of proceeds received in respect of a real estate assets.

There can be no assurance as to the amount of time it will take for the Special Servicer to complete the foreclosure process with respect to a real estate asset or the sale of a Leased Asset (and the real estate assets assigned to the Issuer) or as to the timing of collections in respect of the Banking Assets backed by a real estate asset. The ability of the Special Servicer to complete the foreclosure process with respect to a real estate asset backing a Banking Assets will depend on several factors, including whether the related mortgagor contests the foreclosure proceeding and whether the Special Servicer is in possession of all legal documents necessary to foreclose. The ability of the Special Servicer to foreclose on a real estate asset backing a Banking Asset or to sale a Leased Asset (and the real estate assets assigned to the Issuer) at any

particular time will depend upon prevalent market conditions in the area in which the property is located and the actual presence of purchasers willing to purchase the relevant real estate asset. Insolvency proceedings involving the relevant Assigned Debtor may also make it harder for the Special Servicer to foreclose on a real estate asset.

**Council of the Twelve and real estate market in the Republic of San Marino**

Regarding the disposal of the real estate assets located in the Republic of San Marino, prospective Noteholders should take into account the fact that the possibilities of absorption of the real estate market may be limited due to administrative constraints which limit the possibility of foreign buyer purchasing real estate assets in the Republic of San Marino. However, it should be considered that this has been taken into account in the preparation of the Business Plan.

In this respect it should be taken into account the role of the Council of the Twelve, an administrative body of twelve members, appointed by the Parliament of the Republic of San Marino for the duration of each legislative term. Members are appointed from the Parliament in proportion to the parliamentary groups represented in the Parliament. Members of the Parliament who are appointed to the Government cannot simultaneously serve as members of the Council of the Twelve.
The Council of the Twelve has various administrative (and basic judicial) powers and, amongst others, it has the power to authorise the purchase of real estate by foreigners and companies.
This means that the prior approval of the Council of the Twelve is required to sell a real estate asset to a non-San Marino citizen, and this may take time or could lead to failure of the sale. However, at the date of this Prospectus, a new law has been presented in order to provide that the disposal of the real estate assets purchased by the Issuer in favour of third parties (including - for the sake of clarity - foreign buyers) will be exempt from the prior authorization of the Council of the Twelve. These new measures, once approved, will make the San Marino real estate market more accessible and improve the ability of the Issuer (through the Special Servicer) to dispose of its assets by reducing the administrative constraints for foreign buyers purchasing the real estate assets. In addition, the sale of the Banking Assets to the Issuer shall not be subject to the approval of the Council of the Twelve.

**Repossession of non-repossessed assets (deriving by terminated lease agreements) and assignment of the real estate assets securing the mortgage loan agreements**

Some of the assets (deriving by terminated lease agreements) comprised in the Portfolio are not repossessed by the Issuer as at the date hereof. In addition, certain real estate assets securing the mortgage loan may be assigned to the Issuer in accordance with the provisions of the Italian law or the San Marino law (as applicable) and in accordance with the provisions of the Servicing Agreement.

As a result, payments on the Notes are partly expected to come from successful repossession/assignment and sale of such real estate assets. The cash flow realized on the sale of any such real estate assets will also depend on the Special Servicer's skill and diligence in managing the relevant judicial procedures and in handling the processes thereof. In addition, as evidenced in this Prospectus, current market and political conditions and other factors (such as the length of the relevant judicial procedure for repossession) may cause substantial delays in the ability of the of the Special Servicer to repossess/or obtain the assignment of such real estate assets and may adversely affect the amount of proceeds received in respect of a real estate asset.

There can be no assurance as to the amount of time it will take for the Special Servicer to complete the relevant judicial procedures to gain possession of the non-repossessed assets (deriving by terminated lease agreements) s or the assignment of the real estate assets securing the mortgage loan. The ability of the Special Servicer to complete the assignment of the real estate assets as well as the repossession process with respect to a non-repossessed Leased Asset backing a Banking Assets will depend on several factors, including whether the relevant Assigned Debtor contests or raises objections. The ability of the Special

Servicer to dispose of such assets (deriving by terminated lease agreements) once repossessed or the real estate assets once assigned at any particular time will depend in relation to prevalent market conditions in the area in which the property is located and the actual presence of purchasers willing to purchase such assets (deriving by terminated lease agreements).

**Settlements related to the Banking Assets may cause cash shortfalls**

Under the Servicing Agreement, the Special Servicer may agree with the Assigned Debtors on repayments plans and settlements (the "**Servicing Transactions**").

In this respect, the yield on the Rated Notes might be heavily influenced by the ability of the Special Servicer to enter into Servicing Transactions in a timely and efficient manner. In some cases, the inability of the Special Servicer to timely enter into Servicing Transactions may reduce and/or delay amounts available for payment to the Rated Notes. The Special Servicer's ability to enter into Servicing Transactions may be limited due to the difficulty in contacting the Assigned Debtors or creating modifications that are acceptable to both the Issuer and the Assigned Debtor. In addition, the Special Servicer may not be able to individually address the needs of each Assigned Debtor if it is forced to confront an overwhelming number of requests for Servicing Transactions.

**Proceeds from foreclosure of real estate backing the Banking Assets are expected to be less than the principal amount outstanding**

Since it is expected that proceeds from foreclosure of the real estate assets securing certain Banking Assets will be in most, if not all, cases less than the unpaid principal balance of the Banking Assets, under certain loss scenarios, net liquidation proceeds on the real estate assets and principal and interest received on the Banking Assets, if any, may be insufficient to pay the Rated Notes all principal and interest to which they are entitled.

**Procedural expenses may be disproportionate and will reduce proceeds available for payments on the Rated Notes**

Liquidation expenses with respect to Banking Assets do not necessarily vary directly with the unpaid principal balance of the Banking Assets. Therefore, assuming that the Special Servicer took the same steps in foreclosing or collecting/recovering a Banking Assets having a small remaining unpaid principal balance as it would have taken in the case of a Banking Assets having a large remaining unpaid principal balance, the amount realized after expenses of foreclosure or collection/recovery process would be smaller as a percentage of the unpaid principal balance than would be the case with the Banking Assets having a large remaining unpaid principal balance.

Such expenses such as judicial and legal fees, and maintenance and preservation expenses will reduce the portion of liquidation proceeds available for payment on the Rated Notes.

## 4. RISKS RELATED TO THE RSM GUARANTEE

Pursuant to article 21 of the San Marino Securitisation Law the so-called "*veicolo di sistema*", which will purchase and securitise non-performing loans under a securitisation transaction complying with certain requirements as described in the relevant San Marino Securitisation Law, may request the Republic of San Marino, upon resolution of the State Congress (*Congresso di* Stato) of the Republic of San Marino and which will follow the consent of the so-called Commissione Consiliare Permanente Finanze. Bilancio e Programmazione; Artigianato, Industria; commercio; Turismo, Servizi, Trasporti e Telecomunicazioni, Lavoro e Cooperazione, to guarantee the payments of interest and principal on the Class A Notes (the "**RSM Guarantee**"). Pursuant to the San Marino Securitisation Law, the RSM Guarantee shall not apply to the Class B Notes and the Class J Notes. The issuance of the Class A Notes and the Transaction has been structured in such a way as to allow the application for the RSM Guarantee and the issuance of the RSM Guarantee is a condition precedent for the issuance of the Notes. In particular, prior to the Issue Date, the Issuer and the Republic of San Marino have entered into the RSM Guarantee Agreement (having the same

content, form and substance of those attached to the resolution of the San Marino Congress (il *Congresso di Stato)* issued on 7 December 2023), pursuant to which the Class A Notes are guaranteed by the RSM Guarantee

Although as of the Issue Date the RSM Guarantee has been granted with respect to the Class A Notes, the Arranger and the International Placement Agent shall not take any responsibility to ensure that the Class A Notes will continue to be guaranteed by the RSM Guarantee. In any case the Issuer has undertaken to carry out all the activities required from time to time in order to maintain the RSM Guarantee effective and in force (For further details please see the section – *The RSM Guarantee*).

Therefore, prospective investors in the Notes should be aware that they are responsible for verifying if, at the time of the purchase of the Class A Notes, the RSM Guarantee is still in force and effective. Should the RSM Guarantee be revoked (such circumstance will be notified to the Rating Agencies and the Noteholders by the Issuer), the Issuer has the right to enforce the entire amount of the RSM Guarantee and such amounts will be deposited into the Issuer Transaction Account and used by the Issuer to pay (on each Payment Date) the amounts due and payable under the Class A Notes (in case the Issuer Available Funds are not sufficient to make such payments). Any amounts not used by the Issuer will be paid back to the RSM Guarantor, once the Class A Notes are redeemed in full.

In addition, prospective investors should be aware that, as at the date of the Prospectus, the Transaction is the first securitisation transaction carried out pursuant to the San Marino Securitisation Law in the Republic of San Marino and, moreover, is the first securitisation transaction in which the RSM Guarantee has been granted. Therefore, provisions of the Securitisation Law in relation of the RSM Guarantee have not yet been ruled on, nor interpreted by any published case law, in the Republic of San Marino.

## 5. LEGAL AND REGULATORY RISKS

### San Marino Securitisation Law

As of the date of this Prospectus, the Transaction is the first securitisation transaction carried out pursuant to the San Marino Securitisation Law in the Republic of San Marino, which was issued in August 2021.

As of the date of this Prospectus, limited interpretation of the application of the San Marino Securitisation Law has been issued by the governmental of the Republic of San Marino or regulatory authorities; therefore it is possible that further regulations, relating to the San Marino Securitisation Law or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents,.

### Rights of set-off and other rights of the Assigned Debtors

Under general principles of the law of the Republic of San Marino, the Assigned Debtors are entitled to exercise rights of set-off in respect of amounts due by them under the relevant Loan against any amounts payable by the Sellers to the relevant Assigned Debtor.

The assignment of Banking Assets under the San Marino Securitisation Law is governed by articles 7 and 5 of such law and by reference to article 52 of the LISF. According to such provisions, such assignment becomes enforceable against the relevant debtors as of the publication of the notice of assignment in the Official Bulletin of the Republic of San Marino (*Bollettino Ufficiale della Repubblica di San Marino*). Consequently, the Assigned Debtors may exercise a right of set-off against the Issuer on claims against the relevant Seller which have arisen before the date of publication of the notice in the Official Bulletin of the Republic of San Marino.

### San Marino Usury Law

The crime of usury is set out in article 207 of the Criminal Code (*Codice Penale*) of the Republic of San Marino (the "**Article 207**"). In particular interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent and (ii) the person who paid or agreed to pay

was in financial and economic difficulties. In accordance with Article 207, such interest and benefits are disproportionate when exceed the threshold rate periodically published by the Central Bank of the Republic of San Marino (the "**Anti-usury Rate**").

The Anti-Usury Rate is periodically determined by the Central Bank of the Republic of San Marino, through circulars, and is currently identified by the Circular No. 2020 - TS4, in force since 31 October 2020, in accordance with the provision of the Regulation No. 02/2014 issued by Central Bank of the Republic of San Marino ("**RU**", and together with Article 207, the "**Usury Laws**"), which provides for the recording of the average global effective rate for determining the Anti-usury Rate.

In accordance with article 9 of the RU, the transactions subject to the Anti-usury Rate requirements are the following: "personal credit" (No 4), "special purpose credit" (No 5), "leasing" (No 6) and "other financing" (No 10). To this end, the RU identifies the so-called "reporting authorities" (*soggetti segnalanti*), who are required to send, on a quarterly basis, reports to the Central Bank of the Republic of San Marino (by means of a specific form) containing the following information (as set out in article 14 of the RU): a) the average global effective rate, expressed on an annual basis, charged by the reporting authorities; b) the number of relationships that have contributed to the determination of the average global effective rate charged by the intermediary; c) the points of increase over the average agreed rate provided for in the loan agreements by way of late payment by the reporting authorities in case of late payment. In relation to a monetary credit or claim, the jurisprudence of the Republic of San Marino admits the compounding of interest, consistently applied by credit institutions on an annual, semi-annual or quarterly basis, provided that the contractual arrangement is proven and that that such compounding interests comply with the Usury Laws. On compounding interest please see paragraph "*Compounding of Interest*" below.

Prospective Noteholders should note that under the terms of each Transfer Agreement, each of the Sellers has released certain representations in relation to the Usury Laws as well as in relation to the absence of proceedings or passive lawsuits brought against the Sellers challenging the application of Usury Law. See "*Description of the Transaction Documents*".

**Representations and warranties of the Sellers - limited enforceability against the Sellers**

Under the relevant Transfer Agreement, each of the Sellers has assumed certain undertakings in favour of the Issuer in relation to the Portfolio and has made certain representations and warranties in favour of the Issuer in relation to *inter alia* itself and the Portfolio. The Issuer, in case of a breach of an undertaking or a representation and warranty will require to be indemnified from each of the Sellers for the damages deriving therefrom.

However, it has to be noted that the above mentioned guarantee is enforceable by the Issuer only in relation to damages already occurred and, in any case, for a limited period of time and therefore if the Issuer becomes aware of a breach of such undertakings or representations following the period of validity thereof or within such period but the relevant damage is only potential, then the Issuer will not be entitled to claim payments by the relevant Seller under the relevant indemnity obligations.

Please see the section headed "*Description of the Transaction Documents – The Transfer Agreements*".

**Perfection of the sale of the Portfolio**

The sale of the Portfolio by each Seller to the Issuer has been made in accordance with the San Marino Securitisation Law. Pursuant to article 5 and 7 of the San Marino Securitisation Law, the publication in the Official Bulletin of the Republic of San Marino of the notice for the sale of the Portfolio by each of the Sellers to the Issuer (please note that the notice was published on the Official Bulletin of the Republic of San Marino before the Issue Date) has rendered the assignment of the Portfolio and the proceeds deriving therefrom immune from any attachment or other action under San Marino law (other than a claw-back action: see "*Claw-Back of the sale of the Portfolio*" below), except to the extent that any such attachment or action is intended to protect the rights of the Noteholders and the Secured Creditors. In addition, pursuant

to the combined operation of articles 5 and 7 of the San Marino Securitisation Law, the publication of such notices means that the sale of the Portfolio cannot be challenged or disregarded by: (i) any third party to whom each of the Sellers may previously have assigned the Portfolio or any part thereof but who has not perfected the assignment prior to the date of publication; (ii) a creditor of the relevant Seller who has a right to enforce its claim on the relevant Seller's assets; or (iii) a receiver or administrative receiver or a liquidator of any Assigned Debtor in the case of the Assigned Debtor's bankruptcy.

**Claw-back risks of the sale of the Portfolio**

A transfer pursuant to the San Marino Securitisation Law may be subject to a claw-back action by a judicial liquidator of the transferor: (i) if the sale is on a free basis and has occurred 3 months prior to the declaration of insolvency of the transferor; or (ii) if the transferor was insolvent at the time of the transfer; or (iii) if the sale is for consideration and the transferee cannot prove that it has not exploited to its advantage the insolvency of the transferor.

Accordingly, if the relevant Seller was insolvent at the date of the execution of the relevant Transfer Agreement, and the transfer falls into one of the abovementioned cases, the relevant transfer may be subject to claw-back by a liquidator of the Seller. Under the relevant Transfer Agreement, each of the Sellers has represented that it was solvent as of the date of the transfer and pursuant to the relevant Transfer Agreement it has delivered to the Issuer all appropriate solvency certificates as of the date of the transfer of the Portfolio.

**Compounding of interest**

The Republic of San Marino case-law related to monetary receivables allows the capitalisation of interests by credit institutions on annual, semi-annually or quarterly basis (see decision issued by the first degree judge of the Republic of San Marino on February 18th, 2009, in civil lawsuit 262/2005).

However, the periodic capitalisation is legal only if it has been contractually agreed on an equal basis both for active interests and for passive interests and in compliance with the Usury Laws.

Prospective Noteholders should note that under the terms of each Transfer Agreements, the relevant Seller has represented and warranted to the Issuer, *inter alia*, that it has complied with the principles established in the Republic of San Marino on compound interest. See "*Description of the Transaction Documents*".

**Fair Compensation ("*Equo compenso*")**

Considering that certain Banking Asset may be recovered in the Italian jurisdiction through Italian legal counsels, the provisions of Article 13-bis of Law decree 148/2017 ("**Article 13-bis**") should be taken into account.

Article 13-bis, as converted into law by law 172/2017, has introduced provisions pursuant to which conventions regulating fee arrangements ("**Fee conventions**") entered into by legal counsels and banks, insurance companies or companies, not qualifying as SMEs pursuant to Commission Recommendation of 6 May 2003 shall provide for fees to be paid to the relevant legal counsel that are adequate and proportionate (*equo compenso*) to the quality and quantity of assistance required from the same; moreover, such fees shall be compliant with the parameters provided under certain decrees issued periodically by the Ministry of Justice. Clauses under Fee Conventions determining material unbalances, also due to violation of the provisions on *equo compenso*, at the disadvantage of legal counsels, are considered abusive and not enforceable vis-à-vis the latter. Article 13-bis also contains a list of specific terms that, if included in the Fee Conventions, are considered abusive (and thus not enforceable vis-à-vis the legal counsel part of the relevant Fee Convention); such list also includes terms providing that, in case of renewal of the Fee Conventions between the same parties, the renewed convention provides for lower fees compared to the substituted ones and such lower fees will apply also to mandates still ongoing at the date of substitution.

It cannot be excluded that (a) law courts may interpret or (b) changes of law (including, without limitation, changes of law resulting from the enactment of any interpretative law or regulation (*norme di*

*interpretazione autentica*)) may occur and cause Article 13-bis to be applicable to the fee arrangements concluded by the Servicer, pursuant to the terms of the Servicing Agreement, with lawyers in charge of the recovery of the Banking Asset in the Italian jurisdiction; such an interpretation or change of law (as the case may be) may increase the legal recovery expenses compared to the estimate made under the Business Plan, and, thus, adversely impact on the net cash flows generated from the Portfolio and therefore on the proceeds available for payments on the Notes.

In relation to the Republic of San Marino, there is no specific legislation on the fair compensation, but it should be noted that the provisions contained in the so-called "*Tariffario dell'Ordine degli Avvocati e Notai di San Marino*", aimed at regulating the fees due to lawyer and public notary, are mandatory.

**Restructuring arrangements in accordance with law No. 3 of 27 January 2012**

According to the provision of Italian law No. 3 of 27 January 2012 (the "**Law 3/2012**"), a debtor in a state of over indebtedness ("*stato di sovraindebitamento*") is entitled to submit to its creditors, with the assistance of a competent body ("*Occ-Organismi per la Composizione della Crisi*") or an expert, a debt restructuring arrangement (the "**Restructuring Agreement**") which shall in any case ensure the full payment of the creditors whose receivables towards the relevant debtor are not subject to be attached ("*pignorati*") in accordance with article 545 of the Italian code of civil procedure.

The Law 3/2012, as amended, applies, *inter alios*, to (i) debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law; and (ii) to debtors which have not benefited of any procedure set out by Law 3/2012 in the past five years. In any case the debtors must comply with article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

The Restructuring Agreement must be filed with the competent Court together with, *inter alia*, the list of all creditors of the relevant debtor.

The Restructuring Agreement shall provide the revised terms of payment of all of the debtor's obligations, including – at certain conditions – the secured creditors ("*creditori privilegiati*") if the proposal has a going concern basis. The Restructuring Agreement becomes effective, upon approval ("*omologazione*") by the competent Court (which shall be given in any case within 6 months from the date on which the proposal of Restructuring Agreement is submitted by the relevant debtor). In any case a favorable vote of creditors representing at least 60% of the debtor's receivables is required for the approval of the Restructuring Agreement.

Under the approved Restructuring Agreement, which shall be binding for all of the creditors of the relevant debtor, the latter may obtain: (a) up to a one-year period moratorium for secured creditors ("*creditori privilegiati*") if the proposal has a going concern basis; (b) the suspension of all foreclosure procedures and seizures ("*sequestri conservativi*") against it; (c) that creditors will be prevented from creating pre-emption rights ("*diritti di prelazione*") on the debtor's assets; and (d) that legal interests will stop to accrue.

As a consequence of the entering into force of the Restructuring Agreement, the debtor's assets will be considered as attached, and could not be further attached by upcoming creditors.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 days from the established deadlines, or if the debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice rights of the creditor against debtor's guarantors and co-obligors.

As an alternative to the procedure described hereabove, the debtors (i) in a state of over indebtedness ("*stato di sovraindebitamento*") and (ii) which have not benefited of any procedure set out by Law 3/2012 in the past five years, may request the voluntary winding up of all its assets.

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which it appoints a liquidator, and orders the relevant debtor to transfer its assets to such liquidator. The appointed liquidator will then pay creditors proportionally to their receivables (save

for receivables with pre-emption causes ("*diritti di prelazione*")). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures ("*sequestri conservativi*") on the debtor's assets will be suspended. Should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will become part of the assets to be liquidated and will be applied by the liquidator to pay the creditors of the relevant debtor.

Should any Assigned Debtor (in relation to which such provisions are applicable) enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Assigned Debtor suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released. However, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

In addition a specific procedure is provided by Law 3/2012 in relation to debtors who qualify as consumers ("*consumatori*").

In any case it should be noted that under the representations and warranties set out in the relevant Transfer Agreement each Seller has represented that there are no laws or regulations in the legislation of the Republic of San Marino relating to consumer protection applicable to Banking Assets.

**Reform of corporate reorganization and Insolvency Law**

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganization proceedings in the context of over-indebted corporate entities. On 12 January 2019 the government approved the Legislative Decree No. 14 including the new code of crisis and insolvency (*codice della crisi e dell'insolvenza*) (the "**New Insolvency Code**"). On 14 February 2019, the New Insolvency Code, has been published in the Official Gazette of the Republic of Italy and the entering into force was scheduled for 15 August 2020 except for certain minor amendments entered into force as of 16 March 2019. However, pursuant to the *Liquidità* Decree (as defined below), the entering into force of the New Insolvency Code was initially postponed to 1 September 2021 and, subsequently, according to the Italian Law Decree No. 118 of 24 August 2021 (as converted into law by Law n. 147 of 21 October 2021), to 16 May 2022, save for the Second Title (*Titolo II*) of the First Part (*Parte Prima*) whose entering into force is postponed to 31 December 2023.

Prospective Noteholders should be aware that, as at the date of this Prospectus, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been tested in any case law nor specified in any further regulation. Therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

The New Insolvency Code is the result of a review of the Italian royal decree no. 267 of 16 March 1942 (hereinafter the "**Bankruptcy Law**") aimed at reforming Italian insolvency legislation in a way better suited to the current economic situation and consistent with the indications received from the European legislator.

The New Insolvency Code is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganization methods; in such a context, the declaration of bankruptcy (now defined as "*judicial liquidation*", "*liquidazione giudiziale"*) is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity. Please note that in the coming months this New Insolvency Code may be amended to correct certain aspects that according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the New Insolvency Code introduces the new "preemptive and assisted reorganisation procedures" that, with respect to "minor creditors", further complement the currently existing pre-insolvency proceedings (*i.e.* restructuring proceedings under article 182*bis* and certified plans under article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so - called *extraordinary administration* proceedings has not been included in the scope of the New Insolvency Code and will likely require an *ad hoc* intervention.

The main amendments to the current legal framework contained in the New Insolvency Code are as follows.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceeding. Therefore, in order to tackle such issues, the New Insolvency Code provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the New Insolvency Code introduces:

a) a definition of "corporate group" by reference to the criteria of direction and coordination referred to in articles 2497 et seq. and 2545 *septies* of the Italian Civil Code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to article 2359 of the Italian Civil Code;

b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under article 182*bis* of the Bankruptcy Law or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of "center of main interests" of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.

c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a "joint" scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any "distortion" effects;

d) subordination of infra-group debt in situations described by article 2467 of the Italian Civil Code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under article 182*bis* of Bankruptcy Law;

e) extension of the receiver's powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, *inter alia*, to report irregularities in the management of the solvent companies of the group (e.g. article 2409 of the Italian Civil Code) and to request their bankruptcy in the event of insolvency.

*Pre-emptive Proceedings*

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the New Insolvency Code requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced pre-emptive proceedings and crisis-assisted reorganization proceedings (the "**Pre-emptive Proceedings**") to induce the distressed company to tackle the crisis early on.

Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and tackle it on an early stage.

The Preemptive Proceedings are aimed at a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Pre-emptive Proceedings - which are to be conducted out-of court in a confidential manner – provide for the following:

a) the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the "**Committee**") in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;

b) qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (also by starting the Pre-emptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

c) in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;

d) in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative bodies of the debtor of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;

e) during the proceedings, the debtor may apply to the Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of article 182 *sexies* of the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

f) if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Pre-emptive Proceedings, the Law provides for a system of incentives and penalties:

Incentives:

1. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under Article 182*bis* of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) certain criminal offences linked to insolvency are not punishable if they have caused minor damage; (b) a certain mitigating circumstances in respect to other criminal offences; (c) a reduction of interest and penalties on tax debt; and
2. for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report.

Penalties:

1. for qualified public creditors: loss of their priority in payment over their debt in case of failure to timely report to the supervisory entities and the Committee the persisting default of obligations of a significant amount by the relevant insolvent debtor.

*Debt restructuring agreements pursuant to Article 182bis of Bankruptcy Law and certified plans under Article 67(3)(d) Bankruptcy Law*

The New Insolvency Code aims to encourage the use of debt restructuring agreements currently governed by article 182*bis* of the Bankruptcy Law (the "**182*bis* Agreements**").

As for the certified plans under article 67(3)(d) of the Bankruptcy Law (the "**Certified Plans**"), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182*bis* Agreements, the New Insolvency Code provides as follows:

a) extended application of the cram down: possibility to apply the "cram down" model envisaged in the case of arrangements with banks and financial intermediaries under the current article 182*septies* of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may impose to the "minority" creditors belonging to a certain class the restructuring of their claims as agreed by at least 75% of creditors belonging to the relevant class, provided that such "minority" creditors have been informed of the opening of negotiations and have been enabled to participate to them;

b) reduction of admissibility quorum: reduction of the 60% quorum currently required for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the restructuring agreement as their debts become due and (b) does not request protection from enforcement proceedings (see letter c) below);

c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);

d) extension to shareholders with unlimited liability: extension of the effects of the agreement to shareholders with unlimited liability.

As for the certified plans, the New Insolvency Code (i) requires that they be in writing, bear certain date; and (ii) states in details their minimum content.

*Schemes of Arrangement*

The New Insolvency Code provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to promote business continuity. More specifically, the New Insolvency Code provides as follows:

a) marginalization of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which increases payments in favours of unsecured creditors for at least 10% and in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;

b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the "private" nature of the scheme of arrangement deriving from the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (*Corte di Cassazione a Sezioni Unite*) that will not contribute to the success of the scheme of arrangement);

c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote (50%+1); furthermore, the New Insolvency Code calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then direct the approval of the relevant scheme of arrangement proposal;

d) the definition of a scheme of arrangement on going concern basis and deferment of privileged claims: it is clarified that a scheme of arrangement on going concern basis refers to both mixed schemes of arrangements (going concern basis plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be deferred up to two years, provided that they are granted voting rights;

e) super senior loans (*finanziamenti prededucibili*) authorized by the court: super senior loans are confirmed during the proceedings and by way of execution of the plan: super senior loans granted before the commencement of the proceedings are no longer permitted;

f) mandatory classification of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);

g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

i) termination of the scheme arrangement by the receiver: the receiver has the power to require, upon request by a creditor, that the scheme of arrangement be terminated, *inter alia*, for non-performance (currently, such right is recognised only to creditors);

j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in case of transactions impacting on the organization or financial structure of the company.

*Judicial liquidation*

Under the New Insolvency Code bankruptcy is defined as "*judicial liquidation*" and aims at standardizing and simplifying the relevant proceedings which however becomes now residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Among the most important changes with respect to the current bankruptcy proceedings are the following:

a) *assignment of assets to creditors*: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the New Insolvency Code are not very clear on this point); to this end, a body is established which certifies "the reasonable probability of satisfaction of the debts incurred in respect of each proceeding" and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction "in proportion to the probability of satisfaction of their credit"; the provision is aimed at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a "settlement and central counterparty system operator" which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;

b) *applicability erga omnes*: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the exclusion of public entities, supervised entities (e.g. banks, insurance companies) and entities subject to over-indebtedness proceedings (see above the section named "*Restructuring Arrangements in accordance with Law No. 3 of 27 January 2012*");

c) *efficiency of the proceedings*: a number of further novelties have been envisaged to reduce the duration and cost of the procedure and make more effective and transparent the receiver's activity as well as the process of determining the bankruptcy estate's liabilities.

Finally, the New Insolvency Code also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritizing business continuity and ensuring the competitiveness of asset sale auctions.

Prospective Noteholders should be aware that the above procedure will be applied in case of procedures carried out in Italy, however the insolvency procedures carried out in the Republic of San Marino shall be carried out in accordance with the law of the Republic of San Marino. See paragraph below named "*San Marino Insolvency Law*".

**San Marino Insolvency Law**

The insolvency law of the Republic of San Marino provides for two kinds of procedures: (i) Bankruptcy procedure and transfer of assets to creditors and (ii) Composition with creditors.

Bankruptcy procedure and transfer of assets to creditors (the "**Bankruptcy Procedure**") is aimed at streamlining the individual collecting procedures towards the same debtor in a sole procedure, in order to ensure the so-called *par condicio creditorum.* The Bankruptcy Procedure is related to all the assets of the debtor (the so-called "*natura universale*") and can be applied both to individuals and legal entities. Actors of the procedures are the judge and the liquidator, who represents the creditors and manages assets (for consideration) in the interest of creditors.

The Bankruptcy Procedure can be started either by the debtor (and in such case it is called "transfer of assets to the creditors") or by creditors (and in such case it is called "bankruptcy"). After filing the initial application, a hearing for the personal appearance of the debtor is scheduled, during which the judge assesses the requirements to start the procedure (*i.e.* the insolvency, to be intended as the inability of the debtor to face his duties and plurality of creditors).

The effects of the opening of the procedures are:

(a) in relation the debtor, the dispossession of his assets;

(b) in relation to the creditors, that the debts are considered expired; and

(c) in relation to third parties, the application of the claw-back provisions.

The main features of the Bankruptcy Procedure as set out under the law of the Republic of San Marino No. 17/1917, are the following:

(a) pursuant to article 11 of the law of the Republic of San Marino No. 17/1917, creditors must file their claims within 90 days from the opening of the Bankruptcy Procedure under penalty of forfeiture;

(b) the liquidator admits liabilities and assessing filing. In particular, oppositions (if any) to the list of credits will be made in accordance with the ordinary civil procedure (*i.e.* opposition must be filed within 30 days starting from the issuance of the relevant decree opening the relevant procedure);

(c) graduation within creditors must be set out by the liquidator in accordance with law of the Republic of San Marino No. 17/1917; Privileges (*privilegi*) and mortgages (*ipoteche*) constitute pre-emption rights (*diritti di prelazione*). The draft of final liquidation program is published and maintained at the Court for 30 (thirty) days, in order to allow the creditors and the debtor to file their oppositions to such draft. The relevant decision issued by the judge approving the graduation can be opposed within 30 days;

(d) the liquidation of the assets takes place in accordance with expert estimates. Auctions are possible in accordance with the ordinary civil procedure rules as set out under the law of the Republic of

San Marino No. 55/1994. Incomes must be distributed in accordance with the graduation approved by the judge.

Composition with creditors (the "**Composition**") is a settlement between the debtor and its creditors, in accordance to which the debtor and its creditors agree the percentage of the claims that the debtor intends to pay, waiving the remaining part.

In order to activate such procedure, the insolvency of the debtor and the plurality of its creditors is required.

The proposal of the debtor shall indicate, under penalty of inadmissibility (*pena di inammissibilità*), the detail of its assets (including their possible value), the list of creditors, the proposed percentage of payment to unsecured creditors (*creditori chirografari*) and the securities that guarantee the punctual fulfilment of duties set forth in the proposal.

After the filing of the proposal, creditors must indicate their credits to the Court's chancellery within 30 calendar days. The Court, by way of a decree to be issued within 24 hours from the filing of the proposal, instructs the chancellor to verify assets and liabilities of the debtor. The decree will set forth the day and the time for the creditors' meeting, which will deliberate on the proposal. This proposal must be approved at least by the majority of creditors who have filed their claims, and which represent at least 2/3 of the overall amount of the unsecured creditors admitted by the judge to vote the Composition (although their credits are challenged).

In this procedure the liquidator shall verify whether the proposal can be accepted and whether the debtor occulted assets and/or liabilities. Such procedure does not entail the dispossession of the debtor, which continues to have full legal capacity, accompanied by the liquidator in the assets disposals.

At the filing of the application, "all debts are considered to be expired"; moreover, every lawsuit or enforcement procedure is suspended.

If the proposal is accepted by the legal majorities of creditors, than the composition is fulfilled and, after that, the debtor is freed by the part of waived unsecured credits. Secured creditors are satisfied with the income derived from the secured assets and cannot ask more than what they receive from said income.

**Change of Law**

The structure of the Transaction and, *inter alia*, the issue of the Notes and the rating assigned to the Rated Notes are based on the law of the Republic of San Marino, English law and Italian law, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that the law of the Republic of San Marino, English law or Italian law or tax or administrative practice will not change after the date of this Prospectus or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

**Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Rated Notes**

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR) are the subject of recent national and international regulatory guidance and reform, including Regulation (EU) no. 2016/1011 (the "**EU Benchmarks Regulation**"). These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Rated Notes.

Prospective investors should be aware that the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. These reforms and other pressures may cause one or more interest rate benchmarks (including EURIBOR) to disappear

entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks:

(i) discouraging market participants from continuing to administer or contribute to a benchmark;

(ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Rated Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) if EURIBOR is discontinued or is otherwise unavailable and an amendment as described in paragraph (c) below has not been made at the relevant time, then the rate of interest on the Rated Notes will be determined for a period by the fall-back provisions provided for under Condition 7 (*Interest*), although such provisions, being dependent in part upon the provision by reference banks of offered quotations in the Eurozone interbank market, may not operate as intended (depending on market circumstances and the availability of rate information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available. This may also have an effect on the Cap Agreement;

(c) while (i) an amendment may be made under Condition 18 (*Benchmark Rate Modification*) to change the benchmark on the Rated Notes from EURIBOR to an alternative benchmark under certain circumstances broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions being satisfied including no objection to the proposal being received by at least 10 (ten) per cent. of Noteholders of the aggregate Principal Amount Outstanding of the Rated Notes then outstanding, (ii) the Issuer (or a Rate Determination Agent on its behalf) is under an obligation to determine (acting in good faith and in a commercially reasonable manner) an Alternative Benchmark Rate in accordance with Condition 18 (*Benchmark Rate Modification*), and (iii) subject to the consent of the Cap Counterparty, an amendment may be made to change the benchmark that then applies in respect of the Cap Agreement for the purpose of aligning the benchmark of the Cap Agreement to the benchmark of the Rated Notes following a Benchmark Rate Modification, there can be no assurance that any such amendments will be made or, if made, that they (x) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rate on the Rated Notes and the Cap Agreement or (y) will be made prior to any date on which any of the risks described in this risk factor may become relevant;

(d) if EURIBOR is discontinued, and whether or not an amendment is made under Condition 18 (*Benchmark Rate Modification*) and clause 17.1.1(a) of the Note Trust Deed to change the benchmark with respect to the Rated Notes as described in paragraph (c) above, if a proposal for an equivalent change to the benchmark on the Cap Agreement is not approved in accordance with Condition 18 (*Benchmark Rate Modification*), there can be no assurance that the applicable fall-back provisions under the Cap Agreement would operate to allow the transactions under the Cap Agreement to effectively mitigate interest rate risk in respect of the Rated Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Banking Assets, the Rated Notes and/or the Cap Agreement due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

Moreover, any of the above matters (including an amendment to change the benchmark as described above) or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR could result in amendments to the Conditions and the Cap Agreement, early redemption, delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

**European Market Infrastructure Regulation**

Regulation (EU) no. 648/2012, as amended, varied or substituted from time to time, known as the European Market Infrastructure Regulation (the "**EMIR**") entered into force on 16 August 2012. Certain changes to EMIR are introduced pursuant to Regulation (EU) 2019/834 and references to "EMIR" below are construed accordingly.

Among other things, EMIR imposes on "financial counterparties" a general obligation (the "**Clearing Obligation**") to clear through a duly authorised or recognised central counterparty all "eligible" OTC derivative contracts entered into with other counterparties subject to the Clearing Obligation. They must also report the details of all derivative contracts to a trade repository (the "**Reporting Obligation**") and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**Risk Mitigation Obligations**"). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged.

Non-financial counterparties are excluded from the Clearing Obligation and certain Risk Mitigation Obligations provided that the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group" (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the Cap Agreement entered into by the Issuer is expected to be treated as a hedging transaction and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view.

If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the relevant risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Issuer may be unable to comply with such requirements, which could result in the termination of the Cap Agreement. Any termination of the Cap Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty as described above or otherwise could expose the Issuer to costs and increased interest rate risk.

**Regulatory Capital Framework**

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating

countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**") and Regulation No. 575/2013 ("**CRR**"). On 7 June 2019 the following, *inter alia*, were published on the Official Journal of the EU: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"), (ii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("**CRR II**"), and (iii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**"), and entered into force on 27 June 2019. Certain portions of the new rules apply as from 27 June 2019 while others shall apply as from 28 June 2021. The new rules implement the Basel Committee's finalised Basel III reforms dated December 2017. The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15%.

Implementation of the Basel framework including Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

The implementation of Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments have and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III will depend on the particular asset structure of each credit institution and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the guidelines resulting from the transposition of the above-mentioned provisions.

The implementation of Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the capital requirements directives.

Accordingly, recipients of this Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV and of the CRD V, the CRR II, the BRRD II and any of its expected amendments could have on them.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above). The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework (including the Basel III changes described above). Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

It should be noted that the Transaction is aimed at obtaining the derecognition of the Banking Assets from the balance-sheet of the Sellers which is obtained through the sale of the Senior Notes and subscription of the Mezzanine Notes and Junior Notes by the Sellers in accordance with the relevant legislation of the Republic of San Marino. It should be noted that any change in the Republic of San Marino regulatory framework may have an impact on the prudential and accounting treatment of the assignment of the Banking Assets and/or of the Notes held by Sellers.

**EU Securitisation Regulation**

Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation and amending certain other European Union directives and regulations (the "**EU Securitisation Regulation**" is directly applicable in member states of the European Union (the "**EU**") and will be applicable in any non-EU states of the EEA in which it has been implemented. The EU Securitisation Regulation, together with all relevant implementing regulations in relation thereto, all regulatory and/or implementing technical standards in relation thereto or applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation and, in each case, any relevant guidance and directions published in relation thereto by the European Banking Authority (the "**EBA**")), the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority (or, in each case, any predecessor or any other applicable regulatory authority) or by the European Commission, in each case as amended and in effect from time to time, are referred to in this Prospectus as the "**EU Securitisation Regulation Rules**".

Article 5 of the EU Securitisation Regulation places certain conditions on investments in a "securitisation" (as defined in the EU Securitisation Regulation) (the "**EU Due Diligence Requirements**") by "institutional investors", defined to include (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the "**CRR**"),

(b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, known as Solvency II, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages and/or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, as amended, known as the UCITS Directive, or an internally managed UCITS, which is an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) with certain exceptions, an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by such an institution for occupational retirement provision as provided in that Directive. Pursuant to Article 14 of the CRR, the EU Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of institutions regulated under the CRR (such affiliates, together with all such institutional investors, the "**EU Affected Investors**").

Prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the EU Securitisation Regulation), an EU Affected Investor, other than the originator, sponsor or original lender (each as defined in the EU Securitisation Regulation) must, among other things verify that, where the originator, sponsor or original lender (each as defined in the EU Securitisation Regulation) is established in a third country (such as the Republic of San Marino), (i) the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5 %, determined in accordance with Article 6 of the EU Securitisation Regulation, and such risk retention is disclosed to institutional investors; and (ii) the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness. In addition, the EU Affected Investors shall carry out a due-diligence assessment which enables the EU Affected Investor to assess the risks involved, considering at least (A) the risk characteristics of the securitisation position and the underlying exposures, and (B) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

While holding a securitisation position, an EU Affected Investor must also (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitisation position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitisation position and maintaining records of the foregoing verifications and due diligence and other relevant information.

Even if the EU Securitisation Regulation is not directly applicable to the Sellers, each of the Sellers has undertaken, under the Subscription Agreement, to voluntarily retain at the relevant Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with paragraph (d) of Article 6(3) of the EU Securitisation Regulation (the "**EU Retained Interest**"), as further described in "Securitisation Regulation Requirements" below. The EU Retained Interest shall not be subject to any credit risk mitigation or hedging, except to the extent permitted under the applicable provisions of the EU Securitisation Regulation.

Without limitation to the foregoing, no assurance can be given that the EU Securitisation Regulation or the interpretation or application thereof will not change, and if any such change is implemented, as to whether and to what extent the transactions described herein will be affected by such changes or any other changes

in law or regulation relating to the EU Securitisation Regulation generally or the EU Risk Retained Interest in particular.

In addition, in the Subscription Agreement the Issuer has agreed to act as reporting entity of the Transaction for the purposes of Article 7(2), first-sub-paragraph, of the EU Securitisation Regulation as the entity which will fulfil the information requirements referred to therein (the "**Reporting Entity**").

**UK Securitisation Regulation**

The United Kingdom (the "**UK**") left the EU as of 31 January 2020 and the transition period (the "**Transition Period**") referred to in the withdrawal agreement between the UK and the EU ended on 31 December 2020. Since 1 January 2021, with respect to the UK, relevant UK-established or UK-regulated persons are subject to the restrictions and obligations of the EU Securitisation Regulation as it forms part of UK domestic law by virtue of the EUWA, and as amended by the UK Securitisation Regulation. The UK Securitisation Regulation, together with (a) all applicable binding technical standards made under the UK Securitisation Regulation (including, without limitation, any regulatory or implementing technical standards of the European Union that form part of UK domestic law by virtue of the EUWA); (b) relevant guidance, policy statements or directions relating to the application of the UK Securitisation Regulation (or any binding technical standards) published by the UK Prudential Regulation Authority (the "**PRA**") and/or the FCA (or their successors); (c) any other relevant transitional, saving or other provision relevant to the UK Securitisation Regulation by virtue of the EUWA; and (d) any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitisation Regulation, in each case, as may be further amended, supplemented or replaced, from time to time, are referred to in this Prospectus as the "**UK Securitisation Regulation Rules**", and together with the EU Securitisation Regulation Rules, the "**Securitisation Regulations Rules**").

Article 5 of the UK Securitisation Regulation places certain conditions on investments in a "securitisation" (as defined in the UK Securitisation Regulation ) (the "**UK Due Diligence Requirements**" and, together with the EU Due Diligence Requirements, the "**Due Diligence Requirements**") (and references in this Prospectus to "**the applicable Due Diligence Requirements**" shall mean such Due Diligence Requirements to which a particular Affected Investor is subject)) by an "institutional investor", defined to include (a) an insurance undertaking as defined in section 417(1) of the Financial Services and Markets Act 2000 (the "**FSMA**"); (b) a reinsurance undertaking as defined in section 417(1) of the FSMA; (c) an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment is authorised for the purposes of section 31 of the FSMA; (d) an AIFM as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulation 2013 which markets or manages AIFs (as defined in regulation 3 of those Regulations) in the UK; (e) a management company as defined in section 237(2) of the FSMA; (f) a UCITS as defined by section 236A of the FSMA, which is an authorised open ended investment company as defined in section 237(3) of the FSMA; and (g) a CRR firm as defined by Article 4(1)(2A) of the EU CRR as it forms part of UK domestic law by virtue of the EUWA and as amended (the "UK CRR") and (h) an FCA investment firm as defined by Article 4(1)(2AB) of the UK CRR . The UK Due Diligence Requirements may also apply to investments by certain consolidated affiliates, wherever established or located, of institutions regulated under the UK CRR (such affiliates, together with all such institutional investors, "**UK Affected Investors**" and, together with EU Affected Investors, the "**Affected Investors**").

Prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the UK Securitisation Regulation), a UK Affected Investor, other than the originator, sponsor or original lender (each as defined in the UK Securitisation Regulation) must, among other things: (a) verify that, where the originator or original lender is established in a third country (i.e. not the UK), the originator or original

lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that, if established in a third country (i.e. not the UK), the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5 %, determined in accordance with Article 6 of the UK Securitisation Regulation, and discloses the risk retention to UK Affected Investors, (c) verify that if established in a third country (i.e. not the UK), the originator, sponsor or the SSPE has, where applicable, made available information which is substantially the same as that which an originator, sponsor or SSPE would have made available as required by Article 7 of the UK Securitisation Regulation if it had been established in the UK and has done so with such frequency and modalities as are substantially the same as those with which it would have made information available as required by Article 7 of the UK Securitisation Regulation if it had been established in the UK, and (d) carry out a due-diligence assessment which enables the UK Affected Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

While holding a securitisation position, a UK Affected Investor must also (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitisation position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitisation position and maintaining records of the foregoing verifications and due diligence and other relevant information.

The UK Securitisation Regulation imposes a direct obligation on the originator, sponsor or original lender of a securitisation to retain a material net economic interest in the securitisation of not less than 5% (the "**UK Risk Retention Requirements**" and together with the EU Risk Retention Requirements, the "**Risk Retention Requirements**). Certain aspects of the UK Risk Retention Requirements are to be further specified in regulatory technical standards to be adopted by the UK as a delegated regulation. Until these regulatory technical standards apply, certain provisions of Delegated Regulation (EU) No. 625/2014 as it forms part of UK domestic law by virtue of the EUWA shall apply.

The UK Securitisation Regulation is silent as to the jurisdictional scope of the UK Risk Retention Requirements and consequently, whether, for example, it applies to originators in the EU such as the Seller. Notwithstanding the above, under the Subscription Agreement, each of the Sellers has undertaken to retain at the Subsequent Issue Date and to maintain on an ongoing basis a material net economic interest in the Transaction in accordance with paragraph (d) of Article 6(3) of the UK Securitisation Regulation (the "**UK Retained Interest**" and together with the EU Retained Interest, the "**Retained Interest**"), as further described in "Securitisation Regulations Requirements" below. The Retained Interest shall not be subject to any credit risk mitigation or hedging, except to the extent permitted under the applicable provisions of the UK Securitisation Regulation.

The secondary legislation relating to the EU Securitisation Regulation which was in force as at the end of the Transition Period has also been enacted with certain amendments in the UK. However, this was not the case in respect of interpretive guidance issued by the EU regulatory authorities or any secondary legislation which was not in force at the end of the Transition Period. There remains uncertainty as to whether key interpretive guidance issued by EU Regulatory authorities in connection with the EU Securitisation Regulation will also be replicated by UK regulators in respect of the UK Securitisation Regulation.

Proposals for the reform of UK financial services regulation known as the Edinburgh Reforms announced by the UK government in December 2022 contemplate the repeal of technical standards and their replacement by rules to be made or developed by the Financial Conduct Authority and the Prudential Regulation Authority. In July 2023, HM Treasury published a draft statutory instrument containing a regulatory framework for the UK to replace the UK Securitisation Regulation. At the date of this Prospectus, such proposals have not yet been finalized into law. It remains unclear what will be required for institutional investors to demonstrate compliance with the various due diligence requirements (and in particular in relation to the transparency and disclosure verification requirements applicable) under Article 5 of the UK Securitisation Regulation, and whether the limited information that will be provided to investors in relation to the Transaction is or will be sufficient to meet such requirements. It is also unclear what view the relevant UK regulator of any UK Affected Investor might take.

Prospective investors that are UK Affected Investors should note that there are substantive differences between the transparency and disclosure verification requirements of Article 5 of the EU Securitisation Regulation and those of Article 5 of the UK Securitisation Regulation and that there is uncertainty as to the implications of such differences.

Without limitation to the foregoing, no assurance can be given as to whether and to what extent the transactions described herein will be affected by such changes or any other changes in law or regulation relating to the UK Securitisation Regulation generally or the UK Risk Retention Requirements in particular.

In addition, under the Subscription Agreement, the Issuer and the Sellers have designated among themselves the Issuer as the reporting entity pursuant to Article 7(2), first-sub-paragraph, of the UK Securitisation Regulations as the Reporting Entity.

***Securitisation Regulations – General***

Except as described herein and as provided in the Transaction Documents, no party to the transaction described in this Prospectus intends to take or refrain from taking any action with regard to such transaction in a manner prescribed or contemplated by the Securitisation Regulations Rules, or to take any action for purposes of, or in connection with, facilitating or enabling the compliance by any investor with the Due Diligence Requirements. As regard to the compliance of the Transaction with the Securitisation Regulations, please see section "*Securitisation Regulation Requirements*".

If, at any time, any Noteholder or potential Noteholder requires any action to be taken for purposes of its compliance with the Securitisation Regulations, no party to the transaction described in this Prospectus will be obligated to take any such action, except to the extent that it is otherwise obligated to do so, as described in this Prospectus or pursuant to the Transaction Documents. No such party gives any assurance as to any person's ability to comply, at any time, with any requirement of the Securitisation Regulations, or shall have any liability to any person in respect of any non-compliance, or inability to comply, with any requirement of the Securitisation Regulations.

It remains unclear what will be required for Affected Investors to demonstrate compliance with the Due Diligence Requirements. Each prospective investor in the Notes that is an Affected Investor is required to independently assess and determine whether the undertaking by the Sellers to retain the Retained Interest as described above and in this Prospectus generally, the other information in this Prospectus and the information to be provided in any reports provided to investors in relation to the Transaction and otherwise is sufficient to comply with the Due Diligence Requirements or any corresponding national measures which may be relevant. None of the Issuer, the Sellers, the Arranger, the International Placement Agent their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes, the Sellers

and the transactions described herein are compliant with the Securitisation Regulations Rules or any other applicable legal or regulatory or other requirements and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transaction or structure contemplated hereby to comply with or otherwise satisfy such requirements, any subsequent change in law, rule or regulation or any other applicable legal, regulatory or other requirements or any failure by any investor that is an Affected Investor to satisfy the Due Diligence Requirements.

Failure by an Affected Investor to comply with the applicable Due Diligence Requirements with respect to an investment in the Notes may result in the imposition of a penalty regulatory capital charge on that investment or of other regulatory sanctions by the competent authority of such Affected Investor. The Securitisation Regulations 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 Affected Investors and have an adverse impact on the value and liquidity of the Notes in the secondary market. Prospective investors should analyse their own regulatory position and should consult with their own investment and legal advisors regarding application of, and compliance with, the applicable Due Diligence Requirements or other applicable regulations and the suitability of the Notes for investment.

**U.S. risk retention requirements**

The Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies, including the SEC, pursuant to Section 15G of the Exchange Act of 1934 (as amended), as added by section 941 of the Dodd Frank Act (the "**U.S. Risk Retention Rules**") generally require the "sponsor" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for purposes of such rules, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

Neither the Sellers, as sponsor, nor any other person intends to retain any 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 that is applicable to non-U.S. transactions. In order for a sponsor to be able to have the benefit of such exemption, the transaction must meet certain requirements including, among other things, that (1) the securitisation 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 and set forth below) or for the account or benefit of Risk Retention U.S. persons; (3) neither the sponsor nor the issuer is organised under U.S. law, is a branch organized 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 of the sponsor or issuer that is organised in the United States or a branch of the sponsor or issuer that is located in the United States.

The Sellers has advised the Issuer that it made representations and warranties to satisfy the requirements of the exemptions set forth in Section 20 of the U.S. Risk Retention Rules.

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" (and "**Risk Retention U.S. Person**" as used in this Prospectus) means any of the following:

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

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;1

(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 (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.[2]

Consequently, and notwithstanding anything herein to the contrary, the Notes may not be purchased or held by or transferred to any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer and the Sellers 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 for the account or benefit of a Risk Retention U.S. Person 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 limitation on Risk Retention U.S. Persons in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Issuer, the International Placement Agent and the Arranger are relying on the deemed (or actual) representations made by purchasers of the Notes and may not be able to independently determine the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and neither the Issuer nor the Arranger nor any director, officer, employee, agent or affiliate of them accepts any liability or responsibility whatsoever for any such determination or characterisation.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure on the part of the Sellers to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Sellers which may adversely affect the Notes and the ability of the Sellers to perform their obligations under the Transaction Documents. Furthermore, a failure by the Sellers to comply with

[1] The comparable provision from Regulation S is "*(ii) any partnership or corporation organised or incorporated under the laws of the United States.*".

[2] The comparable provision from Regulation S "*(vii)(B) 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*.".

the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

None of the Issuer, nor the Arranger nor any of the other transaction parties or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Subsequent Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

**Bank Recovery and Resolution Directive**

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies to, *inter alios*, credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the "**relevant institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by Legislative Decrees no. 180 and no. 181 of 16 November 2015 (respectively, the "**Decree No. 180**" and the "**Decree No. 181**"). Decree No. 180 sets forth provisions concerning resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Decree No. 181 introduces certain amendments to the Consolidated Banking Act and the Financial Law Consolidation Act concerning recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Decree No. 181 also amends certain provisions regulating proceedings for extraordinary administration ("*amministrazione straordinaria*") and compulsory administrative liquidation ("*liquidazione coatta amministrativa*") in order to render the relevant proceedings compliant with the BRRD.

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

It should be noted that although the Sellers are not credit institutions established in the European Union, they are nevertheless subject to provisions analogous to the BRRD by operation of Law No. 102 of 14 June

2019 of the Republic of San Marino (legislation on resolution tools to protect the stability of the financial system).

**Risks related to legal proceedings**

Risks related to legal proceedings refer to the risk that the economic implications of any judicial proceedings against the Sellers could have repercussions on the Sellers' stability.

The amounts that could be involved in legal disputes could be considered significant in relation to the Sellers soundness. However, it is inherently difficult to estimate precisely the potential liability to which the Sellers may be exposed upon conclusion of any dispute. In addition, there can be no assurance that amounts already set aside in the Sellers provisions for risks and charges for legal disputes (if any) will be sufficient to cover in full possible losses deriving from such proceedings. This could have a material adverse effect on the Sellers business, financial condition or results of operations.

**Risks connected with regulatory inspections**

The Seller Banks may be subject to inspections by the Central Bank of the Republic of San Marino (*Banca Centrale della Repubblica di San Marino*).

Inspection powers of the Central Bank of the Republic of San Marino are provided for in the Regulation 2007/07 ("**LISF**") and Regulation 2006/03. Such powers are aimed at ascertaining that the bank's activities comply with sound and prudent management criteria and are carried out in compliance with the provisions governing the exercise of such activities. The inspections assess the technical and organisational situation of the banks and verifies the correctness of the information provided to Central Bank of the Republic of San Marino. Inspections may cover the overall business situation, as well as specific operating segments and/or compliance with sector regulations and of any corrective actions implemented by the relevant bank.

**Risk associated with potential capital impact of planned NPL disposals**

The reduction of a potential large stock of non-performing loans in banks' portfolios is a critical issue for all the banks of the Republic of San Marino. NPLs sales – an effective and rapid way to pursue the objective – tend to have a negative impact on banks' capital ratios via direct losses, because the sale prices are typically lower than their book value. Therefore, aggressive sales can cause economic losses and capital shortfalls that, especially in the current difficult market conditions and low profitability environment, the Sellers may be unable to address.

**Economic conditions in the Eurozone**

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone. If such concerns persist and/or 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 Member States or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Sellers, the Cap Counterparty and/or any Assigned Debtor). Given the current uncertainty and the range of possible outcomes, 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 rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Moreover, the timing and payment of the loans may be influenced by the economic situation generally, the Eurozone, Italy and in the Republic of San Marino, as well as by the dynamics of financial markets. The current macroeconomic situation is characterised by significant uncertainties that relate to:

(a) the consequences of the Russian invasion of Ukraine, the impact of sanctions and the risk of the conflict spreading elsewhere;

(b) trends of the real economy as regard to the prospects of recovery, dynamics of national economic growth and the stability of the economies in those countries (United States and China), which have shown a substantial growth in recent years;

(c) future developments in the monetary policy of the ECB in the Eurozone and of the FED area in the dollar area, and in the policies implemented by various countries aimed at encouraging competitive devaluations of their currencies;

(d) recent turmoil on the main Asian financial markets, including, in particular, the Chinese market.

It should also be noted that, as at the date of this Prospectus, the Eurozone is experiencing rapid increases in inflation and the cost of living which could lead to further economic stress as consumers reduce their household expenditure leading to a negative impact on businesses (in particular those in the retail and service sectors). Potential rises in interest rates are likely to be passed on to consumers leading to an increase in their cost of debt as well as further discouraging expenditure. Rises in an Assigned Debtor's cost of debt and cost of living could lead to increased strain on their ability to repay their debts.

Negative developments in all or some only of the above factors may have an adverse effect on the ability of the Issuer to satisfy its obligations under the Notes.

**Political and economic developments in the Republic of San Marino and the Republic of Italy**

The financial condition, results of operations and prospects of the Republic of Italy and the Republic of San Marino and companies incorporated in the Republic of Italy and the Republic of San Marino may be adversely affected by events outside their control, namely European law generally, any conflicts in the region or taxation and other political, economic or social developments in or affecting the Republic of Italy and or the Republic of San Marino generally.

In particular, with respect of the Republic of San Marino, should be noted that the Republic of San Marino's economy is small and thus largely dependent on external trade. Accordingly, the economy of the Republic of San Marino is vulnerable to external shocks, particularly those affecting economic trends in the EU and its other major trading partners, such as the global financial and economic crisis that started in 2008, the subsequent sovereign debt crisis, the COVID-19 pandemic, the Russia-Ukraine conflict and the accompanying impact on economic conditions in its major trading partners. For instance, any significant decline in the economic growth of the Republic of San Marino's main trading partners as a result of the Russia-Ukraine conflict or otherwise, including the EU member states, or any other deterioration in the Republic of San Marino's relationships with such trading partners, could adversely affect the Republic of San Marino's economic growth. The ongoing Russia-Ukraine conflict, coupled with the measures implemented by relevant governmental authorities to contain the related energy crisis , have had and are expected to continue to have a material and adverse impact on the level of economic activity across the world, including in the Republic of San Marino. A prolongation of the conflict could significantly and adversely affect economic growth and impact business operations across the globe generally, including within the Republic of San Marino and its trading partners. To the extent that countries in the Eurozone, or other major trading partners of the Republic of San Marino, experience a weakening of their economies, it could cause sharp declines in the Republic of San Marino's economic activity.
Additionally, concerns about credit risk (including that of sovereigns) and large sovereign debts and/or fiscal deficits of several European countries (including Portugal, Italy, Ireland, Cyprus, Greece and Spain) have, from time to time, in recent years caused significant disruptions in international capital markets. Such disruptions have led to, increased market volatility, reduced liquidity and inflated credit risk premiums for certain market participants or result in a reduction of available financing, all of which could adversely affect the global financial markets in ways which are difficult to predict.

The impact of the substantial changes in the Republic of San Marino's relationship with Italy and the European Union (the "**EU**") on its economy should also be taken into account.
The Republic of San Marino is a landlocked country surrounded by Italy, which is also its closest trading partner. Italy accounts for (as of 2021) 82.7 per cent. of San Marino's exports and 79.3 per cent. of its imports (source: Office of Statistics'figures). San Marino also imports a significant percentage of its electricity and gas from Italy, and is dependent on transport links passing through Italy for trade. Relevant changes in the political and economic environment in Italy could affect the Republic of San Marino's ability to conduct trade with Italy and other countries and have a major impact on the economy of the Republic of San Marino. The volatile global economic situation, as well as the wider spread of COVID-19 in the Republic of San Marino and Italy has also led to weaker-than-expected growth in, and reduced trade with, Italy and its other key trading partners, leading to a decrease in growth prospects in the Republic of San Marino for the years 2020 and 2021.
The Republic of San Marino's negotiations with the EU on an association agreement have been delayed as a result of the COVID-19 pandemic and the discussion are still in place, but the conclusion of such agreement will be expected within the current year As a result of the aforementioned agreement, bilateral relations with the 27 EU member states will also be further strengthened and developed. However, no assurance can be given as to such association agreement being entered into in the expected time-line or in the near future, or at all. The inability of the Republic of San Marino to strengthen its relationship with the EU may have an adverse effect on its economy.

**Risks related to Republic of San Marino's credit rating**

On 2 September 2022, Fitch downgraded San Marino's long term issuer default rating from 'BB+' to 'BB' with a stable outlook, in large part due to the below factors. On 17 July 2023 Fitch Ratings has affirmed San Marino's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BB' with a Stable Outlook.

In particular, Fitch has pointed out that San Marino's financial sector has weathered the recent international financial market turbulence well. Deposits remained stable during the bout of banking sector stress in other developed markets earlier this year. Supported by higher interest rate margins, the banking sector is currently on track to report a small profit for a third consecutive year, following 11 years of losses. The banking sector's solvency ratio has strengthened over recent years, reaching 14.6% by end-2022 (up from 9.5% in 2019), exceeding the minimum requirements.

However, Fitch has also pointed out that despite recent improvements, non-performing loans (NPL) remain exceptionally high, reaching 55% of gross loans by April 2023 (26.8% net of provisions) and that the carrying out of such securitisation could bring the NPL ratio closer to 14% of net loan.

In December 2023, DBRS Ratings GmbH ("**DBRS**") assigned Long-Term Foreign and Local Currency Issuer Ratings of BBB (low) to the Republic of San Marino. DBRS also assigned Short-Term Foreign and Local Currency Issuer Ratings of R-2 (middle) to San Marino. The trend on all credit ratings is Stable.

Such rating is based, on one hand on a relatively high GDP per-capita income, a sizeable net external position that benefits from a dynamic export performance, and a stable political system, and on the other hand, on a high level of public debt, a large amount of nonperforming loans (expected to decline), low structural GDP growth; and weak administrative capacity, leading to poor data transparency and availability. Moreover, San Marino's small and open economy exposes the country to external shocks.

There can be no guarantee that the Republic of San Marino will not experience further credit downgrades or revisions to the outlook. Deterioration in key economic indicators or the materialisation of any of the risks evidenced by Fitch or DBRS in their respective analysis may contribute to further credit rating

downgrades. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning ratings organisation at any time. A credit rating is generally dependent on a number of factors, including public debt levels, past and projected future budget deficits and other considerations.

Any adverse change in the credit rating of the Republic of San Marino could adversely affect the State's ability to comply with its obligations (including those under the RSM Guarantee).

**Volcker Rule**

Pursuant to the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, as amended, the "**Volcker Rule**"), unless an exemption or exclusion is available, "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) are prohibited from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. Under the Volcker Rule, an issuer (such as the Issuer) that relies on the exclusions contained in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act is generally treated as a "covered fund", unless an exemption or exclusion is available. The Issuer does not intend to qualify for the "loan securitization" exclusion set forth in the implementing regulations of the Volcker Rule and, as a result, may become a "covered fund". However, the Issuer is of the view that, under the Volcker Rule, the Senior Debt should not be regarded as "ownership interests" in the Issuer and accordingly banking entities subject to the Volcker Rule should not be prohibited from purchasing such Senior Notes under the Volcker Rule. There can be no assurance that the Issuer will not be a covered fund or that an investment in any Class of Notes will not constitute an "ownership interest" in a covered fund. Any prospective investor, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

Neither the Arranger nor the International Placement Agent has made any investigation or representation as to the characterization of the Notes under the Volcker Rule. Prospective investors, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the legality of their investment in the Notes.

**Swap Regulations under Dodd-Frank**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), the Commodity Futures Trading Commission and certain other U.S. regulators have promulgated a range of new regulatory requirements (the "**Dodd-Frank Regulations**") relating to swaps. The Cap Agreement may be subject to certain of such regulations, which include reporting and recordkeeping requirements. Such requirements may impose compliance costs upon the Issuer, have other unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Noteholders.

**The UK-EEA relationship following Brexit**

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 Eurozone. 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, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents and/or any Assigned Debtor in respect of the Banking Assets.

The UK left the EU on 31 January 2020 at 11pm, and the transition period 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 EEA. The EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which governs the relations between the EU and the UK following the end of the transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

The EUWA (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.

It is not possible to determine the precise impact that these matters will have, if any, on the Issuer (including on the performance of the underlying Banking Assets), on any other party to the Transaction Documents or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under European Union regulation or more generally.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

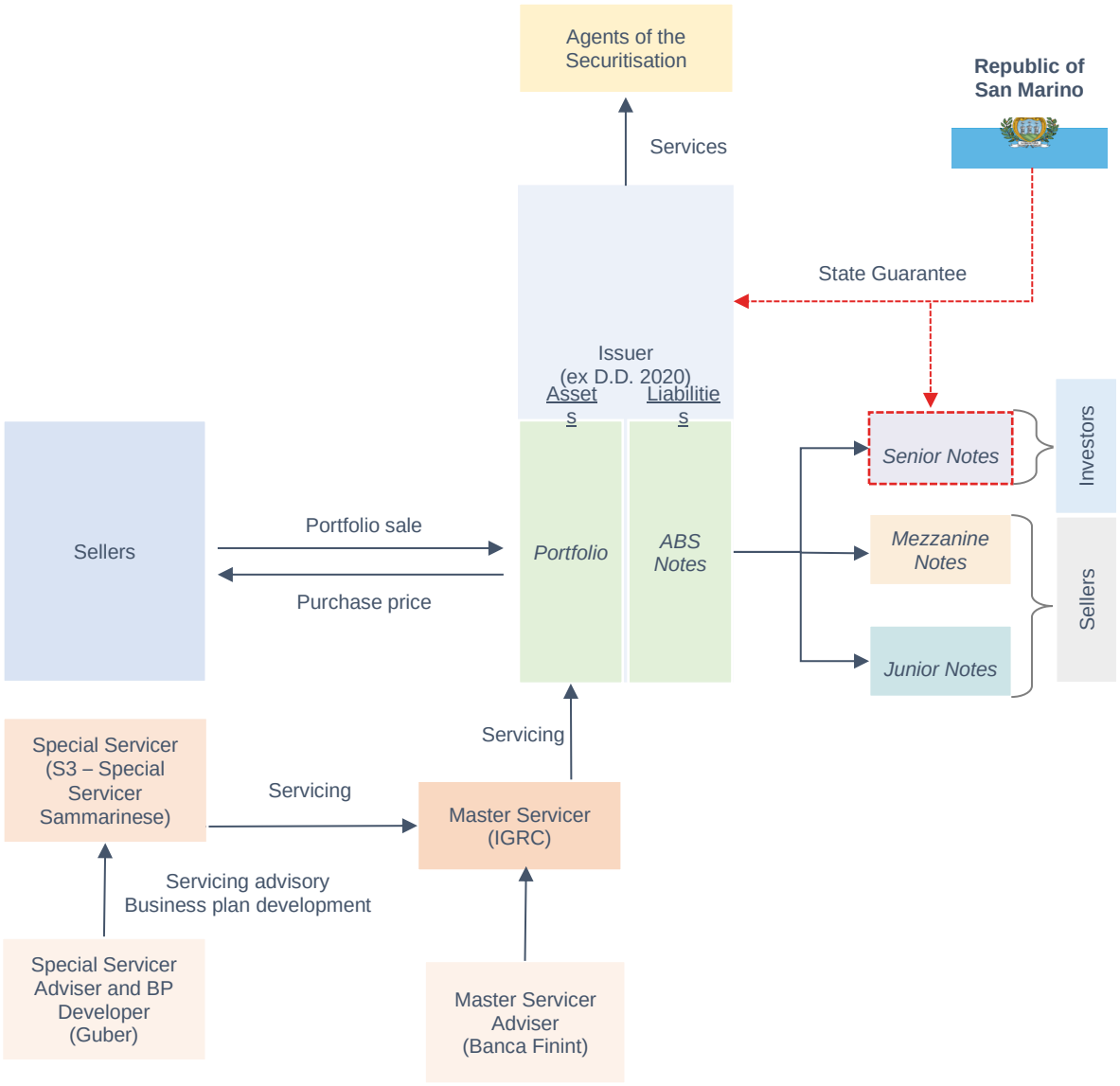
**Combination or "layering" of multiple risk factors may significantly increase risk of loss**

Although the various risks discussed in this Prospectus are generally described separately, prospective investors in the Class A Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. For example, the Banking Assets comprise also defaulted claims, and investors will be relying on the ability of the Special Servicer to convert such Banking Assets to cash. There are many other circumstances in which layering of multiple risks with respect to the asset pool and the Class A Notes may magnify the effect of those risks.

**Euro-system Eligibility**

The Notes are not intended to be held in a manner which would allow Euro-system Eligibility. However if after the date of this Prospectus the Euro-system eligibility criteria are amended such that the Notes are capable of meeting such criteria, and subject to any necessary amendments being made to the Transaction Documents) the Notes may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeep (*i.e.* held under the New Safekeeping Structure (the "**NSS**")). Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Euro-system monetary policy and intra-day credit operations by the Euro-system and any time during their life. Such recognition will depend upon the ECB being satisfied that the Euro-system eligibility criteria have been met.

## TRANSACTION DIAGRAM



## OVERVIEW OF THE TRANSACTION

*The following information is an overview of certain aspects of the transactions relating to the Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus and in the Transaction Documents. All capitalised words and expressions used in this overview of the transaction, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.*

### THE PRINCIPAL PARTIES

| | |
|---|---|
| **ISSUER** | **Veicolo di Sistema S.r.l.**, a incorporated under Law of Republic of San Marino no.157 of 30 August 2021 (*Misure e Strumenti per la Cartolarizzazione dei Crediti*) (as amended from time to time, the "**San Marino Securitisation Law**") and Delegated Decree No. 126 of July 27, 2020 (as amended from time to time, the "**DD 126/2020**"), whose registered office is at Via Guardia di Rocca, 13, Serravalle, Republic of San Marino and enrolment with the Register of Companies referred to in Law No. 47 of February 23, 2006 (as amended from time to time, the "**Companies Law**") No. 9364, quota capital equal to Euro 25,500 (fully paid-in), enrolled with No. ESV001 in the register of the special purpose vehicles pursuant to article 18 of regulation No. 2022-04 of 28 November 2022 (as amended from time to time, the "**Regulation 2022-04**") (the "**Issuer**"). |
| **SELLERS** | **Banca di San Marino S.p.A.**, a bank incorporated as joint stock company (*società per azioni*) company under the Law of Republic of San Marino and enrolled in the Register of Companies with no. 2430, whose registered office is at Faetano – Strada della Croce, no.39, Republic of San Marino ("**BSM**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**BSM Portfolio**" and the "**BSM Banking Assets**").<br><br>**Cassa di Risparmio della Repubblica di San Marino S.p.A.** a bank incorporated as joint stock company (*società per azioni*) under the Law of Republic of San Marino and enrolled in the Register of Companies with no. 2519, whose registered office is at Piazzetta del Titano, no.2, Republic of San Marino ("**CRSS**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**CRSS Portfolio**" and the "**CRSS Banking Assets**").<br><br>**Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A.**, a bank incorporated as joint stock company (*società per azioni*) under the Law of Republic of San Marino and enrolled in the Register of Companies with no. 5422, whose registered office is at Via Tre Settembre, no.316, Republic of San Marino ("**BAC IBS**" and together with CRSS and BSM, the "**Seller Banks**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**BAC IBS Portfolio**" and the "**BAC IBS Banking Assets**").<br><br>**Società di Gestione degli Attivi ex BNS S.p.A.,** a joint stock company (*società per azioni*) incorporated under the Law of Republic of San Marino and enrolled in the Register of Companies with no. 5484 whose registered office is at Piazza |

G. Bertoldi, no. 8, 47899 Serravalle, Republic of San Marino ("**SGA**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**SGA Portfolio**" and the "**SGA Banking Assets**").

**739 SG S.p.A.,** a company with a sole quotaholder, incorporated as joint stock company (*società per azioni*) under the Law of Republic of San Marino and enrolled in the Register of Companies with no. 4940 and to the Register of Authorised Company with no. 4940, whose registered office is at Piazza Tini, no. 2, Dogana, Republic of San Marino ("**739**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**739 Portfolio**" and the "**739 Banking Assets**").

**Veicolo Pubblico di Segregazione Fondi Pensione** a trust created under the Law of Republic of San Marino whose registered office is at Via Delle Mimose, no. 50, Domagnano, Republic of San Marino ("**VPSFP**" and together with 739 and SGA, the "**Other Sellers**" and the "**DPP Sellers**". The Seller Banks and the Other Sellers together, the "**Sellers**"), as transferor of a portfolio of banking asset (as defined in the San Marino Securitisation Law) (respectively the "**VPSFP Portfolio**", and together with 739 Portfolio, SGA Portfolio, BAC IBS Portfolio, CRSS Portfolio and BSM Portfolio, the "**Portfolio**" and each a "**Sub-Portfolio**", and the "**VPSFP Banking Assets**", and together with 739 Banking Assets, SGA Banking Assets, BAC IBS Banking Assets, CRSS Banking Assets, BSM Banking Assets, the "**Banking Assets**").

Each of the Sellers will act as such pursuant to six transfer agreements each to be entered into between the Issuer and the relevant Seller (each a "**Transfer Agreement**", and together the "**Transfer Agreements**")

**SUBORDINATED LOAN PROVIDERS**

The Seller Banks (each a "**Subordinated Loan Provider**" and together the "**Subordinated Loan Providers**")

Each of the Subordinated Loan Provider will act as such pursuant to three subordinated loan agreements each to be entered into between the Issuer and the relevant Subordinated Loan Provider (each a "**Subordinated Loan Agreement**", and together the "**Subordinated Loan Agreements**")

**SM ACCOUNT BANK**

**Banca Centrale della Repubblica di San Marino**, Via del Voltone, 120 - 47890 - San Marino, acting as local account bank (the "**SM Account Bank**").

**ENGLISH ACCOUNT BANK**

**Bank of New York Mellon**, **London branch** a banking corporation organised pursuant to the laws of the State of New York and operating through its branch in the United Kingdom at 160 Queen Victoria Street, London EC4V 4LA acting as English account bank, or any other person from time to time acting as English account bank (the "**English Account Bank**").

The English Account Bank will act as such pursuant to an English account bank agreement to be entered between, *inter alios*, the Issuer, the English Account Bank and the Trustee (the "**English Account Bank Agreement**").

| | |
|---|---|
| **ITALIAN ACCOUNT BANK** | **Bank of New York Mellon SA/NV**, **Milan branch**, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulvard Anspachlaan 1, B-1000, Brussels, Belgium, acting as Italian account bank, or any other person from time to time acting as Italian account bank (the "**Italian Account Bank**" and together with the SM Account Bank and the English Account Bank, the "**Account Banks**").<br><br>The Italian Account Bank will act as such pursuant to the cash allocation, management and payments agreement to be entered between, *inter alios*, the Issuer, the Italian Account Bank, the Master Servicer and the Trustee (the "**Cash Allocation, Management and Payments Agreement**"). |
| **PAYING AGENT** | **Bank of New York Mellon**, **London branch** acting as paying agent, or any other person from time to time acting as paying agent of the Securitisation (the "**Paying Agent**").<br><br>The Paying Agent will act as such pursuant to the Paying Agency Agreement. |
| **REGISTRAR** | **Bank of New York Mellon SA/NV**, **Dublin branch** a limited liability company and credit institution organised under the laws of Belgium, registered in the RPM Brussels with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin branch (registered in Ireland with branch number 907126) at Riverside II, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, D02 KV60 acting as registrar, or any other person from time to time acting as registrar in relation to the Notes (the "**Registrar**").<br><br>The Registrar will act as such pursuant to the Paying Agency Agreement. |
| **TRUSTEE** | **BNY Mellon Corporate Trustee Services Limited**, acting as trustee or any other person from time to time acting as trustee (the "**Trustee**").<br><br>The Trustee will act as such pursuant to the Deed of Charge, the Note Trust Deed, the Italian Account Pledge, the Provisions for Meetings of Noteholders and the Conditions. |
| **MASTER SERVICER** | **Istituto per la Gestione e il Recupero dei Crediti S.p.A**., a joint stock company incorporated in the Republic of San Marino as a *società per azioni* pursuant to DD 126/2020 and Regulation 2022-04, whose registered office is at Piazza Bertoldi, 8, Republic of San Marino, enrolled with the Companies' Register referred to in Companies Law No. 9385, share capital equal to Euro 100,000 fully paid-up, acting as master servicer of the Transaction ("**IGRC**" or the "**Master Servicer**").<br><br>The Master Servicer will act as such pursuant to a servicing agreement to be entered into between the Issuer, the Master Servicer and the Special Servicer (the "**Servicing Agreement**") and the provisions of the San Marino Securitisation Law. |
| **SPECIAL SERVICER** | **S3 – Special Servicer Sammarinese S.r.l.**, a limited liability company |

incorporated in the Republic of San Marino, whose registered office is at Piazza Bertoldi, 8, Republic of San Marino, enrolled with the Companies' Register referred to in Companies Law No. 9412, share capital equal to Euro 25,500 fully paid-up acting as special servicer of the Transaction, or any other person from time to time acting as special servicer of the Transaction ("**S3**" or the "**Special Servicer**").

The Special Servicer will act as such pursuant to the Servicing Agreement.

**MASTER SERVICER ADVISER**

**Banca Finanziaria Internazionale S.p.A.,** ***breviter*** **"Banca Finint S.p.A."**, a bank incorporated as a joint stock company (*società per azion*i) under the laws of the Republic of Italy, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered in the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking groups 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 S.p.A.*, acting as adviser of the Master Servicer (the "**Master Servicer Adviser**").

The Master Servicer Adviser will act as such pursuant to an advisory master servicing agreement (the "**Advisory Master Servicing Agreement**").

**SPECIAL SERVICER ADVISER**

**Guber Banca S.p.A.**, an Italian bank incorporated as joint stock company whose registered office is at Via Corfù n. 102, 25124 Brescia, Fiscal Code, VAT and enrolment in the Companies' Register of Brescia No. 03140600176, share capital equal to Euro 10,233,926000 fully paid in. REA 331397. Enrolled in the Bank Register with no. n. 8074, ABI Code 3656.6 – Participant to the "*Fondo Interbancario di Tutela dei Depositi*" and enrolled to the register *ex* art. 115 TULPS with No. 773, acting as special servicer adviser, or any other person from time to time acting in such role in the context of the Transaction ("**Guber**" or the "**Special Servicer Adviser**").

The Special Servicer Adviser act as such pursuant to an advisory master servicing agreement (the "**Advisory Special Servicing Agreement**").

**BUSINESS PLAN DEVELOPER**

**Guber** acting as entity in charge *inter alia* to prepare the Business Plan of the Transaction (in such role, the "**Business Plan Developer**") pursuant to a BP developer service agreement to be entered into between the Issuer and the Business Plan Developer (the "**BP Developer Services Agreement**").

**ISSUER CORPORATE SERVICES PROVIDER**

**IGRC**, acting as Issuer corporate services provider, or any other person from time to time acting as Issuer corporate services provider (the "**Issuer Corporate Services Provider**").

The Issuer Corporate Services Provider will act as such pursuant to the Servicing Agreement.

| | |
|---|---|
| **ISSUER QUOTAHOLDER** | **Trust Dominus**, a trust incorporated under the law of the Republic of San Marino ("**Dominus**" or the "**Issuer Quotaholder**"). |
| **CALCULATION AGENT AND MONITORING AGENT** | **Banca Finint S.p.A.**, acting as calculation agent, or any other person from time to time acting as calculation agent (the "**Calculation Agent**") and monitoring agent, or any other person from time to time acting as monitoring agent (the "**Monitoring Agent**").<br><br>The Calculation Agent and Monitoring Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement. |
| **CAP COUNTERPARTY** | **J.P. Morgan SE** a European public company (*Societas Europaea*) established under the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE), with registered address at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, and registered with the Commercial Register B (Handelsregister B) of the local court (Amtsgericht) of Frankfurt am Main under registration number HRB 126056 acting as interest rate cap provider (the "**Cap Counterparty**") |
| **ARRANGER** | **J.P. Morgan Securities PLC**, a public limited company incorporated under the laws of England and Wales (registered number 02711006) whose registered office is at 25 Bank Street, London E14 5JP acting in its capacity as arranger ("**JPM**" or the "**Arranger**"). |
| **INTERNATIONAL PLACEMENT AGENT** | JPM, which will act in this quality in accordance with the provisions of the Subscription Agreement (the "**International Placement Agent**") |
| **LOCAL PLACEMENT AGENT** | The Seller Banks, which will act in this quality in accordance with the provisions of the Subscription Agreement (together, the "**Local Placement Agents**") |

## PRINCIPAL FEATURES OF THE NOTES

**NOTES**

The Notes will be issued by the Issuer on 14 December 2023, or such later date agreed in accordance with the Subscription Agreement (the "**Issue Date**") in the following classes:

(i) Euro 70,000,000 Class A Asset Backed Floating Rate Notes due 31 December 2036 (the "**Class A Notes**" or the "**Senior Notes**" or the "**Rated Notes**");

(ii) Euro 42,248,885 Class B Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B Notes**" or the "**Mezzanine Notes**"); and

(iii) Euro 50,265,458 Class J Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes and the Mezzanine Notes, the "**Notes**").

The Class B Notes and the Class J Notes will be issued by the Issuer on the Issue Date in series (each a "**Series**").

**SERIES OF MEZZANINE NOTES**

In particular, the Series of the Mezzanine Notes will be the following:

Euro 17,544,025 Class B1 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B1 Notes**");

Euro 8,175,776 Class B2 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B2 Notes**");

Euro 4,376,188 Class B3 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B3 Notes**");

Euro 4,706,191 Class B4 Asset Backed Floating Rate Notes due 31 December 2046 (the "**Class B4 Notes**");

Euro 7,291,402 Class B5 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B5 Notes**"); and

Euro 155,302 Class B6 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B6 Notes**").

**SERIES OF JUNIOR NOTES**

In particular, the Series of the Junior Notes will be the following:

Euro 24,538,088 Class J1 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J1 Notes**");

Euro 1,839,496 Class J2 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J2 Notes**");

Euro 7,034,980 Class J3 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J3 Notes**");

Euro 11,395,695 Class J4 Asset Backed Variable Return Notes due 31 December

2046 (the "**Class J4 Notes**");

Euro 5,140,545 Class J5 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J5 Notes**"); and

Euro 316,653 Class J6 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J6 Notes**").

On the Issue Date:

(a) BSM will subscribe the Class B1 Notes and the Class J1 Notes;

(b) CRSS will subscribe the Class B2 Notes and the Class J2 Notes;

(c) BAC IBS will subscribe the Class B3 Notes and Class J3 Notes;

(d) SGA will subscribe the Class B4 Notes and Class J4 Notes;

(e) 739 will subscribe the Class B5 Notes and Class J5 Notes; and

(f) VPSFP will subscribe the Class B6 Notes and Class J6 Notes.

**ISSUE PRICE**

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

| *Class* | *Issue Price* |
|---|---|
| Class A Notes | 100% |
| Class B Notes | 100% |
| Class J Notes | 100% |

**INTEREST ON THE CLASS A NOTES AND THE CLASS B NOTES**

As better described in Condition 5 *(Interest*), the rate of interest applicable from time to time in respect of the Class A Notes and the Class B Notes (the "**Interest Rate**") will be:

(A) with respect to the Class A Notes, a floating rate equal to 4.3% *per annum* (the "**Class A Notes Margin**") plus the Reference Rate (the "**Class A Notes Interest Rate**"), provided that in any case the Class A Notes Interest Rate shall not be negative; and

(B) with respect to the Class B Notes, a fixed interest rate equal to 6% *per annum* (the "**Class B Notes Interest Rate**").

Interest due on each Series of Class J Notes on each Payment Date will be equal to the relevant Class J Notes Variable Return as at such Payment Date.

**CLASS J NOTES VARIABLE RETURN**

"**Class J Notes Variable Return**" means with respect to each Series of Class J Notes and each Payment Date, an amount equal to the relevant Issuer Available Funds available to be applied to such Series of Class J Notes on such Payment

Date after payment of items (*First)* to (*Fifteenth*) (inclusive) of the Pre-Acceleration Order of Priority and items (*First*) to (*Fourteenth*) (inclusive) of the Acceleration Order of Priority, in each case has been made in full.

Class J Notes Variable Return will only be payable on each Payment Date on a Series of Class J Notes to the extent that (i) such Series of Class J Notes is not subject to a Stop Event and (ii) there are available Issuer Available Funds to be applied to such Series of Class J Notes in accordance with the applicable Order of Priority.

**ALLOCATION OF THE SINGLE PORTFOLIO AVAILABLE FUNDS WITH RESPECT TO THE PAYMENT OF INTEREST AND VARIABLE RETURN**

Pursuant to the provisions of the San Marino Securitisation Law, following the Payment Date on which the Class A Notes and the Class B Notes have been repaid in full, the Single Portfolio Available Funds in respect of a Sub-Portfolio will be allocated (in accordance with the Conditions, the Cash Allocation, Management and Payments Agreement and the applicable Order of Priority) to make payments of Class J Notes Variable Return with respect to a relevant Series of Class J Notes so that:

(a) the Single Portfolio Available Funds deriving from the BSM Portfolio will be used to pay the Class J Notes Variable Return on the Class J1 Notes;

(b) the Single Portfolio Available Funds deriving from the CRSS Portfolio will be used to pay the Class J Notes Variable Return on the Class J2 Notes;

(c) the Single Portfolio Available Funds deriving from the BAC IBS Portfolio will be used to pay the Class J Notes Variable Return on the Class J3 Notes;

(d) the Single Portfolio Available Funds deriving from the SGA Portfolio will be used to pay the Class J Notes Variable Return on the Class J4 Notes;

(e) the Single Portfolio Available Funds deriving from the 739 Portfolio will be used to pay the Class J Notes Variable Return on the Class J5 Notes; and

(f) the Single Portfolio Available Funds deriving from the VPSFP Portfolio will be used to pay the Class J Notes Variable Return on the Class J6 Notes.

**PAYMENT DATE**

Interest on the Notes will accrue on a daily basis and will be payable semi-annual in arrear in Euro on the last calendar day of June and December in each year or, if such day is not a Business Day, the immediately preceding Business Day, (each such date a "**Payment Date**"). The first Payment Date will fall on 28 June 2024 (the "**First Payment Date**").

**UNPAID INTEREST ON THE SENIOR**

Without prejudice to right of the Trustee to serve to the Issuer an Enforcement Notice pursuant to Condition 11(a) (*Non-Payment*) and the right to enforce the Class A Notes Guarantees, in the event that the Issuer Available Funds available

**NOTES**

to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable) for the payment of interest on the Senior Notes on such Payment Date are not sufficient to pay in full the relevant interest amount on the Senior Notes, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the interest amount on the Senior Notes which would otherwise be due on the Senior Notes, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, interest amount accrued on the Senior Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

**CLASS A NOTES GUARANTEES**

On the Issue Date, the following guarantees are in place in respect of the Class A Notes:

(i) the Escrow Account Pledge; and

(ii) the RSM Guarantee,

(together, the "**Class A Notes Guarantees**").

Therefore, to the extent such Class A Notes Guarantees are still in place in respect of the Class A Notes, in case of occurrence of a Class A Notes Shortfall Event, the Issuer (acting through the Master Servicer) is authorised to enforce the Class A Notes Guarantees in the following order:

(i) *firstly*, the Escrow Account Pledge; and (only to the extent the proceeds deriving from the enforcement of such guarantee are not sufficient to make the relevant payment); and

(ii) *secondly*, the RSM Guarantee,

in any case in accordance with the provisions of article 21 of the San Marino Securitisation Law.

**CLASS A NOTES SHORTFALL EVENT**

In case of occurrence of the following events (each a "**Class A Notes Shortfall Event**"):

(i) on any Calculation Date, prior to the Class A Final Maturity Date, the Issuer Available Funds are not sufficient to allow the Issuer to make on the relevant Payment Date the payments under item (*Sixth*) of the Pre-Acceleration Order of Priority or item (*Sixth*) of Acceleration Order of Priority; or

(ii) on the Class A Final Maturity Date, the Issuer Available Funds are not sufficient to allow the Issuer to make the payments under item (*Eighth*) of the Pre-Acceleration Order of Priority or item (*Seventh*) of Acceleration Order of Priority,

the Issuer (acting through the Master Servicer) shall enforce the Class A Notes Guarantees by sending the relevant notices (each an "**Enforcement Notice**") in

accordance with the provisions of the Deed of Charge and the San Marino Securitisation Law.

In case of successful enforcement of the Class A Notes Guarantees, the occurrence of a Class A Notes Shortfall Event will not constitute an Event of Default pursuant to Condition 11 (*Events of Default*).

In case of failure to enforce the Class A Notes Guarantees or in case the Class A Notes Guarantees are not still in place, the Trustee (acting in accordance with the provisions of the Conditions and the Provisions for Meetings of Noteholders) will be entitled to send an Enforcement Notice in accordance with the provisions of the Deed of Charge and the Conditions.

**RSM GUARANTEE**

The State guarantee issued by the Republic of San Marino (the "**RSM Guarantor**") in favour of the Issuer, pursuant to article 21 of the San Marino Securitisation Law and any relevant applicable regulations (the "**RSM Guarantee**") in accordance with the provisions of the RSM Guarantee Agreement, is aimed at covering:

(i) the payment by the Issuer of any amount of interest due on the Class A Notes on any Payment Date; and

(ii) the payment by the Issuer of the principal on the Class A Notes on the Class A Final Maturity Date.

Therefore, in case of the Issuer Available Funds and the amount deriving from the enforcement of the Escrow Account Pledge are not sufficient to cure a Class A Notes Shortfall Event, the Issuer (acting through the Master Servicer) shall enforce the RSM Guarantee (on behalf of the holders of the Senior Notes) by sending a notice (the "**RSM Enforcement Notice**") to the *Segreteria di Stato per le Finanze ed il Bilancio* of the Republic of San Marino.

Upon receiving the RSM Enforcement Notice, the RSM Guarantor will pay to the Issuer, within the time-limit set forth in the RSM Guarantee (*i.e.* 30 Business Days starting from the date of receipt of the RSM Enforcement Notice), the relevant amount so that the Issuer itself may proceed with the relevant payments due on the Senior Notes and therefore cure the Class A Notes Shortfall Event.

The Issuer shall pay on each Payment Date to the RSM Guarantor - in accordance with the relevant Order of Priority - a premium for the issuance of the RSM Guarantee in a percentage amount equal to 0.85% to be calculated on each relevant Calculation Date on the Principal Amount Outstanding of the Senior Notes (less the amount credited on the Escrow Account) (the "**RSM Fee**").

Pursuant to the San Marino Securitisation Law, the RSM Guarantee shall not apply to the Class B Notes and the Class J Notes. Neither the Issuer nor the Sellers nor the Arranger nor the International Placement Agent nor any other person takes responsibility for the Class A Notes being ultimately guaranteed pursuant to the RSM Guarantee.

**ESCROW ACCOUNT**

Pursuant to, and for the purposes of, article 19 of the San Marino Securitisation Law, on the Issue Date, the Sellers have created in favour of the Issuer a pledge

**PLEDGE**

regulated by the Law of the Republic of San Marino (the "**Escrow Account Pledge**") over the account opened by the Sellers with the BCSM (the "**Escrow Account**") in accordance with the Escrow Account and Pledge Agreement.

Pursuant to the provisions of the Escrow Account and Pledge Agreement, in case of occurrence of a Class A Notes Shortfall Event, the Issuer (acting through the Master Servicer) shall enforce the pledge by sending a notice to *inter alia* the Sellers (the "**Pledge Enforcement Notice**") to inform them that it will use the Escrow Amount to cure a Class A Notes Shortfall Event.

In particular, on the Issue Date there will be deposited in the Escrow Account an amount equal to Euro 13,757,366 equal to 20% of the cash proceeds deriving from the sale of the Senior Notes (the "**Initial Target Escrow Amount**")

In the context of the Escrow Account and Pledge Agreement, the Sellers have agreed (i) to authorize the Issuer to use the Escrow Surplus Amount as Issuer Available Funds as described below and (ii) to be reimbursed only after the repayments in full of the Senior Notes have occurred and in any case in accordance with the applicable Order of Priority, for an amount equal to the Escrow Surplus Amount used by the Issuer.

In particular, provided that on a Calculation Date the Calculation Agent has verified that the Issuer Available Funds on such date are sufficient to pay, on the relevant following Payment Date, the Senior Costs (the "**Escrow Amortisation Event**") the Issuer is authorised to use as Issuer Available Funds the following amounts:

(a) on the first following Payment Date the difference between: (1) the total amount credited on the Escrow Account on the immediately preceding Calculation Date; and (2) an amount equal to 8% of the Principal Amount Outstanding of the Senior Notes calculated on the previous Calculation Date; and

(b) on the second following Payment Date and on any Payment Date thereafter, an amount in excess of the Target Escrow Amount,

(the amounts under letter (a) or (b) above, the "**Escrow Surplus Amount**").

"**Target Escrow Amount**" means on each Calculation Date on which an Escrow Amortisation Event has occurred, an amount equal to 8% per cent. of the Principal Amount Outstanding of Class A Notes on such date, and ***provided that*** on the Calculation Date on which the Escrow Amount (together with the Issuer Available Funds available on the following Payment Date to redeem the Senior Notes in accordance with the applicable Order of Priority) will be higher than or equal to the Principal Amount Outstanding of the Senior Notes (than outstanding), (the "**Escrow Redemption Event**") the Issuer has been authorised by the Sellers to use the Escrow Amount to redeem in full on the immediately succeeding Payment Date the Senior Notes (than outstanding).

"**Senior Costs**" means the costs and amounts to be paid by the Issuer under items (*First*), (*Second*) and (*Third*) of the Pre-Acceleration Order of Priority or items

(*First), (Second)* and (*Third)* of Acceleration Order of Priority.

**FORM AND DENOMINATION OF THE NOTES**

The Notes of each Class and Series will initially be represented by a global note in registered form and will be held in Euroclear and Clearstream, Luxembourg.

The Class A Notes will be issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Class B Notes and the Class J Notes of each Series will be issued in denominations of Euro 100,000 and integral multiples of Euro 1 in excess thereof.

**ISSUER AVAILABLE FUNDS**

"**Issuer Available Funds**" means, in respect of each Payment Date, the aggregate (without duplication) of:

(i) all the Collections and any other sums received by the Issuer from or in respect of the Portfolios, during the immediately preceding Collection Period;

(ii) all other amounts credited or transferred during the immediately preceding Collection Period into the Issuer Collections Accounts and in the Issuer Transaction Account;

(iii) all interest accrued on the amounts standing to the credit of each of the Issuer Accounts (except for the Issuer Expenses Account, the Issuer Recovery Expenses Reserve Account and the Issuer Quota Capital Account) and paid during the immediately preceding Collection Period on each Account;

(iv) any profit and accrued interest received (up to the third Business Day preceding each relevant Payment Date) under the Eligible Investments (if any) during the immediately preceding Collection Period in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(v) all amounts received by the Issuer from the Sellers pursuant to the relevant Transfer Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from the Sellers as indemnity in case of breach by the Sellers of any representation and warranties pursuant to the relevant Transfer Agreement, but excluding any amount credited on the Escrow Account);

(vi) any amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;

(vii) the proceeds deriving from the disposal in whole or in part (if any) of (a) the Portfolios pursuant to the Deed of Charge, and/or (b) of single Receivable(s) pursuant to the relevant Transfer Agreement or the Servicing Agreement;

(viii) any amounts (other than the amounts already allocated under other

items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period;

(ix) the amounts standing to the credit of the Escrow Account and transferred to the Payments Account as indicated below will form part of the Issuer Available Funds to be applied exclusively towards payments due to the Class A Noteholders:

1. on each Calculation Date on which an Escrow Amortisation Event has occurred, any relevant Escrow Surplus Amount; or

2. only to the extent a Pledge Enforcement Notice has been served, the relevant portion of the Escrow Amount indicated in the relevant Pledge Enforcement Notice; or

3. in case of occurrence of an Escrow Redemption Event, the Escrow Amount.

(x) on the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date:

(1) the amount transferred from the Issuer Expenses Account to the Payments Account on the immediately preceding Business Day net of any known Expenses yet to be paid and any Expenses forecasted by the Issuer Corporate Services Provider to fall due after the redemption in full or cancellation of the Notes (including each reasonable forecasted cost for the unwinding and liquidation of the Issuer), and

(2) the balance of the Issuer Recovery Expenses Reserve Account (net of any known Recovery Expenses related to the Debt Position yet to be paid and any Recovery Expenses related to the Debt Position forecasted by the Special Servicer to fall due after the redemption in full or cancellation of the Notes);

(xi) the amounts standing to the credit of the Liquidity Reserve Account on the preceding Calculation Date; and

(xii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than any Cap Tax Credit Amounts;

*but excluding*:

a) any amount paid out of the Issuer Collection Accounts during the immediately preceding Interest Period in accordance with the provisions of the Transaction Documents (including, for the avoidance of doubt, any amount applied to pay Issuer Recovery Expenses which was due and payable and whose payment could not be met with funds then available on the Issuer Recovery Expenses Reserve Account); and

b) any amount debited to the Issuer Accounts by the Account Banks (if applicable),

*and provided that:*

(I) only to the extent a RSM Enforcement Notice has been served, any amount indicated in the relevant RSM Enforcement Notice and credited - within the timing set forth under the RSM Guarantee - into the Payments Account under the RSM Guarantee will be applied exclusively towards payments due to the Class A Noteholders; and

(II) any sum collected in relation to a sale of a Leased Asset (net of any expense borne with respect to such collection) exceeding the amount due under the relevant receivable connected to such Leased Asset, which has to be returned to the relevant Assigned Debtor pursuant to the provisions of law, contract or a court judgement (even temporarily effective), shall not constitute Issuer Available Funds.

**SINGLE PORTFOLIO AVAILABLE FUNDS**

"**Single Portfolio Available Funds**" means, in respect of each Payment Date, with respect to each Sub-Portfolio and Seller, the aggregate (without duplication) of:

(i) all the Collections and any other sums received by the Issuer from or in respect of the relevant Sub-Portfolio, during the immediately preceding Collection Period;

(ii) all the amounts credited or transferred during the immediately preceding Collection Period into the relevant Seller's Issuer Collections Account;

(iii) all interest accrued on the relevant Seller's Issuer Collections Account and paid during the immediately preceding Collection Period into such account;

(iv) all amounts received by the Issuer from the relevant Seller pursuant to the relevant Transfer Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from the relevant Seller as indemnity in case of breach by such Seller of any representation and warranties pursuant to the relevant Transfer Agreement, but excluding any amount credited on the Escrow Account);

(v) the proceeds deriving from the disposal in whole or in part (if any) of (the relevant Sub-Portfolio pursuant to the Deed of Charge, and/or (b) of single Receivable(s) pursuant to the relevant Transfer Agreement or the Servicing Agreement;

(vi) following repayment in full of the ClassB Notes, any amount reallocated to such Sub-Portfolio pursuant to the Cash Allocation, Management and Payments Agreement, as calculated by the

Calculation Agent in respect of such Payment Date;

(vii) the relevant Seller's Ratio of the amounts standing to the credit of the Liquidity Reserve Account on the preceding Calculation Date; and

(viii) on each Calculation Date from the Escrow Amortisation Date, the relevant Seller's Ratio of the amounts transferred from the Escrow Account to the Payments Account indicated below will form part of the Single Portfolio Available Funds to be applied exclusively towards payments due to the Class A Noteholders:

1. on each Calculation Date from the Escrow Amortisation Date, any Escrow Surplus Amounts; or

2. only to the extent a Pledge Enforcement Notice has been served, the relevant portion of Escrow Amount indicated in the relevant Pledge Enforcement Notice; or

3. in case of occurrence of an Escrow Redemption Event, the Escrow Amount;

(ix) the relevant Seller's Ratio of the aggregate Issuer Available Funds for such Payment Date under items (iii), (iv), (vi), (viii), (x) and (xii) of such definition.

"**Stop Event**" means, in respect of a Class J Note or a Sub-Portfolio and a Calculation Date, the relevant Sub-Portfolio is an Underperforming Sub-Portfolio on such Calculation Date.

"**Underperforming Sub-Portfolio**" means in respect of a Sub-Portfolio and a Calculation Date, where the amount registered in the SP Ledger in relation to such Sub-Portfolio on such Calculation Date is a positive amount as recorded by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**STOP EVENTS AND RE-ALLOCATION OF SINGLE PORTFOLIO AVAILABLE FUNDS**

For as long as Stop Event is subsisting, no reimbursement of principal or payments of the Class J Notes Variable Return (as applicable) on the relevant Series of Class J Notes may be made in accordance with the applicable Order of Priority. A Stop Event may be cured and such Sub-Portfolio will cease to be an Underperforming Portfolio once the amount registered on the SP Ledger in respect of such Sub-Portfolio will be equal to (or lower than) 0 (zero) by the reallocation of Single Portfolio Available Funds prior to their distribution in accordance with the Single Portfolio Order of Priority in an amount calculated by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**SP LEDGER**

The Calculation Agent shall maintain a ledger (the "**SP Ledger**") on behalf of the Issuer in order to record any overperformance or underperformance of each Sub-Portfolio in relation to the Transaction for the purposes of the San Marino Securitisation Law. In particular, on each Calculation Date, the Calculation Agent will, subject to receipt of the relevant information from the Special

Servicer, record on each Payment Date on the SP Ledger for each Sub-Portfolio, the difference between:

(a) (i) an amount equal to the aggregate Class A Notes principal and Class B Notes principal paid since the Issue Date using Issuer Available Funds in accordance with the applicable Order of Priority multiplied by (ii) the Seller's Ratio; and

(b) an amount equal to the aggregate Class A Notes principal and Class B Notes principal recorded since the Issue Date under items (*Eighth*) and (*Fourteenth*) of the relevant Seller's Single Portfolio Available Order of Priority.

"**Seller's Ratio**" means the fixed ratio (expressed as a percentage) for the life of the Transaction of the following items:

(a) for as long as the Class A Notes are outstanding, (1) each Seller's virtual Class A Notes allocated on the Issue Date in accordance with the Cash Allocation, Management and Payments Agreement against (2) the Principal Amount Outstanding of the Senior Notes on the Issue Date; and

(b) once the Class A Notes have been fully redeemed and the class B Notes are outstanding, (1) each Class B Notes allocated to each Seller against (2) the Principal Amount Outstanding of the Mezzanine Notes on the Issue Date.

**ORDERS OF PRIORITY**

**PRE-ACCELERATION ORDER OF PRIORITY**

Prior to (i) the service of an Enforcement Notice, (ii) a Redemption for Taxation pursuant to Condition 8.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 8.4 (*Optional Redemption*), the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**Pre-Acceleration 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* to the extent of the respective amounts thereof):

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of

the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) into the Issuer Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

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

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to pay the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the positive difference between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts due and payable in respect of interest on the Class A Notes on such Payment Date;

(vii) *Seventh*, to credit the Liquidity Reserve Account up to an amount equal to the Target Liquidity Reserve Amount;

(viii) *Eighth*, to pay *pari passu* and *pro rata* the Principal Amount Outstanding of the Class A Notes in full;

(ix) *Ninth*, to pay any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under

item (*Third*);

(x) *Tenth*, to pay to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(xi) *Eleventh*, to pay *pari passu* and *pro rata*:

(a) the interest and principal, in each case, that is due and payable under the relevant Subordinated Loan to each Subordinated Loan Provider;

(b) the relevant Deferred Purchase Price to the DPP Sellers; and

(c) the reimbursement of the Escrow Surplus Amount to each Seller.

(xii) *Twelfth*, to pay *pari passu* and *pro rata*:

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xiii) *Thirteenth*, to pay to each Class B Noteholder *pari passu* and *pro rata* , interest due and payable on the relevant Series of Class B Notes;

(xiv) *Fourteenth* , to pay to each Class B Noteholder *pari passu* and *pro rata* , the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xv) *Fifteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

(xvi) *Sixteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

*provided, however, that* before the delivery of an Enforcement Notice, should the Calculation Agent not receive the Semi-Annual Servicing Report within 2 (two) Business Days prior to a Calculation Date, it shall prepare the Payments Report in respect of the immediately following Payment Date by applying the Issuer Available Funds towards payment only of items from (*First*) to (*Sixth*), but excluding the fees due to the Master Servicer, the Special Servicer and the Special Servicer Adviser under item (*Second*) of the Pre-Acceleration Order of Priority (the "**Provisional Payments Report**"), it being understood that any

amount in excess shall be credited to the Issuer Transaction Account, and any amount that would otherwise have been payable under items from (*Seventh*) to (*Sixteenth*) of the Pre-Acceleration Order of Priority will not be included in the relevant Provisional Payments Report and shall not be payable on the relevant Payment Date but shall be payable (together with the relevant fees due to the Master Servicer, the Special Servicer and the Special Servicer Adviser) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations have been timely provided to the Calculation Agent.

It remains understood that the Calculation Agent (i) shall not be liable in case one or more Payments Reports and/or Investors Reports are not delivered or are delivered after the due date to any of their recipients, in case this non delivery or delay is due to the other Parties not providing or not providing on time to the Calculation Agent the necessary information pursuant to this Agreement, (ii) shall not be bound to investigate on the correctness of the information received by the other Parties pursuant to this Agreement and (iii) shall not be liable for preparing the Provisional Payments Report instead of the Payments Report and for making calculations in accordance with the Provisional Payments Report instead of the Payments Report.

**ACCELERATION ORDER OF PRIORITY**

Following the service of an Enforcement Notice and in the event of redemption of the Notes pursuant to Condition 8.2 (*Redemption for Taxation*) or Condition 8.4 (*Optional Redemption*), the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**Acceleration 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* to the extent of the respective amounts thereof):

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) into the Issuer Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

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

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to pay the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the positive *difference* between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to pay any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts due and payable in respect of *interest* on the Class A Notes on such Payment Date;

(vii) *Seventh*, to pay *pari passu* and *pro rata* the Principal Amount Outstanding of the Class A Notes in full;

(viii) *Eighth*, to pay any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under item (*Third*);

(ix) *Ninth*, to pay to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(x) *Tenth*, to pay *pari passu* and *pro rata*:

(a) the interest and principal, in each case, that is due and payable under the relevant Subordinated Loan to each Subordinated Loan Provider;

(b) the relevant Deferred Purchase Price to the DPP Sellers; and

(c) the reimbursement of the Escrow Surplus Amount to each Seller.

(xi) *Eleventh*, to pay *pari passu* and *pro rata*:

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and the Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xii) *Twelfth*, to pay to each Class B Noteholder *pari passu* and *pro rata*, interest due and payable on the relevant Series of Class B Notes;

(xiii) *Thirteenth*, to pay to each Class B Noteholder *pari passu* and *pro rata*, the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xiv) *Fourteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

(xv) *Fifteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return in accordance with Condition 6.3 (*Single Portfolio Order of Priority*).

**SINGLE PORTFOLIO ORDER OF PRIORITY**

The Single Portfolio Available Funds shall be applied on each Payment Date by the Calculation Agent in order to register for accounting purposes only the following payments, in the following order of priority (the "**Single Portfolio 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 register *pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Seller's Collection Ratio of:

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer

Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

(ii) *Second*, to register *pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Seller's Collection Ratio of:

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to register the relevant Seller's Collection Ratio of the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the relevant Seller's Collection Ratio of the positive difference between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to register the relevant Seller's Collection Ratio of any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to register, *pari passu* and *pro rata*, the relevant Seller's Collection Ratio of all amounts due and payable in respect of interest on the Class A Notes on such Payment Date;

(vii) *Seventh*, to credit the Liquidity Reserve Account up to an amount equal to the relevant Seller's Collection Ratio of the Target Liquidity Reserve Amount;

(viii) *Eighth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio of the Principal Amount Outstanding of the Class A Notes in full;

(ix) *Ninth*, to register the relevant Seller's Collection Ratio of any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under item (*Third*);

(x) *Tenth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(xi) *Eleventh*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof*:*

(c) the interest and principal, in each case, that is due and payable under the Subordinated Loan to each Subordinated Loan Provider;

(d) the relevant Deferred Purchase Price to the DPP Sellers; and

(e) the reimbursement of the Escrow Surplus Amount to each Seller.

(xii) *Twelfth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof*:*

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and the Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xiii) *Thirteenth*, following redemption in full of the Class A Notes, to register to each Class B Noteholder, interest due and payable on the relevant Series of Class B Notes;

(xiii) *Fourteenth*, following redemption in full of the Class A Notes to register to each Class B Noteholder, the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xiv) *Fifteenth*, following redemption in full of the Class A Notes to register to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes;

(xv) *Sixteenth*, following redemption in full of the Class A Notes to register to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return.

For the avoidance of doubt:

(a) prior to and following redemption in full of the Class B Notes (i) the Issuer Available Funds shall be distributed in accordance with the Order of Priority on each Payment Date and (ii) the Single Portfolio Available Funds shall be applied in accordance with the Single Portfolio Order of Priority only in order to register, for accounting purposes, the actual contribution of the relevant Sub-Portfolio to the Transaction; and

(b) following redemption in full of the Class B Notes, the Issuer Available Funds shall be applied to make payments under items from (*Fifteenth)* to (*Sixteenth*) of the Pre-Acceleration Order of Priority on the basis of the amounts registered under such items of the Single Portfolio Order of Priority in order to settle credits and debts resulting from the different contribution (if any) of each of the Sub-Portfolios to the Transaction.

**CAP**

"**CAP**" means the maximum amount payable, taking into account all amounts paid under the same title, to the Special Servicer, the Special Servicer Adviser and the Master Servicer Adviser which shall be equal to:

1. in relation to the amount and fees payable to the Special Servicer Adviser:

   (i) Euro 2,000,000.00, in respect of the Variable Advisory Fee;

   (ii) Euro 1,600,000.00, in respect of the Fixed Advisory Fee;

2. in relation to the amount and fees payable or to be reimbursed to the Special Servicer:

   (i) Euro 2,500,000, in relation to the reimbursement of the maintenance costs (as detailed in the Servicing Agreement);

   (ii) Euro 250,000, in relation to the property manager fee (as detailed in the Servicing Agreement);

   (iii) Euro 1,100,000, in relation to the remarketing fee (as detailed in the Servicing Agreement); and

   (iv) Euro 5,200,000, in relation to the Mezzanine Costs to be reimbursed to the Special Servicer in accordance with the provisions of the Servicing Agreement;

3. in relation to the Mezzanine Costs to be reimbursed to the Master Servicer in accordance with the provisions of the Servicing Agreement, Euro 2,200,000;

4. in relation the amount and fees payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement, Euro 600,000.

**RELEVANT LIMIT**

"**Relevant Limit**" means

1. in relation to the Variable Advisory Fee, the earlier of (i) the Payment Date (included) on which the total amount paid by the Issuer to the Special Servicer as Variable Advisory Fee has reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030;

2. in relation to the Fixed Advisory Fee, the earlier of (i) the Payment Date (included) on which the total amount paid by the Issuer to the Special Servicer as Fixed Advisory Fee has reached the relevant CAP; and (ii) the Payment Date (included) falling in June 2030;

3. in relation to the maintenance costs, the property manager fee and the remarketing fee to be paid or reimbursed to the Special Servicer by the Issuer, the earlier of (i) the Payment Date (included) on which the total amount paid or reimbursed by the Issuer to the Special Servicer, as the case may be, as maintenance costs, the property manager fee and the remarketing fee have reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030;

4. in relation to the Mezzanine Costs to be reimbursed to the Master Servicer and the Special Servicer (as the case may be) by the Issuer, the Payment Date (included) on which the total amount reimbursed by the Issuer to the Special Servicer and the Master Servicer (as the case may be) as Mezzanine Costs has reached the relevant CAP;

5. in relation to the amount and fee payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement, the earlier of (i) the Payment Date (included) on which the total the amount and fee payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement has reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030.

**MEZZANINE COSTS**

means the costs to be incurred by the Master Servicer and the Special Servicer (as the case may be) in accordance with the provisions of the Servicing Agreement, and which will be reimbursed to the Master Servicer and the Special Servicer (as the case may be) by the Issuer in accordance with the applicable Order of Priority and in any event subject to the redemption of the Senior Notes.

**EVENTS OF DEFAULT**

If any of the following events (each a "**Event of Default**") occurs:

(a) **Non-payment:**

(i) the Issuer defaults in the payment of principal of the Notes on the relevant Final Maturity Date or the Final Redemption Date and such default remains unremedied for 3 (three) days; or

(ii) on any Payment Date, the Issuer defaults in the payment in full of the Interest Amount on the Senior Notes; or

(iii) the Issuer defaults in the payment of principal due and payable on the Most Senior Class of Notes on any Payment Date prior to the relevant Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Order of Priority), and such default remains unremedied for 3 (three) days,

***provided that*** the events listed under points (i) and (ii) above shall not constitute an Event of Default (1) in respect of the Class A Notes only, in case of successful enforcement by the Issuer of the RSM Guarantee in accordance with Condition 4 (*Segregation, Security and Class A Notes Guarantees*) and the default is remedied within 30 (thirty) Business Days or (2) in respect of the Class J Notes, if the Notes of the relevant Series are subject to a Stop Event.

(b) **Breach of other obligations:**

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation under paragraph (a) (*Non-Payment*) above)) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Trustee, such default is incapable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) days after the Trustee has given written notice thereof to the Issuer, certifying that such default is, in the sole opinion of the Trustee, materially detrimental to the interests of the Most Senior Class of Noteholders and requiring the same to be remedied (*provided however* that, for the avoidance of doubt, non-payment of principal on the Notes, due to the Master Servicer not having provided the Semi-Annual Servicing Report (as described in Condition 6.1 (*Pre-Acceleration Order of Priority*)) shall not constitute an Event of Default; or

(c) **Insolvency:**

The Issuer becomes subject to any Insolvency Proceedings; or

(d) **Unlawfulness:**

It is or will become unlawful (in any respect deemed by the Trustee to be material in its sole discretion) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

then, the Trustee:

(i) shall, in the case of the Event of Default set out under points (a) and (c)

above;

(ii) shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, in the case of the Events of Default set out under point (b) above;

(iii) may at its sole and absolute discretion but shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders in case of any other Event of Default,

give a written notice (an "**Enforcement Notice**") to the Issuer (with copy to the Master Servicer, the Cap Counterparty, the Special Servicer, the, the RSM Guarantor and the Rating Agencies) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued thereon and that the Acceleration Order of Priority shall apply.

"**Most Senior Class of Notes**" means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes or, upon redemption in full of the Class A Notes and the Class B Notes, the Class J Notes.

"**Class**" means the Class A Notes or the Class B Notes or the Class J Notes, as the case may be and "**Classes**" means all of them.

Following the delivery of an Enforcement Notice (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Secured Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (in accordance with the law of the Republic of San Marino) and in any case if not prevented by, and in compliance with, any applicable law, the Trustee shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolios and connected legal relationships subject to the provisions of the Deed of Charge.

**SALE OF THE PORTFOLIO**

In the following circumstances:

(i) in the case of early redemption pursuant to Condition 8.2 (*Redemption for Taxation*), or

(ii) if, after an Enforcement Notice has been served on the Issuer (with a copy to the Rating Agencies and the Transaction Parties) pursuant to Condition 11 (*Events of Default*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolves to request the Issuer to sell respectively all (or part only) of the Portfolios together with the connected legal relationships to one or more third parties,

the Issuer (in the case of Redemption for Taxation pursuant to Condition 8.2 (*Redemption for Taxation*)) or the Trustee in the name and on behalf of the Issuer (after an Enforcement Notice has been served on the Issuer) shall be entitled to sell respectively the Portfolio together with the connected legal

relationships and shall organise through external advisers a competitive bid process for such purpose (the "**Bid Process**") in accordance with the Deed of Charge. The proceeds deriving from the sale of the Portfolio shall be applied in accordance with the applicable Order of Priority.

The Bid Process procedure shall be carried out in compliance with the best practices of the industry and in line with transparency standards, in order to maximise the purchase price of the Portfolios and the connected legal relationships it being understood that each Seller may participate in the Bid Process ***provided that*** the relevant purchase does not prejudice the derecognition analysis in relation to the relevant Seller's Banking Assets.

**TRUSTEE**

The terms of the appointment of the Trustee (which are set out in the Note Trust Deed and the Deed of Charge) contain provisions governing the responsibility (and relief from responsibility) of the Trustee (including provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction and providing for the Trustee to be indemnified and/or secured and/or prefunded in certain other circumstances) and provisions which govern the termination of the appointment of the Trustee and amendments to the terms of such appointment.

**PROVISIONS FOR MEETINGS OF NOTEHOLDERS**

The Note Trust Deed contains provisions for convening separate or combined meetings of the Noteholders (including the holding of meetings by audio or video conference call) of any Class to consider matters relating to the Notes, including subject to Condition 13.4 (*Modification and Waiver*) the sanctioning by Extraordinary Resolution of a modification of any of the Conditions or any provisions of the other Transaction Documents.

The quorum to hold and for passing an Extraordinary Resolution at any meeting of Noteholders of a particular Class:

(a) an Extraordinary Resolution to approve a Basic Terms Modification, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 66 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 66 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting;

(b) an Extraordinary Resolution to approve a Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 30 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting ***provided that*** in case there is a failure to reach such quorum for both the initial meeting and adjourned meeting, the Reserved Matter will be resolved in accordance with the content of the Non-Binding Opinion;

(c) an Extraordinary Resolution to approve a Class B Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding

Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 30 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting; and

(d) an Extraordinary Resolution to approve any matter other than a Basic Terms Modification, Reserved Matter or Class B Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the Notes of such Class(es) for the initial meeting and (b) more than 45 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting.

The Note Trust Deed further provides that, subject as provided therein, an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class of Notes shall be binding on the holders of all other Classes of Notes irrespective of the effect on them, except (a) an Extraordinary Resolution of the holders of the Most Senior Class of Notes to sanction a Basic Terms Modification, which shall not take effect unless it has also been sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes affected (economically or otherwise) and (b) an Extraordinary Resolution of the holders of the Class B Notes and the Class J Noteholders to sanction a Class B Reserved Matter shall be binding on the Class A Noteholders.

"**Class B Reserved Matter**" means a resolution to (1) sanction an early redemption of the Notes (or some of them) pursuant to Condition 8.4 (*Optional redemption*) or (2) a decision regarding Eligible Investments.

"**Reserved Matter**" means a matter regarding Renegotiations, Assignment in Payment Request or any modification to the maximum amount of Recovery Expenses for which the delivery of a Non-Binding Opinion and approval of the Most Senior Class of Noteholders is required pursuant to the Servicing Agreement.

"**Non-Binding Opinion**" means a non-binding opinion of the Special Servicer Adviser specifically required (and to be issued) in accordance with the provisions of the Servicing Agreement and regarding the opportunity to carry out (or not) an activity.

**LIQUIDITY RESERVE**

On the Issue Date, the Sellers have agreed to the creation for the benefit of the Issuer of a cash reserve on the Liquidity Reserve Account held with the SM Account Bank (the "**Liquidity Reserve**").

On the Issue Date, the Liquidity Reserve will be equal to Euro 10,000,000 (the "**Initial Liquidity Reserve**") and will be funded through the proceeds of the Subordinated Loans and the Deferred Purchase Price. On the Issue Date part of the Initial Liquidity Reserve will be used by the Issuer to: (a) pay certain upfront costs as set out in the Subscription Agreement; (b) fund the initial Issuer Recovery Expenses Cash Reserve into the Issuer Recovery Expenses Reserve Account; and (c) fund the initial Retention Amount into the

Expenses Account.

The amounts standing to the credit of the Liquidity Reserve Account will form part of the Issuer Available Funds on each Payment Date (and on the First Payment Date will constitute Issuer Available Funds for an amount of at least Euro 4,200,000) and will be available to the Issuer, together with the other Issuer Available Funds, to pay amounts due under the applicable Order of Priority.

On each Payment Date prior to the delivery of an Enforcement Notice, the Issuer will, in accordance with the Pre-Acceleration Order of Priority, pay into the Liquidity Reserve Account an amount up to the Target Liquidity Reserve Amount.

"**Target Liquidity Reserve Amount**" means on each Calculation Date, an amount equal to 3.7% of the Principal Amount Outstanding of Class A Notes on such date, ***provided that*** on the Calculation Date preceding the earliest of (i) the Payment Date on which the Class A Notes are redeemed in full, (ii) the Class A Note Final Maturity Date, and (iii) the Final Redemption Date, the Target Liquidity Reserve Amount will be zero.

**DEFERRED PURCHASE PRICE**

Pursuant to the Subscription Agreement the DPP Sellers have agreed that: (a) part of the purchase price to be paid by the Issuer to each of them will be paid only after the Senior Notes have been re-paid in full and in any case in accordance with the applicable Order of Priority (the "**Deferred Purchase Price**"); and (b) the Deferred Purchase Price will be used by the Issuer to fund the Liquidity Reserve.

**ISSUER RECOVERY EXPENSES CASH RESERVE**

On the Issue Date, the Issuer has established a cash reserve on the Issuer Recovery Expenses Reserve Account (the "**Issuer Recovery Expenses Cash Reserve**").

On the Issue Date, the Issuer Recovery Expenses Cash Reserve will be financed through the Initial Liquidity Reserve Amount and on such date will be equal to Euro 120,000.

The Issuer Recovery Expenses Cash Reserve will be mainly applied for payments related to, respectively, the Issuer Recovery Expenses on the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date, any residual amount standing to the credit of the Issuer Recovery Expenses Reserve Account (net of any known Recovery Expenses related to the Debt Position yet to be paid and any Recovery Expenses related to the Debt Position forecasted by the Special Servicer to fall due after the redemption in full or cancellation of the Notes) will be part of the Issuer Available Funds.

The Issuer Recovery Expenses Cash Reserve will be replenished on any date on which the balance of the Issuer Recovery Expenses Reserve Account is lower than Euro 50,000 (the "**Issuer Threshold**") with a sum sufficient to bring the Issuer Recovery Expenses Cash Reserve to an amount equal to (but not exceeding) the Issuer Recovery Expenses Reserve Amount (the "**Issuer**

**Recovery Expenses Cash Reserve Replenishment**"). Such Issuer Recovery Expenses Cash Reserve Replenishment shall be made by instructed by the Corporate Servicer Provider which will instruct the SM Account Bank (i) to use the amount standing to the credit of the Issuer Transaction Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement or (ii) in the event the Issuer Recovery Expenses Cash Reserve Replenishment is to be carried out in the period between 2 (two) Business Days prior to a Calculation Date (included) and the immediately following Payment Date (included), on the relevant Payment Date pursuant to the applicable Order of Priority, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issuer Recovery Expenses Reserve Amount**" means, on any Payment Date, Euro 120,000.

"**Issuer Recovery Expenses**" means the aggregate of all the Recovery Expenses related to the Debt Position included in the Portfolio.

**ISSUER RETENTION AMOUNT**

On the Issue Date, the Issuer has established - through the proceeding deriving from the Liquidity Reserve Account - a cash reserve on the Issuer Expenses Account equal to Euro 80,000 (the "**Issuer Retention Amount**"). On each Payment Date an amount shall be paid in accordance with the applicable Order of Priority so that the balance standing to the credit of the Issuer Expenses Account on such Payment Date is equal to the Issuer Retention Amount.

**FINAL REDEMPTION DATE**

To the extent not otherwise redeemed, the Class A Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on 31 December 2036 (the "**Class A Final Maturity Date**") and the Class B Notes and Class J Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on 31 December 2046 (the "**Mezzanine and Junior Notes Final Maturity Date**", and together with the Senior Notes Maturity Date, the "**Final Maturity Date**")

"**Final Redemption Date**" or "**Cancellation Date**" means the earlier to occur between: (i) the date when any amount payable on the Banking Assets will have been paid and the Special Servicer has confirmed that no further recoveries and amounts shall be realised thereunder, and (ii) the date when all the Banking Assets then outstanding will have been entirely written off or sold by the Issuer and (iii) the Payment Date falling on the first anniversary of the relevant Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Order of Priority).

**MANDATORY REDEMPTION**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) in accordance with Condition 8.3 (*Mandatory redemption*), in each case if on any such date there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Order of Priority.

In particular with respect to the repayment of principal of the Class J Notes pursuant to the provisions of the San Marino Securitisation Law, following

the Payment Date on which the Class A Notes and the Class B Notes have been repaid in full, the Single Portfolio Available Funds in respect of a Sub-Portfolio will be allocated (in accordance with the Conditions, the Cash Allocation, Management and Payments Agreement and the applicable Order of Priority) so that:

(a) the Single Portfolio Available Funds deriving from the BSM Portfolio will be used to repay the principal of the Class J1 Notes in accordance with relevant Order of Priority;

(b) the Single Portfolio Available Funds deriving from the CRSS Portfolio will be used to repay the principal of the Class J2 Notes in accordance with relevant Order of Priority;

(c) the Single Portfolio Available Funds deriving from the BAC IBS Portfolio will be used to repay the principal of the Class J3 Notes in accordance with relevant Order of Priority;

(d) the Single Portfolio Available Funds deriving from the SGA Portfolio will be used to repay the principal of the Class J4 Notes in accordance with relevant Order of Priority;

(e) the Single Portfolio Available Funds deriving from the 739 Portfolio will be used to repay the principal of the Class J5 Notes in accordance with relevant Order of Priority; and

(f) the Single Portfolio Available Funds deriving from the VPSFP Portfolio will be used to repay the principal of the Class J6 Notes in accordance with relevant Order of Priority.

**OPTIONAL REDEMPTION**

Provided that no Enforcement Notice has been served on the Issuer, the Issuer shall on any Payment Date following the occurrence of a Sunset Call Event if so instructed by the holders of the Class B Notes and the Class J Notes, redeem the Rated Notes (in whole but not in part) and the Unrated Notes (in whole or in part) at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Acceleration Order of Priority pursuant to Condition 8.4 (*Optional redemption*), subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Trustee and to the Noteholders, with copy to the Master Servicer, the RSM Guarantor, the Cap Counterparty and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes; and

(b) on or prior to the notice referred to in paragraph (a) above being given, delivering to the Trustee, with copy to the Master Servicer, the Cap Counterparty, the RSM Guarantor, a certificate duly signed by a director of the Issuer confirming that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date

to redeem at least the Rated Notes and pay any amount required to be paid under the Acceleration Order of Priority in priority thereto.

For the purposes of Condition 8.4 (*Optional redemption*), Sunset Call Event means the earlier of:

(a) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to, or less than, 10 per cent. of the Principal Amount Outstanding of the Senior Notes at the Issue Date; and

(b) the Payment Date falling in December 2030.

**REDEMPTION FOR TAXATION**

If the Issuer:

1. has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Trustee from a firm of lawyers (approved in writing by the Trustee); and (ii) a certificate from the legal representative of the Issuer; and

2. has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days prior written notice to the Trustee, the Cap Counterparty and the Noteholders, in accordance with Condition 18 (*Notices*)

to the effect that, following the occurrence of certain legislative or regulatory changes, or official interpretations thereof by competent authorities, the Issuer (or any of the Issuer's agents):

(a) would be required on the next Payment Date to deduct or withhold from any payment of principal or interest on the Rated Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of San Marino or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable authority having jurisdiction; or

(b) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation;

and

3. in each case the Issuer shall have produced evidence reasonably acceptable to the Trustee that it has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect to the Rated Notes and any amounts required under the applicable Order of Priority to be paid in priority to, or *pari passu* with the Rated Notes,

the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Rated Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and

unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Rated Notes and amounts ranking prior thereto or *pari passu* therewith pursuant to the Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes and the Class J Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes and the Class J Notes.

**SEGREGATION**

The Notes will have the benefit of the provisions of article 5 of the San Marino Securitisation Law, pursuant to which the Issuer's Rights are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Issuer's Rights will be available exclusively for the purpose of satisfying the Issuer's obligations to the Noteholders, the Secured Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios and to the corporate existence and good standing of the Issuer. The Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Secured Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations to the Secured Creditors and any such third party. The Issuer's Rights are any monetary right arising out in favour of the Issuer against the debtor and any other monetary right arising out in favour of the Issuer in the context of the Transaction, including the Collections and the Eligible Investments (if any) acquired with the Collections.

**LIMITED RECOURSE**

The Notes are limited recourse obligations of the Issuer and, if the Issuer has insufficient funds to pay amounts in full, amounts outstanding will cease to be due and payable as described in more detail in Condition 12 (*Enforcement, Limited Recourse and Non-Petition*). Notwithstanding any other provision of the Conditions or any other Transaction Document, the Noteholders will receive payment in respect of principal, interest and other amounts on the Notes and the other Secured Creditors with receive payments under the Transaction Documents only if and to the extent that the Issuer has sufficient Issuer Available Funds, to make such payments in accordance with the applicable Order of Priority. If, upon the delivery of an Enforcement Notice or, if no Enforcement Notice has been delivered, on the relevant Final Redemption Date, the Issuer Available, are not sufficient to pay such obligations in full, the relevant Secured Creditor shall be entitled to receive payments in respect of such obligations to the extent of the available funds (if any) and any shortfall will not be due and payable, will be deemed to be waived by the relevant Secured Creditors and will be cancelled, ***provided that***, if either of the Class A Notes Guarantees is in place, the Class A Notes will not be cancelled on the Class A Notes Final Maturity Date since unpaid amounts due in respect of the Class A Notes can be recovered through the enforcement of the relevant Class A Notes Guarantees after that date. Cancellation should occur only once there are no further payments that can be

made on the Notes after application of all Issuer Available Funds, and all proceeds deriving from the enforcement of the Class A Notes Guarantees in respect of the Senior Notes.

**NON-PETITION** The Noteholders shall not be entitled to proceed directly against the Issuer or any other party to any other Transaction Document to enforce the performance of any of the provisions of the Note Trust Deed or any other Transaction Document and/or to take any other proceedings against the Issuer or any such other party unless the Trustee having become bound to do so, fails and/or is unable to do so within 60 days and such failure and/or inability is continuing, provided that no Noteholder shall be entitled to take any corporate action or other steps or legal proceedings to procure the winding-up, examinership, dissolution, arrangement, reconstruction or reorganisation of the Issuer.

**TAXATION** Payments under the Notes may be subject to withholding for or on account of tax. In such circumstances, a Noteholder of any Class will receive interest payments amounts (if any) payable on the Notes of such Class, net of such withholding tax.

Upon the occurrence of any withholding for or on account of tax from any payments under the Notes, neither the Issuer nor any other Person shall have any obligation to pay any additional amount(s) to any Noteholder of any Class.

**STATUS** The Notes constitute direct, secured and unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 12 (*Enforcement, Limited Recourse and Non-Petition*). In particular, save for the Class A Notes Guarantees which guarantee the Class A Notes only, 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.

**LISTING** The Class A Notes will be listed on Euronext. The Class B Notes and Class J Notes will not be listed on any stock exchange.

**RATINGS** The Rated Notes are expected to be assigned, on issue, the following ratings:

| | |
|---|---|
| Class A Notes | BBB(l) by DBRS; |
| Class A Notes | BBB by ARC. |

DBRS and ARC are established in the European Union and were registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the CRA Regulation and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website.

No rating will be assigned to the Class B Notes and the Class J Notes.

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

**SECURITISATION REGULATIONS**

Although the provisions of the Securitisation Regulations are not directly applicable to the Sellers, each of the Sellers has undertaken, under the Notes Subscription Agreement, to retain at the relevant Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with the provisions of the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**EU Securitisation Regulation**") and in accordance with the provisions of the EU Securitisation Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020, as may be amended, varied, superseded or substituted from time to time ("**EUWA**"), and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (and as may be further amended, supplemented or replaced, from time to time) (the "**UK Securitisation Regulation**", and together with the EU Securitisation Regulation, the "**Securitisation Regulations**").

Furthermore, the Transaction has been structured to ensure that, also on an on-going basis, the Noteholders and prospective investors have readily available access to all information necessary to comply with their due diligence duties under the Securitisation Regulations.

**GOVERNING LAW**

The Notes, the Deed of Charge, the Note Trust Deed, the English Account Bank Agreement, the Paying Agency Agreement, the Subscription Agreements and the Master Definitions Agreement (together the "**English Law Transaction Documents**") are governed by English law.

The Transfer Agreements, the Quotaholders Agreement, the Servicing Agreement, the Subordinated Loan Agreements the Escrow Account and Pledge Agreement and the SM Issuer Account Bank Agreement (together, the "**San Marino Law Transaction Documents**") are governed by the Law of the Republic of San Marino.

The Cash Allocation, Management and Payments Agreement, the Italian Account Pledge, the Advisory Master Servicing Agreement, the Advisory Special Servicing Agreement, the BP Developer Services Agreement (together the "**Italian Law Transaction Documents**") are governed by Italian law.

## ACCOUNTS AND DESCRIPTION OF CASH FLOWS

### 1. ISSUER ACCOUNTS

**ISSUER QUOTA CAPITAL ACCOUNT**

The Issuer, pursuant to a separate agreement entered into on or before the Issue Date, has established with Banca di San Marino S.p.A. a Euro denominated account (the "**Issuer Quota Capital Account**"), *into which, inter alia,* all sums contributed by the Issuer Quotaholder as quota capital of the Issuer and any interest thereon shall be credited.

**ACCOUNTS HELD WITH THE ENGLISH ACCOUNT BANK**

Pursuant to the terms and conditions of the English Account Bank Agreement, the Issuer has established with the English Account Bank following account in the name of the Issuer which shall be operated, *inter alia*, as follows:

a Euro denominated account (the "**Payments Account**"):

*into which*: **(i)** on the Issue Date, the net subscription price of the Senior Notes in accordance with the Subscription Agreement will be credited; **(ii)** no more than 2 Business Days prior to the relevant Payment Date, any amount standing to the credit of the Issuer Transaction Account will be credited; **(iii)** any amount received under the RSM Guarantee will be credited; **(iv)** no more than 2 Business Days prior to the relevant Payment Date any amount standing to the credit of the Liquidity Reserve Account will be credited; **(v)** no more than 2 Business Days prior to the relevant Payment Date, alternatively (1) any Escrow Surplus Amounts (if an Escrow Amortisation Event has occurred) or (2) the Escrow Amount (if an Escrow Redemption Event has occurred) or (3) the portion necessary to cover the Class A Notes Shortfall Event, transferred from the Escrow Account in accordance with the Cash Allocation, Management and Payments Agreement will be credited; **(vi)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date, any residual amount standing to the credit of the Issuer Recovery Expenses Reserve Account (net of any known Recovery Expenses related to the Debt Position yet to be paid and any Recovery Expenses related to the Debt Position forecasted by the Special Servicer to fall due after the redemption in full or cancellation of the Notes) will be credited; **(vii)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date, all the amount standing to the credit of the Issuer Expenses Account (net of any known Expenses yet to be paid and any Expenses forecasted by the Corporate Servicer Provider to fall due after the redemption in full or cancellation of the Notes (including each reasonable forecasted cost for the unwinding and liquidation of the Issuer)) will be credited; and

*out of which* **(i)** on the Issue Date, the Initial Target Liquidity Reserve Amount net of the sums indicated under the Subscription Agreement (out of the proceeds of the Subordinated Loans and the Deferred Purchase Price) to the Liquidity Reserve Account will be paid; **(ii)** on the Issue Date, the Issuer Retention Amount will be credited to the Issuer Expenses Account; **(iii)** on the Issue Date, the Issuer Recovery Expenses Cash Reserve will be credited to the Issuer Recovery Expenses Reserve

Account; **(iv)** on the Issue Date, certain up-front costs as indicated in the Subscription Agreement will be paid; **(v)** on the Issue Date, the net Purchase Price will be paid to each relevant Seller, as indicated in the Subscription Agreement; **(vi)** on each Payment Date, all payments of interest and principal on the Notes and any payments to the other Secured Creditors and any third party creditors of the Transaction and any other payment set forth under the relevant Order of Priority, in accordance with the applicable Order of Priority and the relevant Payments Report will be paid.

**ACCOUNTS HELD WITH THE ITALIAN ACCOUNT BANK**

Pursuant to the terms and conditions of the Cash Allocation, Administration and Payments Agreement, the Issuer has established with the Italian Account Bank 6 (six) Euro denominated collections accounts (one for each Sub-Portfolio transferred to the Issuer) (each an "**Issuer Collection Account**" and together the "**Issuer Collection Accounts**") which shall be operated as follows:

*into which* **(i)** all amounts received or recovered by the Issuer or by the Special Servicer on behalf of the Issuer in respect of the relevant Sub-Portfolio shall be credited; **(ii)** any proceeds received from the sale of all or part of the relevant Banking Assets pursuant to the Transaction Documents shall be credited; (iii) all amounts received by the Issuer from the relevant Seller pursuant to the relevant Transfer Agreement shall be credited; **(iv)** all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Issuer Collection Account; and

*out of which* **(i)** upon reconciliation by the Special Servicer and on the 15th (fifteenth) calendar day following the day on which the relevant amount has been credited, the relevant amount shall be transferred to the Issuer Transaction Account; **(ii)** all amounts under item (iv) above shall be transferred to the Issuer Transaction Account within 15 (fifteen) calendar days following the date on which such amount has been credited; **(iii)** any Issuer Recovery Expenses due and payable on behalf of the Issuer, whose payment could not be met with funds then available on the Issuer Recovery Expenses Reserve Account and which are not deferrable until the immediately subsequent Payment Date, will be paid in accordance with the provisions of the Cash Allocation, Administration and Payments Agreement.

**ACCOUNTS HELD WITH THE SM ACCOUNT BANK**

The Issuer has established with the SM Account Bank the following accounts as separate accounts in the name of the Issuer which shall be operated *inter alia* as follows:

(a) the Euro denominated account (the "**Issuer Transaction Account**")

*into which*, **(i)** any amount credited on the relevant Issuer Collection Account, upon reconciliation by the Special Servicer and on the 15th (fifteenth) calendar day following the day on which such amount has

been credited to the relevant Issuer Collection Account, shall be credited; (**ii**) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Issuer Transaction Account; will be credited (**iii**) any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments (if any) purchased through the funds standing to the credit of such account in accordance with the provisions of the Cash Allocation, Administration and Payments Agreement and any profit generated thereby or interest accrued thereon, shall be credited; (**iv**) any amount to be received by the Issuer and not to be credited in other Issuer's Accounts pursuant to the Transaction Documents shall be credited; and

*out of which* (**i**) 2 Business Days prior to the relevant Payment Date any amount standing to the credit of the Issuer Transaction Account will be credited into the Payments Account; (**ii**) on each Issuer Recovery Expenses Cash Reserve Replenishment Date, an amount sufficient to bring the Issuer Recovery Expenses Cash Reserve to an amount equal to (but not exceeding) the Issuer Recovery Expenses Reserve Amount shall be credited to the Issuer Recovery Expenses Account; (i**ii**) amounts standing to the credit thereof will be applied by the Issuer, upon instruction of the holders of the Class B Notes, or following redemption in full of the Class B Notes, the Class J Noteholders pursuant to a Class B Reserved Matter), for the settlement of Eligible Investments in accordance with the provisions of the Cash Allocation, Administration and Payments Agreement, provided that in no case shall Eligible Investments be purchased in the 2 (two) preceding Business Days prior to each Payment Date;

(b) the Euro denominated account (the "**Issuer Recovery Expenses Reserve Account**")

*into which* (**i**) on the Issue Date, an amount equal to the Issuer Recovery Expenses Cash Reserve shall be transferred from the Payments Account; (**ii**) on each Payment Date, and in accordance with the relevant Order of Priority an amount shall be credited to the Issuer Recovery Expenses Reserve Account so that the balance standing to the credit of the Issuer Recovery Expenses Reserve Account on such Payment Date is equal to the Issuer Recovery Expenses Reserve Amount; (**iii**) on each Issuer Recovery Expenses Cash Reserve Replenishment Date, an amount sufficient to bring the Issuer Recovery Expenses Cash Reserve to an amount equal to (but not exceeding) the Issuer Recovery Expenses Reserve Amount shall be credited from the Issuer Transaction Account; (**iv**) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Issuer Recovery Expenses Reserve Account; and

*out of which* (**i**) any Issuer Recovery Expenses due and payable on behalf of the Issuer, which are not deferrable until the immediately subsequent Payment Date, will be paid; (**ii**) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date, any residual amount standing to the credit of the Issuer Recovery Expenses Reserve Account

(net of any known Recovery Expenses related to the Debt Position yet to be paid and any Recovery Expenses related to the Debt Position forecasted by the Special Servicer to fall due after the redemption in full or cancellation of the Notes), shall be transferred to the Payments Account;

(c) the Euro denominated account (the "**Issuer Expenses Account**")

*into which* (**i**) on the Issue Date, an amount equal to the Issuer Retention Amount shall be transferred from the Payments Account; (**ii**) on each Payment Date, an amount shall be paid from the Issuer Payments Account in accordance with the applicable Order of Priority so that the balance standing to the credit of the Issuer Expenses Account on such Payment Date is equal to the Issuer Retention Amount; (**iii**) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Issuer Expenses Account; and

*out of which* (**i**) any taxes due and payable on behalf of the Issuer, which are not deferrable until the immediately subsequent Payment Date, will be paid; (**ii**) any fees, costs and expenses required to be paid (a) in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations; and (b) to fulfill payment obligations of the Issuer to third parties incurred in relation to this Transaction (but excluding any payments obligations referred to under the Issuer Recovery Expenses) to the extent that the payment of such fees, costs and expenses is not deferrable until the immediately subsequent Payment Date the "**Expenses**"); (**iii**) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date, all the amount standing to the credit of the Issuer Expenses Account (net of any known Expenses yet to be paid and any Expenses forecasted by the Corporate Servicer Provider to fall due after the redemption in full or cancellation of the Notes (including each reasonable forecasted cost for the unwinding and liquidation of the Issuer)) shall be transferred to the Payments Account;

(d) the Euro denominated account (the "**Liquidity Reserve Account**"):

*into which* (**i**) on the Issue Date, in accordance with the Transaction Documents, an amount equal to the Initial Target Liquidity Reserve Amount net of the sums indicated under the Subscription Agreement shall be credited (out of the proceeds of the Subordinated Loans and the Deferred Purchase Price) from the Payments Account; (**ii**) on each Payment Date prior to the delivery of an Enforcement Notice, and until the occurrence of the earlier of (a) the Payment Date on which the Class A Notes are redeemed in full, (b) the Class A Note Final Maturity Date, and (c) the Final Redemption Date, the amount necessary to bring the amount standing to the credit of the Liquidity Reserve Account up to the Target Liquidity Reserve Amount shall be credited in accordance with the Pre-Acceleration Order of Priority; (**iii**) all amounts in respect of

interest accrued and paid on the balance from time to time standing to the credit of the Liquidity Reserve Account; and

*out of which* **(i)** 2 Business Days prior to each Payment Date, all amounts standing to the credit of the Liquidity Reserve Account shall be transferred to the Payments Account.

**2. SELLERS' ACCOUNT**

**ESCROW ACCOUNT**

The Sellers in accordance with article 19 of the San Marino Securitisation Law have opened with the SM Account Bank a Euro denominated account (the "**Escrow Account**") into which the Escrow Amount has been credited on the Issue Date.

The operation of the Escrow Account is subject to the provisions of the Escrow Account and Pledge Agreement.

## SECURITISATION REGULATIONS REQUIREMENTS

### Risk retention

The Sellers and the Issuer are all incorporated in the Republic of San Marino. Accordingly neither the Seller nor the Issuer are directly subject to the EU Securitisation Regulation or the UK Securitisation Regulation. Notwithstanding the foregoing, under the Subscription Agreement, the Sellers have undertaken to the Issuer, the Arranger and the Trustee for the purposes of the Securitisation Regulations that:

a. it will retain from the Issue Date and will maintain (on an ongoing basis) for so long as any of the Notes remain outstanding a material net economic interest of not less than 5% of the Transaction (calculated for each Seller with respect to the Banking Assets comprised in the relevant Portfolio which have been transferred to the Issuer) in accordance with paragraph (3)(d) of article 6 of the Securitisation Regulations (or any alternative method thereafter that is permitted under the Securitisation Regulations) (the "**Retained Interest**");

b. the Retained Interest is not and will not be subject to any credit risk mitigation or hedging, except to the extent permitted under the applicable provisions of the Securitisation Regulations.

The Retained Interest will be in the form of Class J Notes and Class B Notes held by the relevant Seller on an ongoing basis for the entire life of the Transaction.

Pursuant to the Subscription Agreement, each of the Sellers has confirmed to have provided, from the Issue Date and has undertaken to continue to provide information on the material net economic interest of not less than 5% in the Transaction held by it in accordance with paragraph (3)(d) of article 6 of the Securitisation Regulations (or any alternative method thereafter that is permitted under the Securitisation Regulations) and any change to the manner in which the Retention Requirement is held, together with any relevant information in this respect, by delivering such information to the Master Servicer and the Special Servicer on or about each Quarterly Servicing Report Date and each Semi-Annual Servicing Report Date.

### Transparency Requirements

As to pre-pricing disclosure requirements, before pricing, the information under points (b) and (c) of the first subparagraph of Article 7(1) of the Securitisation Regulations has been disclosed to the subscribers in accordance with the Transaction Documents.

Following the Issue Date and on an on-going basis during the entire life of the Transaction, in order to comply with article 7 (or the subsequent provisions from time to time in force) of the Securitisation Regulations and the applicable Regulatory Technical Standards, the Reporting Entity will fulfil the information requirements pursuant to points (a), (b), (c), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulations by making available the relevant information to the Noteholders and the potential investor on the Reporting Website, or such information will be included (where applicable) in the SR Investor Report to be delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement and the Loan by Loan Report to be issued by the Special Servicer in accordance with the Servicing Agreement and be generally available to the Noteholders and prospective investors at (i) the registered office of the Issuer, and (ii) on the Reporting Website on a quarterly basis (or as otherwise required by the Securitisation Regulations). In particular:

a) pursuant to the Servicing Agreement, the Special Servicer will prepare the Loan by Loan Report (which includes all the information set out under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulations (or the subsequent provisions from time to time in force) 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 to the entities referred to under article 7(1) of the Securitisation Regulations by means of publication on the Reporting Website, the Loan by Loan Report by no later than 1 (one) month after the relevant Payment Date;

b) pursuant to the Cash Allocation, Management and Payments Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the SR Investor Report (which includes all the information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation (or the subsequent provisions from time to time in force) 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 to the entities referred to under article 7(1) of the Securitisation Regulations by means of publication on the Reporting Website, the SR Investor Report (simultaneously with the Loan by Loan Report) by no later than 1 (one) month after each Payment Date;

c) pursuant to the Cash Allocation, Management and Payments Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the Inside Information and Significant Event Report (which includes all the information set out under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulations (or the subsequent provisions from time to time in force), including, inter alia, the events which trigger changes in the Orders of Priority, and the applicable Regulatory Technical Standards) and will deliver it to the Reporting Entity that will make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of publication on the Reporting Website, (A) without delay, upon occurrence of any significant event relating to the Securitisation and (B) by no later than 1 (one) month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, the Calculation Agent shall without delay: (y) prepare an ad hoc Inside Information and Significant Event Report on the basis of all the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of publication on the Reporting Website;

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

In each case in accordance with the requirements provided by the Securitisation Regulations and the applicable Regulatory Technical Standards, as from time to time applicable.

In addition and without prejudice to the provisions above, the Reporting Entity undertook to provide all information required to be provided to the Noteholders and or potential investors pursuant to Article 7 of the Securitisation Regulations with the frequency and modalities provided for under the Securitisation Regulations.

***Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the Securitisation Regulations and any corresponding national measure which may be relevant and none of the Issuer, the Seller, the Master Servicer, the Special Servicer, the Arranger, the International Placement Agent or any other party to the Transaction Documents makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.***

## THE PORTFOLIO

### Introduction

Pursuant to each Transfer Agreement, the Issuer has purchased from each Seller, pursuant to articles 1, 7 and 14 of the San Marino Securitisation Law and pursuant to article 52 of the LISF, the Portfolio.

The Portfolio purchased by the Issuer from the Sellers comprises the following Banking Assets:

(i) receivables have been classified as non-performing loans or as withdrawn substandard loans in accordance with applicable law, and (ii) are due and payable; and

(ii) for certain Seller non-instrumental real estate or movable assets already acquired for debt collection or aggregation operations pursuant to Articles 1, 7 and 14, paragraph 1, letter c) of the San Marino Securitisation Law and pursuant to Article 52 of the LISF,

in any case, as better indicated and identified in the Transfer Agreements.

The Transaction Documents do not provide for the possibility to assign Further portfolios to the Issuer. In addition, each of the Sellers has made certain representations and warranties in accordance with the Transfer Agreements as described below in the section "*Description of the Transaction Documents – The Transfer Agreements*".

A notice of transfer of the Banking Assets has been published in the Official Bulletin of the Republic of San Marino, dated 11 December 2023.

### Stratification Tables

The following tables describe the characteristics of the Portfolio provided by the Sellers in connection with the acquisition of the Banking Assets by the Issuer on the Transfer Date. The information in the following tables reflects the position as at the relevant Effective Date.

Due to the dynamic nature of the recovery process, the status of the Portfolio is subject to on-going changes. The actual status of the Portfolio may be different from the one represented in this section, and such difference may be material.

In the following range breakdown tables, numbers might not add up to total shown due to rounding.

| **Key features** | |
|---|---|
| # borrowers | 1,267 |
| # loans | 2,535 |
| Gross book value (GBV) (€) | 611,391,601 |
| Average GBV per borrower (€) | 482,551 |
| Average GBV per loan (€) | 241,180 |
| Borrower based in San Marino (% of GBV) | 63% |
| WA Seasoning* (years) | 7.8 |
| Secured borrower (leasing or Lien <= 2) (% of GBV) | 59% |
| Borrower sole proprietorship or individual (% of GBV) | 24% |
| Assets Value (Leasing or Lien <= 2) | 200,339,801 |
| Assets (Leasing or Lien <= 2) based in San Marino (% of Assets Value) | 57% |
| Top 1 NDG (% of GBV) | 6% |
| Top 10 NDG (% of GBV) | 25% |
| Top 50 NDG (% of GBV) | 50% |

** Seasoning of the classification to UTP is taken into account for borrowers classified as UTP; Seasoning of the classification to NPL is taken into account for borrowers classified as NPL*

| Seller | # borrowers | # borrowers (%) | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| Fondo Odisseo | 222 | 18% | 173,396,583 | 28% |
| Banca di San Marino | 399 | 31% | 170,399,376 | 28% |
| Cassa di Risparmio della Repubblica di San Marino | 299 | 24% | 82,551,013 | 14% |
| S.G.A. ex BNS S.p.A. | 132 | 10% | 82,017,915 | 13% |
| BAC San Marino | 140 | 11% | 57,983,254 | 9% |
| Fondo Loan | 47 | 4% | 35,679,564 | 6% |
| Fondi Pensione | 28 | 2% | 9,363,895 | 2% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

| Borrower Status | # borrowers | % of borrowers | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| NPL | 1,240 | 98% | 597,342,786 | 98% |
| UTP | 27 | 2% | 14,048,815 | 2% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

| Borrower Country | # borrowers | % of borrowers | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| Republic of San Marino | 835 | 66% | 384,073,189 | 63% |
| Italy | 432 | 34% | 227,318,411 | 37% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

| Borrower Security* | # borrowers | % of borrowers | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| Secured Lien 1 | 234 | 18% | 233,343,791 | 38% |
| Unsecured | 796 | 63% | 173,546,550 | 28% |
| Real estate leasing | 85 | 7% | 98,367,546 | 16% |
| Non-real estate leasing | 68 | 5% | 41,998,346 | 7% |
| Secured Lien > 2 | 32 | 3% | 36,313,882 | 6% |
| Secured Lien 2 | 52 | 4% | 27,821,485 | 5% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

** Borrower classified as:*
*i) "Real estate asset leasing" if associated with at least one real estate asset leasing exposure, if not*
*ii) "Secured Lien 1" if associated with at least one mortgage lien 1, if not*
*iii) "Secured Lien 2" if associated with at least one mortgage lien 2, if not*
*iv)"Secured Lien 2" if associated with at least one mortgage with lien greater than 2, if not*
*v) "Non-real estate asset leasing"" if associated with at least one loan originally booked as non-real estate asset lease agreement, if not*
*vi) "Unsecured"*

| Year of classification to NPL / UTP | # borrowers | % of borrowers | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| 2023 | 70 | 6% | 5,824,044 | 1% |
| 2022 | 98 | 8% | 25,129,616 | 4% |
| 2021 | 50 | 4% | 7,557,448 | 1% |
| 2020 | 62 | 5% | 18,139,897 | 3% |
| 2019 | 117 | 9% | 50,849,457 | 8% |
| 2015 - 2018 | 372 | 29% | 134,329,971 | 22% |
| 2010 - 2014 | 450 | 36% | 337,807,256 | 55% |
| 2005 - 2009 | 37 | 3% | 8,813,626 | 1% |
| Before 2005 | 5 | 0% | 1,442,909 | 0% |
| Not available | 6 | 0% | 21,497,377 | 4% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

| Seasoning (years)* | # borrowers | % of borrowers | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| 0 - 2 | 209 | 16% | 34,225,158 | 6% |
| 2 - 4 | 170 | 13% | 68,503,464 | 11% |
| 4 - 6 | 217 | 17% | 58,861,947 | 10% |
| 6 - 8 | 159 | 13% | 74,371,627 | 12% |
| 8 - 10 | 299 | 24% | 195,510,099 | 32% |
| 10 - 12 | 123 | 10% | 109,957,739 | 18% |
| 12 - 14 | 52 | 4% | 39,440,186 | 6% |
| Equal to or above 14 | 32 | 3% | 9,024,003 | 1% |
| Not available | 6 | 0% | 21,497,377 | 4% |
| **Total** | **1,267** | **100%** | **611,391,601** | **100%** |

**Lower bound included, upper bound excluded*

| Loan type | # loans | % of loans | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| Secured Lien 1 | 349 | 14% | 169,782,551 | 28% |
| Unsecured | 1,071 | 42% | 131,162,664 | 21% |
| Unsecured with other guarantee | 546 | 22% | 96,608,375 | 16% |
| Real estate leasing | 182 | 7% | 79,501,454 | 13% |
| Non-real estate leasing | 239 | 9% | 74,157,988 | 12% |
| Secured Lien > 2 | 60 | 2% | 37,049,377 | 6% |
| Secured Lien 2 | 88 | 3% | 23,129,192 | 4% |
| **Total** | **2,535** | **100%** | **611,391,601** | **100%** |

| Loan Ticket Size (€)* | # loans | % of loans | Total GBV (€) | Total GBV (%) |
|---|---|---|---|---|
| 0 - 250,000 | 2,108 | 83% | 94,067,843 | 15% |
| 250,000 - 500,000 | 173 | 7% | 60,900,385 | 10% |
| 500,000 - 1,000,000 | 95 | 4% | 66,522,695 | 11% |
| 1,000,000 - 2,000,000 | 92 | 4% | 129,946,509 | 21% |
| 2,000,000 - 3,000,000 | 37 | 1% | 93,325,051 | 15% |
| 3,000,000 - 5,000,000 | 20 | 1% | 75,771,026 | 12% |
| 5,000,000 - 10,000,000 | 6 | 0% | 40,192,196 | 7% |
| 10,000,000 - 25,000,000 | 4 | 0% | 50,665,896 | 8% |
| **Total** | **2,535** | **100%** | **611,391,601** | **100%** |

**Lower bound included, upper bound excluded*

| Real Estate Assets - Mortgage* - By Country | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Italy | 371 | 72% | 86,069,768 | 56% |
| Republic of San Marino | 143 | 28% | 68,400,630 | 44% |
| Not available | 1 | 0% | - | 0% |
| **Total** | **515** | **100%** | **154,470,398** | **100%** |

**Mortgages Lien 1 or Lien 2*

| Real Estate Assets - Mortgage* - By Main Type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Residential | 219 | 43% | 63,797,294 | 41% |
| Commercial | 106 | 21% | 31,130,542 | 20% |
| Land | 119 | 23% | 22,866,082 | 15% |
| Industrial | 13 | 3% | 18,402,972 | 12% |
| Office | 13 | 3% | 8,206,790 | 5% |
| Mixed residential | 19 | 4% | 3,200,658 | 2% |
| Other | 17 | 3% | 3,180,830 | 2% |
| Hotel | 2 | 0% | 2,135,730 | 1% |
| Mixed commercial | 2 | 0% | 280,000 | 0% |
| Parking | 2 | 0% | 206,500 | 0% |
| Not available | 3 | 1% | 1,063,000 | 1% |
| **Total** | **515** | **100%** | **154,470,398** | **100%** |

**Mortgages Lien 1 or Lien 2*

| Real Estate Assets - Mortgage* - By Valuation year | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| 2023 | 246 | 48% | 83,030,240 | 54% |
| 2022 | 39 | 8% | 10,207,143 | 7% |
| 2021 | 46 | 9% | 11,818,150 | 8% |
| 2020 | 30 | 6% | 8,810,346 | 6% |
| 2019 | 23 | 4% | 3,804,065 | 2% |
| 2016 - 2018 | 51 | 10% | 9,572,801 | 6% |
| 2010 - 2015 | 10 | 2% | 11,600,697 | 8% |
| Before 2010 | 3 | 1% | 708,770 | 0% |
| Not Available | 31 | 6% | - | 0% |
| Asset Sold | 36 | 7% | 14,918,184 | 10% |
| **Total** | **515** | **100%** | **154,470,398** | **100%** |

**Mortgages Lien 1 or Lien 2*

| Real Estate Assets - Mortgage* - By Valuation type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Drive by | 150 | 29% | 67,979,030 | 44% |
| Desktop | 161 | 31% | 29,755,861 | 19% |
| CTU | 48 | 9% | 18,252,978 | 12% |
| Sale price | 36 | 7% | 14,918,184 | 10% |
| Other | 24 | 5% | 5,619,459 | 4% |
| Full | 3 | 1% | 2,043,720 | 1% |
| Not available | 93 | 18% | 15,901,167 | 10% |
| **Total** | **515** | **100%** | **154,470,398** | **100%** |

**Mortgages Lien 1 or Lien 2*

| Real Estate Assets - Leasing - By Country | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Republic of San Marino | 145 | 100% | 45,869,404 | 100% |
| Italy | - | 0% | - | 0% |
| Not available | - | 0% | - | 0% |
| **Total** | **145** | **100%** | **45,869,404** | **100%** |

| Real Estate Assets - Leasing - By asset Type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Office | 30 | 21% | 12,767,317 | 28% |
| Commercial | 51 | 35% | 10,923,420 | 24% |
| Residential | 27 | 19% | 8,600,176 | 19% |
| Land | 23 | 16% | 6,864,860 | 15% |
| Industrial | 5 | 3% | 5,732,600 | 12% |
| Other | 6 | 4% | 670,199 | 1% |
| Mixed residential | 1 | 1% | 98,600 | 0% |
| Parking | 1 | 1% | 16,582 | 0% |
| Mixed commercial | - | 0% | - | 0% |
| Hotel | - | 0% | - | 0% |
| Not Available | 1 | 1% | 195,650 | 0% |
| **Total** | **145** | **100%** | **45,869,404** | **100%** |

| Real Estate Assets - Leasing - By Valuation Year | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| 2023 | 111 | 77% | 40,328,359 | 88% |
| 2022 | 8 | 6% | 904,095 | 2% |
| 2021 | 1 | 1% | 123,800 | 0% |
| 2020 | 7 | 5% | 1,818,394 | 4% |
| 2019 | 6 | 4% | 728,943 | 2% |
| 2016 - 2018 | 10 | 7% | 1,965,812 | 4% |
| 2010 - 2015 | - | 0% | - | 0% |
| Before 2010 | - | 0% | - | 0% |
| Not Available | - | 0% | - | 0% |
| Asset Sold | 2 | 1% | - | 0% |
| **Total** | **145** | **100%** | **45,869,404** | **100%** |

| Real Estate Assets - Leasing - By valuation Type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Drive by | 59 | 41% | 26,528,290 | 58% |
| Desktop | 50 | 34% | 13,959,449 | 30% |
| Full | 6 | 4% | 623,600 | 1% |
| CTU | - | 0% | - | 0% |
| Sale price | - | 0% | - | 0% |
| Other | - | 0% | - | 0% |
| Not available | 30 | 21% | 4,758,065 | 10% |
| **Total** | **145** | **100%** | **45,869,404** | **100%** |

| Real Estate Assets - Total* - By Country | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Republic of San Marino | 288 | 44% | 114,270,033 | 57% |
| Italy | 371 | 56% | 86,069,768 | 43% |
| Not available | 1 | 0% | - | 0% |
| **Total** | **660** | **100%** | **200,339,801** | **100%** |

**Leasing, Mortgages Lien 1 or Mortgages Lien 2*

| Real Estate Assets - Total* - By Type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Residential | 246 | 37% | 72,397,470 | 36% |
| Commercial | 157 | 24% | 42,053,962 | 21% |
| Land | 142 | 22% | 29,730,942 | 15% |
| Industrial | 18 | 3% | 24,135,572 | 12% |
| Office | 43 | 7% | 20,974,107 | 10% |
| Other | 23 | 3% | 3,851,029 | 2% |
| Mixed residential | 20 | 3% | 3,299,258 | 2% |
| Hotel | 2 | 0% | 2,135,730 | 1% |
| Mixed commercial | 2 | 0% | 280,000 | 0% |
| Parking | 3 | 0% | 223,082 | 0% |
| Not Available | 4 | 1% | 1,258,650 | 1% |
| **Total** | **660** | **100%** | **200,339,801** | **100%** |

**Leasing, Mortgages Lien 1 or Mortgages Lien 2*

| Real Estate Assets - Total* - By Valuation Year | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| 2023 | 357 | 54% | 123,358,599 | 62% |
| 2022 | 47 | 7% | 11,111,238 | 6% |
| 2021 | 47 | 7% | 11,941,950 | 6% |
| 2020 | 37 | 6% | 10,628,741 | 5% |
| 2019 | 29 | 4% | 4,533,009 | 2% |
| 2016 - 2018 | 61 | 9% | 11,538,613 | 6% |
| 2010 - 2015 | 10 | 2% | 11,600,697 | 6% |
| Before 2010 | 3 | 0% | 708,770 | 0% |
| Not Available | 31 | 5% | - | 0% |
| Asset sold | 38 | 6% | 14,918,184 | 7% |
| **Total** | **660** | **100%** | **200,339,801** | **100%** |

**Leasing, Mortgages Lien 1 or Mortgages Lien 2*

| Real Estate Assets - Total* - By Valuation type | # assets | % of assets | REV (€) | REV (%) |
|---|---|---|---|---|
| Drive by | 209 | 32% | 94,507,319 | 47% |
| Desktop | 211 | 32% | 43,715,310 | 22% |
| CTU | 48 | 7% | 18,252,978 | 9% |
| Sale price | 36 | 5% | 14,918,184 | 7% |
| Other | 24 | 4% | 5,619,459 | 3% |
| Full | 9 | 1% | 2,667,320 | 1% |
| Not available | 123 | 19% | 20,659,231 | 10% |
| **Total** | **660** | **100%** | **200,339,801** | **100%** |

**Leasing, Mortgages Lien 1 or Mortgages Lien 2*

## THE BUSINESS PLAN

In connection with the Transaction, Guber Banca S.p.A., as Business Plan Developer, has developed a statistical initial business plan (the "**Business Plan**") to estimate the expected cash flows of the Portfolio. In the Business Plan, legal and proceeding expenses as well as servicing fees are deducted from expected gross cash flows to project the net cash flows available which will be part of the Issuer Available Funds.

The table below reports the main cash flows envisaged in the Business Plan.

The Business Plan has been developed applying a statistical methodology based on the criteria described in the following paragraph. It should be noted that certain judgements, assumptions, estimates, historical and statistical data have been used in preparing the Business Plan. Such judgements, assumptions, estimates, historical and statistical data are about, *inter alia*, future economic events, prospects for the property market, the amounts recoverable on the claims under the Portfolio and the time it takes to recover a claim under the Portfolio. Such assumptions relate to a complex series of independent events and are to a significant degree subjective or deriving from historical and statistical data which may not fit the actual characteristics of the Portfolio. Actual results will be affected by many factors outside the control of the Business Plan Developer so that he has not made nor will make any representation or warranties on the collectability of the claims in the Portfolio. As a result, no assurance can be given that such judgements, assumptions and estimates will in any way prove to be realistic or accurate. In addition, the Business Plan takes into account exclusively specific costs related to the Portfolio which are expressly indicated therein. Any other costs which may be incurred in respect of the Portfolio and which are not expressly indicated in the Business Plan have not been taken into account for the purpose of preparing the Business Plan. Moreover, it should be noted that the Business Plan is not a forecast of future cashflows expected to be generated on the Portfolio but is only a base case scenario prepared on the basis of certain assumptions for calculations to be made under the Transaction. As such, the Business Plan should not be construed as either projections or predictions on the Portfolio's performance or as legal, tax, financial, investment or accounting advice as well as profitability/risk assessment. The performance of the Portfolio cannot be predicted, because a large number of factors cannot be determined. Therefore, information included in the Business Plan must be viewed with considerable caution.

It remains understood that Guber, in its capacity as Business Plan Developer (i) shall be liable under the Business Plan Development Agreement in cases of willful misconduct and gross negligence and with the limitations set forth in the Business Plan Development Agreement, and (ii) without prejudice to the provisions of the Advisory Special Servicing Agreement regarding Guber's fees subordination mechanisms and the underperformance termination event, Guber shall not be liable for any failure of the Special Servicer to comply with the Business Plan or in case of failure to achieve the performance targets set forth in the Business Plan.

## BUSINESS PLAN METHODOLOGY

### BUSINESS PLAN METHODOLOGICAL NOTE

### DEFINITIONS & INTRODUCTION

**Auction base price.** It is the starting price of an auction. Usually offers in Italy can be presented up to -25% of the auction base price. For the purpose of this statistical model, it has been assumed that each subsequent auction has an auction base price 25% lower than the preceding auction base price (for the enforcement procedure in Italy).

For the enforcement procedures of San Marino Court, the auction reductions are 20% without a minimum

bid and up to 60%.

**Auction date.** It is the date of the last auction.

**CTU.** It is the *Consulenza Tecnica d'Ufficio* (Court Appraisal). It is usually the starting price for the auction process.

**CTU date.** It is the CTU date.

**Cut-off date:**

- Fondo Loan 13/04/2023
- Fondo Odisseo 13/04/2023
- Banca di San Marino 31/03/2023
- Carisp 31/03/2023
- BAC San Marino 31/12/2022
- S.G.A. ex BNS S.p.A. 31/12/2022
- Fondo Pensione 31/12/2022

**Third party appraisal.** It is the updated valuation (OMV) performed by an independent third-party valuer.

**Last Valuation amount.** It is the selected Asset unit's valuation for the secured model according to the order as per section 1.1.

**Last Valuation date.** It is the date of the selected Asset unit's valuation for the secured model.

**Last Valuation Type:** it is the type of selected asset unit valuation (desktop, drive-by or CTU)

**Sale price.** It is the sale price of the assets currently sold.

**Sale date.** It is the sale date of the assets currently sold.

**Secured borrower.** A borrower is classified as Secured if he has at least one secured loan.

**Secured loan.** A loan is classified as Secured if it is linked to, at least, one mortgage (up to second lien) or real estate leasing.

**Unsecured borrower.** A borrower is classified as Unsecured if he has no secured loans.

**Unsecured loan.** A loan is classified as Unsecured if it has no mortgage.

The methodology discerns between secured loans and unsecured loans, therefore the two methodologies used to estimate the corresponding recoveries are presented separately.

Borrowers which have been analytically analysed by loan mangers (i.e. which are flagged as being part of the "Sample" in the loan datatape) in the context of the due diligence, have been valued taking into account all set of legal and financial documentation made available by the Originators or gathered by Guber during its due diligence to reflect into the Business Plan the specifics of the positions included in the Sample.

Guber lawyers and loan managers have analysed the borrowers legal status and the latest negotiations (if any) being discussed with the borrowers and have incorporated all the information in the Business Plan:

- When an agreement with the borrower was already achieved by the relevant Originator, Guber analysed it and estimated Business Plan cash flows based on the key terms of the agreement. Specific haircuts to expected recoveries or extended recovery timing have been factored in the Business Plan by Guber on a case-by-case basis depending on the specific situation of the

borrower and its guarantors;

- When an agreement with the borrower was not already achieved by the relevant Originator, Guber has adopted a liquidation approach to the Business Plan giving no value to potential DPOs that may be agreed during the Transaction life. Recoveries on these exposures are therefore estimated based on the liquidation of the real estate assets linked to the borrowers, analysis of additional guarantees (if any) and unsecured recoveries according to Guber experience as special servicer (as better detailed in the following sections).
    - Therefore, for secured exposures with no extrajudicial agreement in plan, Guber loan managers, after an analytical review of the external valuations together with Guber RE Department, applied asset type specific haircuts to derive the expected recoveries from the assets. In details, (1) for mortgaged assets, the liquidation approach has been taken with the application of the real estate haircuts reported in Table 1 (for Italian assets) and described in paragraph 1.1 (for San Marino assets), (2) while for repossessed / leased assets, Guber has estimated the disposal of the asset on the open market with a time to sell as represented in Table 6.

## 1. SECURED MODEL

The secured model applies only to those borrowers classified as secured.

### 1.1 Property Units level

For Italian proceeding, the Secured Model simulates the collaterals' sale in a judicial process, estimating assets sale price and distribution timing. Since real estate market in judicial proceedings is usually characterized by lower liquidity compared with open market transactions, market value declines are applied to estimate the sale price in judicial proceedings. The model estimates two subsequent collaterals' value:

a) Distressed Market Value (DMV) – corresponding to the sale price with regard to sold asset, for the rest of real estate collateral assets it is calculated applying specific haircuts to the Last Valuation Amount. These haircuts, differentiated by property type and Last Valuation Type, are based on Guber historical experience but also consider an adjustment to take into consideration the consequences of Covid-19 pandemic on each specific property type's marketability;
    - Judicial Market Value – calculated weighing the DMV by ownership and syndication percentage.

The Real Estate Valuation (*i.e.* Last Valuation Amount) used to calculate the DMV corresponds, sequentially, to:

1. the reported sale price for any asset already sold,
2. for all the asset currently unsold, the most recent eligible appraisal among:
    i. Third party valuation;
    ii. CTU;
    iii. Any other valuation for the very few real estate collaterals (#) without an updated valuation.

Updated third-party appraisals from service providers (Protos for Italian market and Crif for San Marino market) have been carried out for a relevant pool of properties linked to either first/second economic lien mortgages or real estate leasing contracts.

The haircut applied to estimate the Distressed Market Values (DMV) for Italian RE assets, deriving from Guber historical data, are summarized by the matrix below:

**Table 1: Italian judicial real estate haircuts**

| | Final Haircut | |
|---|---|---|
| Collateral Type | CTU | OMV |
| Residential | 35% | 35% |
| Mixed Residential | 40% | 35% |
| Industrial | 50% | 50% |
| Commercial | 45% | 40% |
| Hotel | 40% | 35% |
| Office | 35% | 35% |
| Agricultural | 50% | 50% |
| Land | 50% | 50% |
| Other RE | 45% | 45% |

A property is classified as Residential, Mixed Resi/Comm, Industrial, Commercial, Hotel, Office, Agricultural, Land or Other according to the following table:

**Table 2: asset type mapping**

| Property destination | Collateral Type |
|---|---|
| Altro | Other RE |
| Commerciale/Retail | Commercial |
| Garage/Magazzino | Other RE |
| Hotel/Ricettivo | Hotel |
| Industriale | Industrial |
| NoInfo | Other RE |
| Residenziale | Residential |
| Residenziale Misto | Mixed Residential |
| Rurale/Agricolo | Agricultural |
| Terreno | Land |
| Terreno Edificabile | Land |
| Uffici | Office |

If the Property Unit is sold, no haircut is applied, the DMV is equal to sale price. Only for the bankruptcy proceedings a 10% haircut is applied to the forecasted sale price in order to factorize the bankruptcy proceeding expenses.

Otherwise, the DMV is calculated as follows:

1. The DMV, as anticipated, is calculated using the most relevant valuation between CTU and third-party appraisal and applying the specific haircut by collateral and last valuation type;
2. If the next auction price is higher than the DMV, the model assumes that the asset will be sold at the DMV and infers the number of bidding rounds from the auction where the DMV is less than 25% lower than the base price. If the next auction price is lower than DMV, the model assumes that the sale price is equal to the next auction price reduced by 15%;
3. If the auction value is not available, the model assumes that the first auction price is equal to the most recent valuation and uses this value to define the auctions rounds needed to sell the asset.

The JMV is calculated starting from DMV and applying the ownership percentage of the relevant collateral asset and also considering the rules set out in the next sections.

For San Marino proceedings, we forecasted a recovery from the start of the enforcement procedure.

Based on the type of property and its condition we evaluated the different reductions, as envisaged by the applicable laws of the Republic of San Marino (80% of the real estate value, 60% of the real estate value, assignment at 55% of the real estate value):

1) residential RE, we have valued an award at the third auction (at a price equal to 60% of the asset

real estate value);

2) for the other properties, we have assumed no award at the third auction and therefore the assignment of the assets as envisaged by law at a price equal to 55% of the real estate value and subsequent resale on the free market at the assigned value after further reduction of 5% for the expenses incurred for the procedure).

For these assets at point 2, the Business Plan therefore envisages an implied haircut of 45% and an additional haircut of 5%.

The following disposal timings on the San Marino free market have been applied:

- Residential assets: 2/3 years
- Offices and Industrial assets: 4/5 years
- Other assets: 5/6 years

The timing to dispose the asset on the free market represented above have been added to the timing necessary for the workout of the legal procedure to achieve the assignment of the asset (which are reported in the section 1.4 Recovery timing). As regards to the recovery from the properties in the insolvency procedure, we deduct from the presumed award price the liquidator's compensation as per the Italian tables and a percentage of expenses of 10%.

### 1.2 Mortgages level

Once the JMV has been estimated, it is allocated to mortgages through the mortgage-collateral relation.

- If an Asset Unit is linked to a mortgage in pool, only the mortgage amount related to the percentage of the pool is taken in consideration for the estimation of gross recoveries;
- If an Asset Unit is linked to only one 1st lien mortgage, the value is fully attributed to that mortgage;
- If an Asset Unit is linked to many 1st mortgages, the asset unit's exit value is attributed to the mortgages proportionally to the GBV connected to them, capped to the mortgage-collateral value;
- When an Asset Unit is linked to junior lien mortgages, we calculate the residual exit value available for attribution to junior liens after the allocation of the exit value to the senior lien mortgages (i.e. *potiore*). If the senior lien mortgages are within the portfolio, we calculate the *potiore* as the estimate of total recoveries attributed to the mortgages with senior liens on the Asset Unit. If the lien is superior of 2° rank, we assumed it is unsecured.

The minimum between the mortgage amount and the related Asset Unit's value is taken as the mortgage-collateral value.

### 1.3 Loan level

The allocation of the value deriving from the mortgage-collateral matrix to each loan is performed according to the following steps:

- If a mortgage is linked only to one loan, the "mortgage-collateral value" is fully attributed to that loan;
- If a mortgage is linked to multiple loans, the "mortgage-collateral value" is attributed to the loans proportionally to the loans' GBV at the cut-off date.

  The minimum between the loan GBV and the related "mortgage-collateral value" is taken as the secured loan recovery.

## 1.4 Recovery timing

For the Italian exposures, recovery timing is linked to:

- Tribunal location;
- Procedure type and macro-phase;
- Property status & Loan type (art. 41 TUB).

Data related to the average procedure duration (per Tribunal and Geo Area) rely on Servicer expertise. As a result of consolidated relationships with the Court offices, Guber Banca has the capability of obtaining useful and updated data, as well as being able to extract actual timings from the management system according to different clusters. The comparison between these sources allows Guber Banca to be able to take advantage of reliable and structured data in the assessment of credit dossiers. We enclose hereafter the duration in months of the Macro-Phases 1, 2, and 4.

**Table 3: Italian judicial procedure timing by tribunal**

| Province | Total Timing | Phase1 | Phase2 | Phase4 |
|---|---|---|---|---|
| AGRIGENTO | 108 | 18 | 24 | 24 |
| ANCONA | 130 | 14 | 44 | 48 |
| AREZZO | 88 | 16 | 24 | 24 |
| ASCOLI PICENO | 94 | 12 | 12 | 34 |
| AVELLINO | 69 | 12 | 12 | 15 |
| BARI | 104 | 24 | 24 | 20 |
| BELLUNO | 52 | 6 | 6 | 18 |
| BENEVENTO | 78 | 12 | 18 | 18 |
| BOLOGNA | 66 | 18 | 12 | 14 |
| CASERTA | 78 | 12 | 12 | 18 |
| CASSINO | 84 | 12 | 12 | 36 |
| CHIETI | 78 | 15 | 12 | 15 |
| FERMO | 168 | 48 | 72 | 12 |
| FERRARA | 30 | 4 | 6 | 8 |
| FIRENZE | 97 | 16 | 24 | 30 |
| FORLÌ | 54 | 18 | 12 | 12 |
| FROSINONE | 66 | 12 | 12 | 18 |
| IMPERIA | 70 | 12 | 12 | 15 |
| L'AQUILA | 73 | 18 | 12 | 10 |
| LATINA | 80 | 6 | 12 | 26 |
| LECCE | 108 | 24 | 20 | 28 |
| MACERATA | 84 | 12 | 24 | 12 |
| MANTOVA | 78 | 12 | 12 | 30 |
| MASSA | 72 | 12 | 12 | 24 |
| MESSINA | 89 | 12 | 12 | 29 |
| MILANO | 72 | 15 | 15 | 24 |
| MODENA | 42 | 8 | 12 | 10 |
| NAPOLI | 96 | 24 | 12 | 36 |
| PARMA | 45 | 12 | 3 | 10 |
| PAVIA | 88 | 12 | 10 | 30 |
| PERUGIA | 96 | 12 | 24 | 24 |
| PESARO | 56 | 12 | 12 | 12 |
| PESCARA | 78 | 15 | 12 | 15 |
| PISTOIA | 99 | 30 | 24 | 15 |
| PORDENONE | 72 | 12 | 12 | 18 |
| POTENZA | 82 | 12 | 12 | 22 |
| RAVENNA | 54 | 6 | 12 | 18 |
| REGGIO CALABRIA | 63 | 12 | 12 | 15 |
| REGGIO EMILIA | 78 | 12 | 18 | 24 |
| RIMINI | 48 | 6 | 12 | 12 |
| ROMA | 78 | 12 | 15 | 15 |
| ROVIGO | 55 | 6 | 6 | 21 |
| SALERNO | 76 | 16 | 12 | 24 |
| SASSARI | 89 | 12 | 24 | 12 |
| SIRACUSA | 101 | 12 | 12 | 24 |
| TEMPIO PAUSANIA | 108 | 24 | 24 | 24 |
| TERAMO | 108 | 12 | 12 | 36 |
| TERNI | 51 | 6 | 12 | 15 |
| TIVOLI | 102 | 12 | 24 | 30 |
| TRAPANI | 94 | 15 | 15 | 24 |
| TREVISO | 80 | 24 | 12 | 24 |
| URBINO | 69 | 3 | 24 | 24 |
| VENEZIA | 44 | 6 | 6 | 12 |

The length of the Macro-Phase 3 has been estimated as an average of the duration of the timing between bidding rounds as observed for Tribunals located in the same Geo Area.

**Table 4: timing between rounds of bids at auction in Italian Tribunals**

| # of Bidding Rounds | 01-Nord | 02-Centro | 03-Sud e Isole |
|---|---|---|---|
| 0,50 | 1,58 | 2,00 | 1,67 |
| 1,00 | 2,33 | 3,00 | 2,79 |
| 1,50 | 2,70 | 3,50 | 3,35 |
| 2,00 | 3,07 | 4,00 | 3,92 |
| 2,50 | 3,44 | 4,50 | 4,48 |
| 3,00 | 3,81 | 5,00 | 5,04 |
| 3,50 | 4,18 | 5,50 | 5,60 |
| 4,00 | 4,55 | 6,00 | 6,17 |
| 4,50 | 4,92 | 6,50 | 6,73 |
| 5,00 | 5,29 | 7,00 | 7,29 |
| 5,50 | 5,66 | 7,50 | 7,85 |
| 6,00 | 6,04 | 8,00 | 8,42 |
| 6,50 | 6,41 | 8,50 | 8,98 |
| 7,00 | 6,78 | 9,00 | 9,54 |
| 7,50 | 7,15 | 9,50 | 10,10 |
| 8,00 | 7,52 | 10,00 | 10,67 |

*Tribunal location*

- If the procedure's Tribunal is present in the data tape, it is used this information.
- If no procedure's Tribunal is declared, it is used the property location as the Tribunal location.

*Procedure type and macro-phase*

Since there are data declines for Bankruptcy and Foreclosure, for each procedure it has been defined

4 macro-phases and the average time distribution for each macro-phase (information based on Servicer's expertise).

In case no procedure has been started yet, the bankruptcy procedure is assumed for corporate borrowers with a loan type different from art. 41 TUB (for Italian procedures). In all the other cases, the foreclosure procedure is assumed.

For San Marino exposures, the applied judicial time to sell is reported in the table below.

**Table 5: San Marino average judicial time to sell**

| San Marino average judicial time to sell (years) - Asset type | Phase 1&2 | Phase 3 | Phase 4 |
|---|---|---|---|
| Agricultural | 6,0 | 2,6 | 2,1 |
| Commercial | 8,8 | 5,2 | 1,0 |
| Industrial | 3,4 | 2,5 | 1,2 |
| Office | 4,2 | 1,5 | 1,5 |
| Other RE | 6,5 | 3,5 | 2,3 |
| Residential | 4,2 | 2,8 | 1,5 |

With regard to foreclosure:

- If a property has already been sold, it is classified in the macro-phase 4. Sale/Distribution;
- If a property has an auction price, it is classified in the macro-phase 3. Auction (the number of auctions needed to sale is calculated with respect to the DMV);
- If a CTU appraiser has been nominated by Tribunal (even with no CTU appraisal deposited yet for the property), the property is classified in the macro-phase 2. CTU (the number of auctions needed to sale is calculated with respect to the DMV);
- Otherwise, it is in macro-phase 1. None/Starting.

With regard to bankruptcy (only for bankruptcy proceedings, a 10% haircut is applied to the forecasted sale price in order to factorize the bankruptcy proceeding expenses):

- If a property has already been sold, it is classified in the macro-phase 4. Sale/Distribution;
- If a property has an auction price, it is classified in the macro-phase 3. Auction (the number of auctions needed to sale is calculated with respect to the DMV);
- If a CTU appraiser has been nominated by Tribunal (even with no CTU appraisal deposited yet for the property), the property is classified in the macro-phase 2. CTU (the number of auctions needed to sale is calculated with respect to the DMV);
- Otherwise, it is in 1. Documentation.

*Property status & Loan* type:

According to the property status:

- If the recovery comes from property which has been sold, it is in macro-phase 4 both for Foreclosure and Bankruptcy. Whatever the asset sale date, the time for distribution starts computing from that date.
    - If it is a foreclosure and the art. 41 TUB applies, it is assumed that 80% of the recovery will be distributed as *Prima Distribuzione* and the remaining 20% as *Distribuzione Finale* (average distribution timing per tribunal has been used).
    - If it is a bankruptcy, it is assumed that 100% of the recovery will be distributed in a single period as *Riparto Finale* (average distribution timing per tribunal has been used).
    - Otherwise, 100% of the recovery will be distributed in one period (average distribution timing per tribunal has been used).
- If the recovery comes from properties with an auction or CTU value, it is in the macro-phase 3. The number of auctions required to sell the property is estimated according to Section 1.1. It is assumed a time span as shown in the tribunal timing table between two subsequent auctions. From this calculation it derives the estimated property sale date. With regards to distribution we applied the same method described above.
- If the recovery comes from properties in macro-phase 1, the model assumes that the property will go through the whole procedure timing and calculates the number of auction rounds needed to reach the DMV starting from the most recent appraisal value.

### 1.5 Leasing exposure

With regard to Leasing RE assets (which are located in San Marino only) included in Sample:

- If the RE asset has not been repossessed, we assumed to start or continue the procedure to repossess it applying the related timing and consequently to sell it at MV value adding the timing for the sale;
- If the RE asset has been repossessed, we assumed the sale at MV on the market applying the related time to sell.

With regard to Leasing RE assets Not in Sample:

- We forecasted a sale on the MV value less 20% applying the related time to sell.

With regard to Leasing Not RE Not in Sample:

- We assumed this portion as Unsecured and we applied historical curves unsecured.

The average time to repossess the leased asset in San Marino is assumed to be 1.3 years.

The average time to sell the asset on the San Marino free market is reported on the table below.

**Table 6: San Marino average time to sell on the free market**

| Time to sell (Leasing San Marino) | Average Time (years) |
|---|---|
| Agricultural | 4.7 |
| Commercial | 4.1 |
| Industrial | 4.7 |
| Office | 4.3 |
| Other RE | 4.0 |
| Residential | 3.3 |

## 2. EXPENSES AND FEES

### 2.1 Recovery Expenses

Recovery expenses have been extrapolated based on the actual legal, procedural and other legal costs, incurred on similar portfolios managed by Guber, as a percentage of total Gross Cash Flows generated by the portfolio.

Base on the data points observed by Guber, on the statistical portion:

- *Legal costs (lump sum consideration relating to fees for legal activities, excluding expenses and out of pocket costs):* these costs amount, on average, to 1,7 % (including VAT) of the Gross Cash Flows generated by the portfolio;
- *Procedural costs (out of pocket legal expenses incurred during legal procedures)*: these costs amount, on average, to 1% (including VAT) of the Gross Cash Flows generated by the portfolio;
- *Leasing costs:* these costs amount (IMU, insurance, condominium charges) on average, to 1,2 % (including VAT) of the Gross Cash Flows generated by the portfolio.

The statistical estimate of the above costs has been obtained by applying the corresponding percentage to all the positions included in the portfolio, regardless of their type.

The timing of the recovery expenses is in line with the timing of Gross Cash flows except for the Procedural Costs, whose timing, being linked to procedural phases.

## 2.2 Servicing and boarding fees

Annual servicing fees have been calculated in the following way:

- Fixed advisory fees*:* an amount equal to the greater of (i) Euro 200,000 and (ii) 0.05% of the GBV (gross book value) under management at the beginning of each period
    - The fixed advisory fees will be paid until the earlier of: i) the payment date that falls in December 2030; or ii) the payment date on which the total paid amount of the fixed advisory fees is equal to €1,600,000
- Variable advisory fees*:* 1.6% of gross cash flows recorded at the end of each period
    - The fixed advisory fees will be paid until the earlier of: i) the payment date that falls in December 2030; or ii) the payment date on which the total paid amount of the variable advisory fees is equal to €2,000,000
- Remarketing fees*:* 2.0% of real estate proceeds
    - The remarketing fees will be paid until the earlier of: i) the payment date that falls in December 2030; or ii) the payment date on which the total paid amount of the remarketing fees is equal to €1,100,000
- Maintenance Costs*:* 1.2% of the real estate value
    - Maintenance Costs will be paid until the earlier of: i) the payment date that falls in December 2030; or ii) the payment date on which the total paid amount of the maintenance costs is equal to €2,500,000
- Property manager fees*:* €50,000 on the first payment date; €200 for each acquired asset for the administrative management of the acquired asset; €250 for each acquired asset for the technical management of the acquired asset
    - The property manager fees will be paid until the earlier of: i) the payment date that falls in December 2030; or ii) the payment date on which the total paid amount of the property manager fees is equal to €250,000

# 3. UNSECURED MODEL

## 3.1 Unsecured Loan

The unsecured model applies only to those loans that do not have any link to mortgages. We defined different recovery curves for unsecured loans using the following parameters:

a) Borrower GBV size

b) Borrower type

c) Borrower Country

d) Originator type

Comparable curves have been selected by Guber using the same parameters and calculating its historical recovery performances on the whole portfolio under management. The relevant curves are attached as Annex A at the end of this section.

The unsecured recoveries have been calculated applying the statistical curves to the unsecured loans for all the borrower included in the corresponding cluster identified with the parameters listed above, unless in the context of the due diligence loan managers were able to estimate a punctual recovery.

## 3.2 Deficiency Claim

For under-collateralized borrowers, when the cash flows from secured positions is lower than the total GBV amount, the difference is treated as deficiency. In these instances, the recovery is estimated using the historical recovery curves for unsecured loans applying on residual GBV post assets sale.

## 3.3 Unsecured Recovery timing

The recovery timing for unsecured loans and deficiency claims is derived from the historical unsecured curves attached as Annex A.

## ANNEX A

| Etichette di riga | N_NDG | GBV | GCF | %GCF/GBV |
|---|---|---|---|---|
| Banche_Italia_Persona_Fisica_50-100k | 17 | 1.245.839 | 244.830 | 19,7% |
| Banche_Italia_Persona_Fisica_Under50K | 129 | 1.873.042 | 531.375 | 28,4% |
| Banche_Italia_Persona_Giuridica_50-100k | 7 | 493.816 | 91.317 | 18,5% |
| Banche_Italia_Persona_Giuridica_Under50K | 18 | 516.175 | 145.622 | 28,2% |
| Banche_San Marino_Persona_Fisica_50-100k | 25 | 1.662.402 | 723.067 | 43,5% |
| Banche_San Marino_Persona_Fisica_Under50K | 163 | 2.237.177 | 975.067 | 43,6% |
| Banche_San Marino_Persona_Giuridica_50-100k | 48 | 3.148.219 | 856.681 | 27,2% |
| Banche_San Marino_Persona_Giuridica_Under50K | 97 | 2.255.178 | 734.078 | 32,6% |
| Banche_San Marino_Persona_Giuridica_Over100k | 75 | 20.864.601 | 3.454.117 | 16,6% |
| Banche_San Marino_Persona_Fisica_Over100k | 31 | 7.504.939 | 2.412.469 | 32,1% |
| Banche_Italia_Persona_Fisica_Over100k | 24 | 6.221.954 | 1.706.309 | 27,4% |
| Banche_Italia_Persona_Giuridica_Over100k | 31 | 10.989.643 | 2.181.690 | 19,9% |
| Fondi_Italia_Persona_Giuridica_Over100k | 26 | 13.012.076 | 373.100 | 2,9% |
| Fondi_San Marino_Persona_Giuridica_Under100k | 83 | 3.111.906 | 450.181 | 14,5% |
| Fondi_San Marino_Persona_Fisica_Under100k | 47 | 1.411.920 | 182.981 | 13,0% |
| Fondi_Italia_Persona_Giuridica_Under100k | 22 | 918.681 | 105.204 | 11,5% |
| Fondi_San Marino_Persona_Giuridica_Over100k | 62 | 24.207.523 | 1.492.307 | 6,2% |
| Fondi_Italia_Persona_Fisica_Under100k | 64 | 1.676.533 | 298.638 | 17,8% |
| Fondi_Italia_Persona_Fisica_Over100k | 42 | 13.706.308 | 728.603 | 5,3% |
| Fondi_San Marino_Persona_Fisica_Over100k | 26 | 8.453.056 | 934.496 | 11,1% |
| **Totale complessivo** | **1.037** | **125.510.988** | **18.622.129** | **14,8%** |

| Etichette di riga | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 | Year8 | Year9 | Year10 | Year11 | Year12 | Year13 | Year14 | Year15 | Year16 | Year17 | Year18 | Year19 | Year20 | Year21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Banche_Italia_Persona_Fisica_50-100k | 22,9% | 10,6% | 15,9% | 12,1% | 5,8% | 7,3% | 3,8% | 5,0% | 5,0% | 2,8% | 2,4% | 1,5% | 1,6% | 1,5% | 1,5% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_Italia_Persona_Fisica_Under50K | 13,1% | 16,2% | 15,4% | 11,1% | 7,2% | 6,8% | 4,4% | 5,0% | 5,0% | 3,5% | 3,1% | 1,8% | 1,8% | 1,8% | 1,6% | 1,2% | 0,2% | 0,2% | 0,2% | 0,2% | 0,1% |
| Banche_Italia_Persona_Giuridica_50-100k | 5,2% | 10,5% | 8,2% | 8,5% | 8,7% | 6,0% | 4,4% | 4,9% | 5,9% | 4,6% | 4,5% | 3,7% | 3,6% | 3,6% | 3,6% | 2,6% | 2,6% | 2,6% | 2,6% | 2,6% | 1,1% |
| Banche_Italia_Persona_Giuridica_Under50K | 19,2% | 11,7% | 15,6% | 5,7% | 7,5% | 7,7% | 6,0% | 5,1% | 6,4% | 4,9% | 4,6% | 1,6% | 1,3% | 1,3% | 1,3% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_San Marino_Persona_Fisica_50-100k | 8,6% | 16,1% | 13,5% | 12,9% | 10,4% | 7,5% | 7,4% | 6,5% | 5,9% | 2,8% | 2,3% | 1,5% | 1,4% | 1,3% | 1,3% | 0,5% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_San Marino_Persona_Fisica_Under50K | 12,8% | 15,9% | 14,1% | 11,5% | 9,7% | 7,2% | 5,7% | 4,8% | 5,1% | 3,1% | 2,7% | 1,8% | 1,6% | 1,5% | 1,5% | 1,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_San Marino_Persona_Giuridica_50-100k | 9,0% | 13,6% | 15,0% | 10,1% | 8,4% | 6,7% | 7,2% | 5,9% | 5,8% | 3,8% | 3,5% | 2,1% | 2,1% | 2,1% | 2,0% | 0,6% | 0,6% | 0,6% | 0,4% | 0,1% | 0,3% |
| Banche_San Marino_Persona_Giuridica_Under50K | 10,8% | 14,7% | 15,1% | 10,5% | 9,1% | 6,5% | 5,8% | 5,7% | 6,1% | 3,5% | 3,1% | 1,9% | 1,8% | 1,8% | 1,8% | 1,7% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_San Marino_Persona_Giuridica_Over100k | 5,4% | 8,7% | 12,8% | 12,6% | 6,9% | 9,3% | 10,9% | 9,6% | 7,8% | 4,3% | 2,6% | 2,0% | 2,1% | 1,8% | 1,7% | 0,2% | 0,2% | 0,2% | 0,2% | 0,2% | 0,5% |
| Banche_San Marino_Persona_Fisica_Over100k | 5,4% | 13,8% | 19,1% | 15,2% | 10,8% | 9,2% | 5,1% | 4,9% | 4,8% | 3,7% | 2,4% | 1,5% | 1,5% | 1,4% | 1,2% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Banche_Italia_Persona_Fisica_Over100k | 15,9% | 17,3% | 8,3% | 7,2% | 10,6% | 5,6% | 4,3% | 4,8% | 6,5% | 4,3% | 3,5% | 2,3% | 2,3% | 2,3% | 2,3% | 0,3% | 0,3% | 0,3% | 0,3% | 0,3% | 0,5% |
| Banche_Italia_Persona_Giuridica_Over100k | 6,1% | 11,8% | 9,0% | 9,4% | 9,5% | 6,2% | 4,3% | 4,9% | 6,1% | 4,6% | 4,4% | 3,4% | 3,4% | 3,4% | 3,4% | 4,9% | 2,0% | 1,6% | 0,7% | 0,7% | 0,3% |
| Fondi_Italia_Persona_Giuridica_Over100k | 9,2% | 7,7% | 10,2% | 9,7% | 10,2% | 7,4% | 8,8% | 4,4% | 10,0% | 5,0% | 7,5% | 1,0% | 1,0% | 1,0% | 1,0% | 1,0% | 1,0% | 1,0% | 1,0% | 1,0% | 0,9% |
| Fondi_San Marino_Persona_Giuridica_Under100k | 8,9% | 21,8% | 14,4% | 13,7% | 8,3% | 8,5% | 9,6% | 4,2% | 3,6% | 3,6% | 2,7% | 0,1% | 0,1% | 0,1% | 0,1% | 0,1% | 0,1% | 0,1% | 0,1% | 0,1% | 0,3% |
| Fondi_San Marino_Persona_Fisica_Under100k | 15,6% | 19,9% | 14,9% | 12,1% | 6,2% | 6,5% | 7,5% | 3,9% | 3,5% | 3,2% | 6,7% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Fondi_Italia_Persona_Giuridica_Under100k | 2,1% | 7,5% | 24,4% | 6,6% | 16,3% | 13,6% | 14,2% | 5,3% | 3,9% | 3,1% | 3,1% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Fondi_San Marino_Persona_Giuridica_Over100k | 7,9% | 4,0% | 9,9% | 5,2% | 6,5% | 6,4% | 5,2% | 4,8% | 2,8% | 1,9% | 31,1% | 0,9% | 0,9% | 0,9% | 0,9% | 0,9% | 0,9% | 0,9% | 0,9% | 0,9% | 6,0% |
| Fondi_Italia_Persona_Fisica_Under100k | 10,1% | 10,3% | 22,7% | 7,4% | 10,8% | 11,5% | 9,8% | 5,0% | 3,5% | 3,0% | 3,1% | 1,3% | 0,6% | 0,4% | 0,4% | 0,1% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Fondi_Italia_Persona_Fisica_Over100k | 14,9% | 10,0% | 8,9% | 7,7% | 8,0% | 6,3% | 7,0% | 4,3% | 6,6% | 4,1% | 6,3% | 1,7% | 1,7% | 1,7% | 1,7% | 1,7% | 1,7% | 1,7% | 1,7% | 1,7% | 0,9% |
| Fondi_San Marino_Persona_Fisica_Over100k | 14,2% | 3,8% | 5,4% | 3,9% | 4,5% | 4,7% | 4,2% | 4,5% | 3,8% | 3,6% | 15,8% | 3,3% | 2,9% | 2,9% | 2,9% | 2,9% | 2,9% | 2,9% | 2,9% | 2,9% | 4,8% |
| **Totale complessivo** | **9,2%** | **11,8%** | **12,6%** | **10,3%** | **8,6%** | **7,5%** | **6,6%** | **5,8%** | **5,7%** | **3,8%** | **6,2%** | **1,9%** | **1,9%** | **1,8%** | **1,8%** | **1,2%** | **0,7%** | **0,6%** | **0,5%** | **0,5%** | **1,0%** |

***Each of the Arranger and the International Placement Agent has not undertaken nor will it undertake any investigation, searches or other actions to verify the details or accuracy of the information contained in the Business Plan and neither the Arranger nor the International Placement Agent nor any of their shareholders, consultants or any of its respective representatives (including affiliates and their respective directors, officers, agents and employees) accepts liability or responsibility whatsoever for the information contained in the Business Plan (including, without limitation, the fairness, accuracy, adequacy or completeness of the Business Plan, the assumptions on which the information contained therein is based, the reasonableness of any projections or forecasts or valuations contained in the Business Plan, or any written or oral information, or as to whether the information in the Business Plan is up to date or the suitability of any investment) and any liability therefore is hereby expressly disclaimed without limiting the foregoing, including without limitation in relation to any inaccuracy in, or omission from, the Business Plan or the information contained therein.***

## ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The weighted average life ("**WAL**") of the Senior Notes cannot be predicted, as the actual amount and timing of the Collections is unpredictable due to the non-performing nature of the Banking Assets and a number of other relevant factors unknown at the date hereof. The WAL of the Senior Notes will be influenced by several factors, among others, the ability to enter in discounted pay-offs and repayment plans.

Calculations of the expected weighted average life of the Senior Notes has been prepared under 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 tables below show the expected weighted average life of the Senior Notes, based, among other things, on the following assumptions:

a) the issue date of the Notes is 14 December 2023;

b) the payment dates do not take into consideration public holidays;

c) the reference rate (EURIBOR) applicable to the Payment Date falling in June 2024 is equal to 9.955% (from Intex, Euribor 6m Vector as of 11 December 2023);

d) the six months forward EURIBOR curve was used as a reference rate (the curve was downloaded from Intex, Euribor 6m Vector as of 11 December 2023);

e) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

f) expected general Issuer costs/fees have been assumed to be equivalent to a maximum amount of Euro 135,000 *per annum*;

g) Euro 3,000,000 upfront costs at closing as well as Euro 200,000 to fund the Issuer Recovery Expense Reserve Account Issuer Expenses Account have been modelled;

h) the portfolio base case scenario is met at any payment date, in other words no subordination event, nor special servicing fee subordination event will occur;

i) no replenishment of the Issuer Recovery Expense Reserve Account and Issuer Expenses Account has been modelled;

j) the Issuer will not exercise the early redemption options pursuant to the Conditions;

k) no Enforcement Event will occur in respect of the Notes.

The actual amount and timing of the Collections are 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 distribution of the Collection will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in this section.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above.

The expected maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates in this section will prove in any way to be realistic and they must therefore be viewed with considerable caution.

Based on the above assumptions, the Estimated Weighted Average Life (years) of the Senior Notes is: 1.9.

# THE ISSUER

## Introduction

The Issuer was incorporated in the Republic of San Marino on 26 July 2023 as a special purpose vehicle pursuant to Article 11 of San Marino Securitisation Law 130, as a *società a responsabilità limitata* (limited liability company) under the name of Veicolo di Sistema S.r.l.. The Issuer was enrolled in the Register of Companies of the Republic of San Marino on 22 August 2023 under No. 9364 and under No. ESV001 in the register of the special purpose vehicles pursuant to article 18 of regulation No. 2022-04 of 28 November 2022.

The Issuer's by-law provides for termination of the same on 31 December 2050 (provided that such termination can be extended several times by resolution of the Shareholders' Meeting and is subject to mandatory extensions under the provisions of the San Marino law). The registered office of the Issuer is at Via Guardia di Rocca, 13, Serravalle, Republic of San Marino, the number of enrolments with the companies' register of the Republic of San Marino is 9364. The Issuer operates under the laws of the Republic of San Marino. The Issuer has no employees and no subsidiaries.

Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolio, no dividends have been declared or paid, other than: (i) the authorisation and the execution of this Prospectus and the other Transaction Documents to which it is a party; (ii) the activities incidental to any registration under the laws of the Republic of San Marino; (iii) the activities referred to or contemplated in this Prospectus and in the Transaction Documents; and (iv) the authorisation by it of the Notes.

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 25,500.00 fully paid up as of the date of this Prospectus and it is held by Mr. Bulzoni Davide, who act as trustee of Trust Dominus (the "**Issuer Quotaholder**").

To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Issuer Quotaholder. Under the Transaction Documents, the Issuer Quotaholder has undertaken to exercise its voting rights in such a way as not prejudice the interest of the Noteholders, the ratings of the Rated Notes and the Transaction.

## Principal Activities

The scope of the Issuer, as set out in its by-laws (*Statuto*), is exclusively to purchase Banking Asset (as defined in article 2 of the San Marino Securitisation Law) in the context of securitisation transactions, and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to article 16 of the San Marino Securitisation Law.

The issuance of the Notes was approved by means of determination of the Sole Director held on 28 November 2023. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Trustee and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolio, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Conditions.

## Sole Director and registered office

The sole director of the Issuer is Faetanini Federico Augusto.

The registered office of the Issuer is at Via Guardia di Rocca, 13, Repubblica di San Marino.

**Capitalisation and indebtedness statement**

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes now being issued on the Issue Date, is as follows:

**Capital**

| | |
|---|---|
| Issued and fully paid-up | Euro 25,500.00 |

In connection with the issue by the Issuer of the Notes referred to in this Prospectus, the transaction would be reported as an off-balance sheet transaction in the *nota integrativa* to the financial statements of the Issuer at the date the transaction is completed, as follows:

**Off-balance sheet assets and liabilities**

| | |
|---|---|
| Class A Asset Backed Floating Rate Notes due 31 December 2036 | Euro 70,000,000 |
| Class B Asset Backed Fixed Rate Notes due 31 December 2046 | Euro 42,248,885 |
| Class J Asset Backed Variable Return Notes due 31 December 2046 | Euro 50,265,458 |
| Subordinated Loan and DPP | Euro 10,000,000 |
| **TOTAL INDEBTEDNESS** | **Euro 172,514,343 as of 14 December 2023** |

Following the issue of the Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

**Financial Statements and Report of the Auditors**

The Issuer's accounting reference date is 31 December in each year. The Issuer was incorporated on 26 July 2023 and, since the date of incorporation, no the financial statements has been prepared.

No interim financial statements are produced by the Issuer.

LEI Code: 9845005AACV451MDYD84

The auditing company of the Issuer is PKF Italia S.p.A.

## THE SELLERS

### Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A.

Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A**.** is a joint stock company (*società per azioni*) incorporated under the laws of the Republic San Marino, having its registered office in Dogana (RSM) at Via 3 Settembre No. 316, share capital of Euro 20,880,080 fully paid-up, registered in the Register of Companies of the Republic of San Marino under No. 5422, in the Register of Authorized Persons held by the Central Bank of the Republic of San Marino under No. 48, economic operator code (COE) SM00087, in the Register of Parent Companies since November 11th, 2014 under No. IC004 ("**BAC-IBS**").

Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. has appointed, as its external auditor, AB & D SPA, since September 17th, 2020; registered with the "Register of Insurance Intermediaries", since December 16th, 2022.

Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A.'s corporate existence, pursuant to the provision of article 4 of its by-laws, is fixed until 31 December 2100, and can be extended several times by resolution of the Shareholders' Meeting and is subject to extensions under San Marino law.

The corporate object of Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A., according to article 2 of its by-laws, are banking activities, as defined in Annex 1 of Law No. 165 of 17 July 2005 ("**LISF**"), insurance and reinsurance brokerage pursuant to Article 26 of LISF, as well as all other reserved activities compatible with it, such as, by way of example, investment services referred to in subparagraphs D1,D2,D3,D4,D5,D6,D7,D8 and D9 of Annex 1 of the LISF, data communication services on transactions concluded on financial instruments at trading venues, referred to in subparagraph D-ter of Annex 1 of the LISF limited to the trading systems operated by the banks themselves, payment services, issuance of electronic money, foreign exchange intermediation activities, equity investment recruitment activities and any other activity ancillary, instrumental or related to the previous ones, in accordance with the provisions of the applicable laws and supervisory provisions in force and subject to the authorization of the Central Bank of the Republic of San Marino (as applicable).

The company may also carry out the following related, instrumental or ancillary activities: a) management of real estate acquired for the bank's functional use pursuant to Article VII.VII.1 and for debt collection pursuant to ArticleVII.VII.2 of Regulation 2007-07; b) sale and management of information technology services for own use or subsidiaries or parent companies; c) study, research, analysis, of economic and financial matters; d) processing, transmission, communication of economic and financial data and information e) advice to companies on financial structure, industrial strategy and related matters, as well as advice and services concerning mergers and acquisition of companies; f) leasing of safe deposit boxes and closed deposit; g) professional exercise of trustee, including in the Republic of San Marino, where authorized by the Central Bank of the Republic of San Marino pursuant to Delegated Decree no. 49 /2010 and subsequent amendments.

Pursuant LISF, is authorized to undertake the following activities:

- banking activity (A);
- lending activity (B);
- fiduciary activities (C);
- reception and transmission of orders in relation to financial instruments (D1);
- execution of orders in relation to financial instruments on behalf of clients (D2);
- own account trading in financial instruments (D3);
- management of portfolio of financial instrument (D4);
- underwriting and/or placing of financial instruments on a firm commitment basis (D5)
- placing of financial instruments without a firm commitment basis (D6)

- investment advisory (D7)
- payment services (I)
- electronic money issuance services (J)
- foreign exchange brokerage activities (K)
- equity acquisition (L)

To achieve the corporate object, Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. may also, among other things, grant loans.

The Board of Directors of Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Directors** | Bossone Biagio |
| **Deputy Chairman** | Savegnago Daniele |
| **Board member** | Cesarini Emanuele |
| **Board member** | Gennari Francesco |
| **Board member** | Ragagni Andrea |

The Board of Statutory Auditors of ***Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A.*** is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Statutory Auditors** | Tavolini Vanessa |
| **Member of the Board of Statutory Auditors** | Marani Erika |
| **Member of the Board of Statutory Auditors** | Rusticali Giorgio |

**General Director:** Menicucci Micaela Licia

**Banca di San Marino S.p.A.**

Banca di San Marino S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of San Marino, having its registered office in Faetano (RSM) at Strada della Croce No. 39, share capital of Euro 37,237,103 fully paid-up (divided into 37,237,103 (thirty-seven million, two hundred and thirty-seven thousand, one hundred and three) registered shares with a nominal value of 1.00 euro (one) each), registered in the Register of Companies of the Republic of San Marino under No. 2430, in the Register of Authorized Persons held by the Central Bank of the Republic of San Marino under No. 49, economic operator code (COE) SM00476, in the Register of Parent Companies since 11 November 2014 under No. IC002, and in the "Register of Insurance Intermediaries", since 16 December 2022.

Banca di San Marino S.p.A. has appointed, as its external auditor, PKF Italia S.p.A., with registered office in Via Guido Reni, 2/2 – 40100 Bologna – Italy.

Banca di San Marino S.p.A.'s corporate existence, pursuant to the provision of article 3 of its by-laws, is fixed until 31 December 2100, and can be extended several times by resolution of the Shareholders' Meeting and is subject to extensions under San Marino law.

The corporate object of Banca di San Marino S.p.A., according to article 4 of its by-laws, is banking activity, such as savings collection from the public and credit management, as well as all the other reserved activities that are compatible with the same. These include, by way of example, investments and payments services, electronic money issuance services, foreign exchange brokerage activities and other accessorial or auxiliary activities or activities connected to those mentioned above, in compliance with existing legal and supervisory provisions and subject to prior authorisation by the Central Bank of the Republic of San Marino (as applicable). Banca di San Marino S.p.A. can also carry out the following activities:

a) insurance and reinsurance brokerage;

b) the office of professional trustee, when authorized by the Central Bank.

The company can also pursue equity acquisitions in other companies and/or entities, either in the Republic of San Marino or overseas, in compliance with existing law.

Banca di San Marino S.p.A., as transferor of the banking company of Banca di San Marino S.c.r.l., which subsequently became Ente Cassa di Faetano, has fully and integrally taken over the rights, obligations, bonds, powers and legal situations Banca di San Marino S.c.r.l. owned through its banking activity. Liens and guarantees of any type, given by anyone or in any case existing in favour of Banca di San Marino S.c.r.l., subsequently transformed into Ente Cassa di Faetano, retain their validity and their status in favour of Banca di San Marino S.p.A., without the need for any further formality or annotation.

Pursuant to the Law No. 165 of 17 November 2005 (Law on Companies and Banking, Financial and Insurance Services), is authorized to undertake the following activities:

- banking activity (A)
- lending activities (B)
- fiduciary activity (C)
- reception and transmission of orders in relation to financial instruments (D1)
- execution of orders in relation to financial instruments on behalf of clients (D2)
- own account trading in financial instruments (D3)
- management of financial instrument (D4)
- underwriting and/or placing of financial instruments on a firm commitment basis (D5)
- placing of financial instruments without a firm commitment basis (D6)

- investment advisory (D7)
- payment services (I)
- electronic money issuance services (J)
- foreign exchange brokerage activities (K)
- equity acquisition (L)

To achieve the corporate purpose, Banca di San Marino S.p.A. may also, among other things, grant loans.

The Board of Directors of Banca di San Marino S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Directors** | Bruni Raffaele |
| **Deputy Chairman** | Gasperoni Jessica |
| **Board member** | Daniele Lucio Leopoldo |
| **Board member** | Righi Giancarlo |
| **Board member** | Stacchini Leo - Marino |

The Board of Statutory Auditors of Banca di San Marino S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Statutory Auditors** | Geri Alessandro |
| **Member of the Board of Statutory Auditors** | Righetti Andrea |
| **Member of the Board of Statutory Auditors** | Marcucci Luca |

**General Director:** Calvani Aldo

**Cassa di Risparmio della Repubblica di San Marino S.p.A.**

Cassa di Risparmio della Repubblica di San Marino S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic San Marino, having its registered office in San Marino (RSM) at Piazzetta del Titano, No. 2, share capital of Euro 100,634,322 fully paid-up, registered in the Register of Companies of the Republic of San Marino under No. 2519, in the Register of Authorized Persons held by the Central Bank of the Republic of San Marino under No. 10, economic operator code (COE) SM00099, in the Register of Parent Companies under No. IC005.

Cassa di Risparmio della Repubblica di San Marino S.p.A. has appointed, as its external auditor, Solution S.r.l., since 23 December 2019.

Cassa di Risparmio della Repubblica di San Marino S.p.A.'s corporate existence, pursuant to the provision of article 3 of its by-laws, is fixed until 31 December 2050, and can be extended several times by resolution of the Shareholders' Meeting and is subject to extensions under San Marino law.

The purpose of Cassa di Risparmio della Repubblica di San Marino S.p.A., according to article 5 of its by-laws, is banking activity, as defined in Annex 1 of LISF, as well as all other reserved activities compatible with it, such as, by way of example, investment services, payment services, electronic money issuance services, foreign exchange brokerage activities, equity investments and any other activity ancillary, instrumental or related to the preceding, in accordance with the provisions of the laws and supervisory provisions in force and subject to the authorization of the Central Bank of the Republic of San Marino (where applicable).

Cassa di Risparmio della Repubblica di San Marino S.p.A. may also carry out these activities abroad, subject to compliance with the provisions in force.

Cassa di Risparmio della Repubblica di San Marino S.p.A. may also carry out, also abroad, with the observance of the provisions in force, insurance and reinsurance intermediation pursuant to Article 26 of LISF, including operations and services related to insurance and reinsurance intermediation activities, as well as those related to the placement of insurance and reinsurance products.

Cassa di Risparmio della Repubblica di San Marino S.p.A may act as a professional Trustee where authorized by the Central Bank of the Republic of San Marino.

Finally, the company may engage in any other transaction instrumental to or otherwise related to the achievement of the corporate purpose.

According to Law No. 165 of 17 November 2005 (Law on Companies and Banking, Financial and Insurance Services), is authorized to undertake the following activities:

- banking activity (A)
- lending activities (B)
- fiduciary activity (C)
- reception and transmission of orders in relation to financial instruments (D1)
- execution of orders in relation to financial instruments on behalf of clients (D2)
- own account trading in financial instruments (D3)
- management of financial instrument (D4)
- underwriting and/or placing of financial instruments on a firm commitment basis (D5)
- placing of financial instruments without a firm commitment basis (D6)
- investment advisory (D7)
- payment services (I)
- electronic money issuance services (J)
- foreign exchange brokerage activities (K)

- equity acquisition (L)

To achieve the corporate purpose, Cassa di Risparmio della Repubblica di San Marino S.p.A. may also, among other things, grant loans.

The Board of Directors of Cassa di Risparmio della Repubblica di San Marino S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Directors** | Giusti Carloalberto |
| **Deputy Chairman** | Bizzocchi Stefano |
| **Board member** | Cecchetti Vincent |
| **Board member** | Gennari Alessandro |
| **Board member** | Vento Gianfranco Antonio |

The Board of Statutory Auditors of Cassa di Risparmio della Repubblica di San Marino S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Statutory Auditors** | Pelliccioni Sara |
| **Member of the Board of Statutory Auditors** | Montemaggi Meris |
| **Member of the Board of Statutory Auditors** | Michelotti Rossana |

***General Director:*** *Simoni Luca*

**739 SG S.p.A.**

739 SG S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic San Marino, having its registered office in Dogana (RSM) at Piazza Tini, No. 2, share capital of Euro 500,000 fully paid-up, registered in the Register of Companies of the Republic of San Marino under No. 4940, in the Register of Authorized Persons held by the Central Bank of the Republic of San Marino under No. 65, economic operator code (COE) SM21476, in the Register of Parent Companies under No. IC006.

739 SG S.p.A. has appointed, as its external auditor, AB & D SPA, since 16 May 2022.

739 SG S.p.A.'s corporate existence, pursuant to the provision of its by-laws, is fixed until 31 December 2070, and is subject to extensions under the law of the Republic of San Marino.

The purpose of 739 SG S.p.A., according to article 2 of its by-laws, is (a) as its principal activity the professional provision of collective investment services, activities referred to in letter E of Annex 1 of the LISF and non-traditional collective investment services referred to in letter F of Annex 1 of the LISF; (b) as ancillary activities the management service on an individual basis of investment portfolios for third parties and, limited to the units of mutual funds of its own issuance, the placement service without irrevocable commitment of financial instruments; c) investment advice on financial instruments, as referred to in letter D7 of Annex 1 of the Law LISF; d) as related activities the study, research, analysis in economic and financial matters; e) as instrumental activities the provision and management of computer or data processing services, the administration of real estate assets for its own functional use; f) all activities related to the achievement of the corporate purpose.

According to LISF, is authorized to undertake the following activities:

- management of portfolio of financial instrument (D4)
- placing of financial instruments without a firm commitment basis (D6)
- investment advisory (D7)
- collective investment services (E)
- non-traditional collective investment services (F)

The Board of Directors of 739 SG S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Directors** | Novara Ferdinando |
| **Board member** | Cevoli Marco |
| **Board member** | Monti Gabriele |

The Board of Statutory Auditors of 739 SG S.p.A. is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Statutory Auditors** | Monaldini Francesca |
| **Member of the Board of Statutory Auditors** | Cremoni Fabrizio |
| **Member of the Board of Statutory Auditors** | Tosa Alida |

**General Director:** Filanti Luca

**Società di Gestione degli Attivi ex BNS S.p.A.**

Società di Gestione degli Attivi ex BNS S.p.A. (*breviter* S.G.A. Ex BNS S.p.A.) derives from the transformation that took place on 26 July 2019 of Banca CIS S.p.A. into Banca Nazionale Sammarinese S.p.A..

Specifically, Banca CIS S.p.A., which was already under extraordinary administration, was winded up by a Central Bank of the Republic of San Marino's order on 21 July 2019 by virtue of the provisions contained in Law No. 102/2019, giving rise to Banca Nazionale Sammarinese S.p.A., which was initially owned for all shares by Banca Centrale di San Marino.

Subsequently, the entirety of the BNS shares was transferred to the Ecc.ma Camera of the Republic of San Marino, which, on 09.07.2021, changed the name to "Società di Gestione Attivi ex BNS S.p.A" and the corporate purpose (with consequent termination of the termination procedure) aimed precisely at the activity of managing its mass of assets for the purpose of being able to achieve the repayment of the bonds issued and any other outstanding liabilities.

S.G.A. Ex BNS S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic San Marino, having its registered office in Serravalle (RSM) at Piazza Bertoldi No. 8, share capital of Euro 77.000,00 fully paid-up, registered with the Register of Companies of the Republic of San Marino under No. 5484, economic operator code (COE) SM00155.

S.G.A. Ex BNS S.p.A. has appointed, as its external auditor, BDO ITALIA S.P.A, since 12 November 2019.

S.G.A. Ex BNS S.p.A.'s corporate existence, pursuant to the provision of article 3 of its by-laws, is fixed until 31 December 2100, and can be extended several times by resolution of the Shareholders' Meeting and is subject to extensions under San Marino law.

The corporate object of S.G.A. Ex BNS S.p.A. according to article 3 of its by-laws, is to

1. satisfy the liabilities of BNS (formerly CIS Bank). Accordingly, the Company's corporate object is the following activities: a) recovery of the assets received from BNS by granting a mandate to I.G.R.C. S.p.A. for the recovery of the aforementioned assets; b) prosecution of the liability actions and any other actions for damages initiated by the Special Administrator of BNS against the former corporate officers of Banca CIS and other persons who damaged the Bank's assets; c) repayment of the liabilities of BNS to the entitled persons through the activities referred to in the preceding paragraphs; d) making itself the assignee of any liability actions initiated by the liquidator of Banca Partner in accordance with the provisions of Article 4, Paragraph 4 of DD. 126/2020;

2. carry out, in compliance with the pro tempore regulations in force, additional activities connected and/or instrumental to the described activity referred to in paragraph 1 above;

3. within the scope of operations instrumental to and related to the corporate purpose, in compliance with the relevant provisions in force, proceed to the purchase, sale, exchange, usufruct, lease, concession for use, exploitation and use of movable and immovable property of all kinds, including those subjects to registration in public registers. It may also proceed to the sale of financial instruments in its portfolio, however aimed at the repayment of the mentioned liabilities.

Any other activity prohibited by law and/or subjected by it to reservation of activities shall remain excluded from the activities exercisable.

The company is administered by a **sole director** which is: **Ceccoli Emanuele**

The Board of Statutory Auditors of ***S.G.A. Ex BNS S.p.A.*** is currently composed of the following members:

| | |
|---|---|
| **Chairman of the Board of Statutory Auditors** | Zafferani Monica |
| **Member of the Board of Statutory Auditors** | Ercolani Lorenzo |
| **Member of the Board of Statutory Auditors** | Muccioli Orsolina |

**Veicolo Pubblico di Segregazione Fondi Pensioni (VPSFP)**

Veicolo Pubblico di Segregazione Fondi Pensioni (VPSFP), initially established as a joint stock company pursuant to Law 115/2019, was subsequently (on October 18, 2022) transformed in special purpose trust by virtue of the provisions of Delegated Decree 126/2020.

VPSFP is registered under No. 277-2022 in the Register of Trusts kept at the Central Bank of the Republic of San Marino.

The purpose of the Trust is to manage the repayments of the Pension Funds (ISS and FONDISS) in accordance with the agreements signed from time to time with them. In the event that, having completed the aforementioned reimbursements of the Pension Funds, there remain in the hands of the Trust substantive and/or procedural pending legal relationships, the purpose of the Trust consists, unless otherwise provided for by law, in defining and then finalizing such legal relationships.

The Trustee is Dr. Filippo Francini and is subject to the following limitations of powers:

1. cannot enter into mortgages or agreements that, regardless of their configuration or denomination, give rise to obligations on the part of the Trustee similar to those of the lender or borrower of a mortgage, unless otherwise provided by law;
2. cannot grant security over the assets in Trust, unless otherwise provided by law;
3. cannot acquire real estate, registered movable property, movable assets and corporate interests except for reasons of credit recovery and in any case having obtained the Guardian's consent;
4. may, obtained the Guardian's consent, acquire movable assets that are exclusively instrumental to the performance of the Trustee's Office;
5. may, obtained the Guardian's consent, enter an appearance in any proceedings or initiate any judgment;
6. may, having obtained the Guardian's consent, appoint special attorneys delegating to them the exercise of its powers and deposit the assets in Trust with banking and financial intermediaries, subject to the Law and within the Limits of the Law;
7. may, having obtained the Guardian's consent, make use of advisors lawyers, notaries, accountants and other professionals in order to exercise its own powers and fulfill the obligations to which it is bound;
8. may, having obtained the Guardian's consent, authorize and/or sign transactions, repayment plans, and more generally any act and contract pertaining to the receivables in the Trust's assets;
9. may, having obtained the Guardian's consent, enter into contracts of mandate for the management of credits present in the Trust's assets;
10. may, having obtained the Guardian's consent, establish separate funds where it deems this to be useful in furtherance of the Purpose of the Trust.

The Guardian is Monica Bernardi and her powers are fiduciary.

***The information contained herein relates to the Sellers and has been obtained respectively from each of them. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of any Seller since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE MASTER SERVICER AND THE ISSUER CORPORATE SERVICES PROVIDER

**Istituto per la Gestione e il Recupero dei Crediti S.p.A**., a joint stock company incorporated in the Republic of San Marino as a *società per azioni* pursuant to DD 126/2020 and Regulation 2022-04, whose registered office is at Piazza Bertoldi, 8, Republic of San Marino, enrolled with the Companies' Register referred to in Companies Law No. 9385, share capital equal to Euro 100,000 fully paid-up.

***The information contained herein relates to Istituto per la Gestione e il Recupero dei Crediti S.p.A. and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Istituto per la Gestione e il Recupero dei Crediti S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE SPECIAL SERVICER

**S3 – Special Servicer Sammarinese S.r.l.**, a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of San Marino, whose registered office is at Piazza Bertoldi, 8, Serravalle, Republic of San Marino, enrolled in the Register of Companies of the Republic of San Marino under No. 9412, share capital equal to Euro 25,500.00 fully paid-up, acting as special servicer of the Transaction.

***The information contained herein relates to S3 – Special Servicer Sammarinese S.r.l. and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of S3 – Special Servicer Sammarinese S.r.l. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE COLLECTION AND RECOVERY POLICY OF THE SPECIAL SERVICER

### 1. GENERAL ASPECTS

1.1. The Special Servicer manages the activities related to the protection and recovery of the Banking Assets, the liquidation of the related mortgages ("**Mortgages**") and/or ancillary guarantees ("**Ancillary Guarantees**"), as well as the preservation and liquidation of the real estate assets subject to the terms and conditions of the Transaction, in compliance with the terms and conditions established in the Servicing Agreement, of which the Credit Recovery Policies constitute an attachment.

1.2. The Special Servicer promptly and proactively initiates judicial or extrajudicial actions that are feasible and/or appropriate for the management of Banking Assets and the enforcement of their Mortgages and/or Ancillary Guarantees, according to the terms and conditions of the Servicing Agreement, carefully evaluating the received documents ("**Documents**") to maximize the net present value of the Banking Assets in the interest of the Issuer and the Noteholders.

1.3. The Special Servicer examines all available and reasonably relevant Documents made available by each Seller to the Issuer or otherwise obtained, relating to the Banking Assets.

1.4. Terms and expressions not otherwise defined in this Section have the same meaning given to them in the Glossary.

### 2. ACTIVITIES

2.1. The Special Servicer provides for the management of the proceedings (the "**Proceedings**"), including, by way of example and not limited to:

(a) the establishment, continuation, resumption of the executive procedures (the "**Executive Procedures**") by obtaining the enforcement title, where not already available, the notification of the injunction and therefore the seizure of the assets of the Assigned Debtor and or the relevant Guarantor, followed by Executive Procedure for the recovery of Banking Assets in accordance with the law;

(b) the initiation of any judicial initiative deemed appropriate, in full autonomy and discretion, including, by way of example and not limited to: the submission of the bankruptcy application, participation in creditors' meetings for the approval of the insolvency procedures (the "**Insolvency Procedures**"), the appointment of representatives in the committees of the creditors of the Insolvency Procedures;

(c) the initiation and/or continuation of any judicial activity aimed at protecting the Banking Assets of the Issuer, including the initiation of any appropriate judicial proceedings and/or resistance in proceedings instituted by the Assigned Debtor and/or third parties;

(d) the conclusion, where deemed appropriate, of transactions, or extensions, and the signing of the related contracts, as well as the transfer of Banking Assets to third parties within the limits of the delegated powers (the "**Delegated Powers**") exercisable pursuant to the Servicing Agreement;

(e) the issuing of deeds of reversal, remission, cancellation or extinction (in whole or in part) of the debt in accordance with the exercise of the Delegated Powers;

(f) consent to the cancellation of the Mortgages and/or Ancillary Guarantees and any other prejudicial registration or transcription, if connected to the exercise of the Delegated Powers or in compliance with the provisions of the Servicing Agreement;

(g) the promotion for the sale, with or without auction, of the real estate properties (the "**Real Estate Properties**") subject to a Mortgage registered to guarantee the reimbursement of the Credits;

(h) the Special Servicer will provide adequate auction facilitation services, in order to maximize the recovery of Banking Assets guaranteed by the Real Estate Properties, exclusively in compliance with the applicable rules and regulations;

(i) the completion of the activities necessary for the conservation and enforcement of the Mortgages and/or Ancillary Guarantees.

2.2. In case of pending judicial proceedings, the extrajudicial activity (aimed at maximizing the recovery of Banking Assets and limiting costs and expenses), is started and continued.

2.3. For judicial proceedings, the Special Servicer will make use of legal advisors and lawyers belonging to the Special Servicer's network pursuant to the legal servicer agreements (the "**Legal Servicer Agreements**"), or of legal advisors and lawyers originally appointed by the Sellers.

If the Special Servicer decides to terminate the mandate of a legal advisor and/or lawyer originally appointed by the Sellers, the Special Servicer will turn to a legal advisor and/or lawyer belonging to the Special Servicer's network pursuant to the Legal Servicer Agreements.

If the Special Servicer deems it appropriate, he may make use of lawyers other than legal advisors and lawyers belonging to the Special Servicer's network pursuant to the Legal Servicer Agreements.

The Special Servicer agrees that the legal advisors and attorneys originally appointed by the Sellers will invoice their fees and expenses directly to the Issuer (the "**Legal Advisor Invoice**").

2.4. The judicial and/or extrajudicial procedure ends with the collection of the sums realized or, in the event of a negative outcome, with the mere interruption of the mandate or with the renunciation of the relevant legal claim.

## 3. SETTLEMENT OF A BANKING ASSET

3.1. The settlement (the "**Settlement**") of a Banking Asset means any possible agreement aimed at reimbursing the credits relating to such Banking Asset, in whole or in part for the settlement or for the settlement and write-off, even deferred, by the Assigned Debtor, his beneficiaries, the Guarantors or any third party obligated in any capacity, including through the sale of real estate (the "**Settlement of a Banking Asset**").

The proposal for Settlement of a Banking Asset advanced by the Special Servicer will be governed according to the Delegated Powers referred to in the Servicing Agreement.

## 4. DELEGATED POWERS

4.1. If the requirements for the exercise of the Delegated Power pursuant to the Servicing Agreement are met, the proposal for the Settlement of a Banking Asset will be subject to the resolution of the competent body of the Special Servicer, in accordance with the delegation system of the Special Servicer. If the competent body approves this proposal, the data relating to the new repayment plan, the agreement or the transfer of the agreed Banking Assets will be the subject of a specific written contract with the counterparty.

## 5. COMMUNICATION OBLIGATIONS AND REQUESTS FOR COMPENSATION

5.1. The Special Servicer must fulfil in the name and on behalf of the Issuer, all the communication obligations borne by the Issuer, to protect its interests, towards the insurance companies, the Assigned Debtors and any other third party, provided for by the Documents or by law in relation to

the Banking Assets or to the Documents, in each case in compliance with the provisions of the Servicing Agreement.

5.2. If during the course of its activities, the Special Servicer finds that the representation and warranties made by the relevant Seller in the relevant transfer agreement (each a "**Transfer Agreement**") are not true and correct and that this may give rise to a right to an indemnity based on such contract, it will issue a written communication to the Issuer, the Trustee and the Master Servicer. The Special Servicer will have the obligation to exercise the relevant contractual rights and any other related rights also fulfilling the relevant obligations of the Issuer pursuant to the relevant Transfer Agreement (including, by way of example, the sending of any communication and/or dispute). The Special Servicer has declared to have read the terms and conditions of the Transfer Agreements. It is understood that all costs connected to the activity referred to in this article will be borne exclusively by the Issuer.

## 6. MAINTENANCE OF MORTGAGES AND OTHER SECURITIES

6.1. The Special Servicer will do what is necessary and/or appropriate to ensure that the Mortgages - first and/or second economic degree as well as any other Mortgage that the Special Servicer, using the best professional diligence, deems appropriate (and economically advantageous) to renew in order to protect the creditors' rights of the Issuer - and the Ancillary Guarantees remain fully effective in favour of the Issuer and maintain their current lien and, to this end, will prepare and sign on behalf and in the name of the Issuer all appropriate deeds and declarations. With reference to other mortgages, the Special Servicer will be entitled not to carry out these activities where it does not deem it economically convenient to carry them out. The Special Servicer, from the transfer date of the Banking Asset (the "**Transfer Date**") from the delivery date of the Documents or from the date on which it will have access (even by deposit with the Seller) to them, will carry out the activities envisaged by this article only on the based on the information received from the Issuer and the documents or information it is in possession of, without prejudice in any case to the obligation of the Special Servicer to promptly request from the Sellers the missing documents necessary for this purpose.

6.2. The Special Servicer will prepare and sign on behalf and in the name of the Issuer all the documents and declarations necessary for the purpose of the restriction and/or cancellation of the Mortgages and/or Ancillary Guarantees provided that the Banking Asset to which the Mortgage and/or the Ancillary Guarantee accesses is been fully satisfied or given that the consent to the restriction and/or cancellation necessary in the context of settlement agreements, out-of-court definitions or restructuring plans duly has been approved in accordance with the provisions of these Credit Recovery Policies, or if the restriction and/or cancellation is imposed by the legislation in force on the subject or by express provision of the judicial authority.

## 7. MANAGEMENT OF THE REAL ESTATE ASSETS

7.1. The Special Servicer will manage the Real Estate Properties in order to maximize their value, also through the rent of the properties, and carry out maintenance and renovation activities as necessary from time to time and in any case in line with the Business Plan of the Transaction;

7.2. The Special Servicer will ensure, for each Real Estate Properties, adequate insurance coverage, custody and security of the real estate property, also guaranteeing the timely payment of any taxes in relation to the possession, repurchase, rental and/or sale of such Real Estate Properties;

7.3. The Special Servicer will be responsible for correctly registering, where required, any rent agreement relating to the Real Estate Properties and ensuring the timely payment of relevant taxes, as well as organizing the collection of rents relating to such properties;

7.4. As for the Banking Assets having as underlying movable assets, (registered or not), capital goods, motor vehicles, pleasure boats or real estate (jointly, the assets underlying the Leasing Credits, hereinafter referred to as "**Assets**"), of which to date no the possibility of recovering possession of them and consequently of valorising them through appropriate marketing activities has been definitively verified, the Special Servicer will carry out all the actions deemed necessary and/or appropriate for the safety and recovery of possession of the same and consequent and related deposit, conservation and custody activities. Also with reference to these assets, once possession has been recovered, as for the Real Estate Properties, the negotiation and definition of the terms and conditions of the preliminary and/or definitive purchase and sale contracts, including the definition of any other deed and /or document necessary and/or appropriate to facilitate the conclusion of sales, must be carried out in compliance with law 4 August 2017 No. 124 or similar legislation in force in the Republic of San Marino.

## THE TRUSTEE, THE ENGLISH ACCOUNT BANK AND THE PAYING AGENT, THE ITALIAN ACCOUNT BANK AND THE REGISTRAR

### THE TRUSTEE

BNY Mellon Corporate Trustee Services Limited is a company incorporated under the laws of England and Wales with registered number 2631386 and having its principal offices in the United Kingdom at 160 Queen Victoria Street, London EC4V 4LA.

In the context of this Transaction, BNY Mellon Corporate Trustee Services Limited acts as Trustee.

### THE ITALIAN ACCOUNT BANK

Bank Of New York Mellon SA/NV, Milan Branch is a bank incorporated under the laws of Belgium, having its registered office at Multi Tower, Boulevard Anspachlaan 1 - B1000 Brussels, Belgium, acting through its Milan Branch, with offices at Via Mike Bongiorno 13, 20124 Milan, registered in the companies register (*registro delle imprese*) of Milano-Monza-Brianza-Lodi with tax code and VAT no. 09827740961, registered as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act .

In the context of this Transaction, The Bank of New York Mellon SA/NV – Milan Branch acts as Italian Account Bank.

### THE ENGLISH ACCOUNT BANK AND THE PAYING AGENT

The Bank of New York Mellon, London Branch is a banking corporation organised pursuant to the laws of the State of New York and operating through its branch in the United Kingdom at 160 Queen Victoria Street, London EC4V 4LA

In the context of this Transaction, The Bank of New York Mellon– London Branch acts as English Account Bank and Paying Agent.

### THE REGISTRAR

The Bank of New York Mellon SA/NV, Dublin Branch is a limited liability company and credit institution organised under the laws of Belgium, registered in the RPM Brussels with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin branch (registered in Ireland with branch number 907126) at Riverside II, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, D02 KV60 In the context of this Transaction, The Bank of New York Mellon SA/NV – Dublin Branch acts as Registrar.

***The information contained herein relates to the BNYM Parties and has been obtained from each of them. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the BNYM Parties since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE SPECIAL SERVICER ADVISER AND THE BUSINESS PLAN DEVELOPER

### Guber at a glance

Founded in 1991 and based in Brescia (Italy), **Guber Banca S.p.A.** (**"Guber**" or the "**Group**") is a leading Italian challenger bank specialised in: (i) managing and collecting NPLs and UTPs portfolios both secured and unsecured with c. €11bn of AuM, and (ii) SMEs financing.

In March 2017, funds managed or advised by Värde Partners, Inc. acquired a c. 33% stake in the Group.

As of December 31 2022, the Group employed c. 200 permanent employees and external contractors.

### Key Activities

***NPL Management***

- Direct acquisition of NPEs and following management to maximise credit recovery
- Guber's offering represents a solution for SMEs to dispose distressed assets and benefiting of (i) costs savings, (ii) fiscal deductions, and (iii) balance sheet relieves
- The Group is one of the main non-captive, independent servicers of the Italian market, offering also due diligence & advisory services for the valuation of non-performing portfolios and extensive expertise in real estate assets valuation
- The activities are carried out through c. 200 permanent employees and external contractors, and a network of over 150 lawyers

***Banking Activity***

- In March 2018, Guber was authorized to carry out the banking activity by the ECB
- The Group has therefore started to develop its banking product offering targeting SMEs and private individuals

### Guber Value Added

***Integrated Offering***

- Unmatched ability to combine NPLs direct acquisition and servicing
- Proprietary best-in-class managerial software to ensure smooth operations and efficiency
- Due diligence and valuation services to assist the client along all the stages of the investment cycle
- Banking products offering focused on providing financing services to Italian SMEs

***Nation-wide Offering***

- Centralised operations with over 200 employees and external contractors in Brescia HQ matched with an extensive network of over 150 lawyers
- Full coverage of the Italian territory and presence in all national Courts

***Proven track record***

- Over €20bn of assets managed since 1991
- Efficient distressed asset management with over 75% of out-Court recoveries ensuring a faster collection

***Deep and Experienced Management***

- Experienced senior management team with complementary skills
- Constantly trained loan managers with performance-based incentive plans

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

## THE CAP COUNTERPARTY

**Name**

J.P. Morgan SE

**Address**

The business address of J.P. Morgan SE is TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany.

**Country of incorporation**

Germany

**Nature of business**

J.P. Morgan SE is an indirect wholly owned subsidiary of JPMorgan Chase & Co. and conducts banking business with institutional clients, banks, corporate clients and clients from the public sector.

**Admission to trading of securities**

J.P. Morgan SE does not have securities admitted to trading on a regulated market or an equivalent market.

***The information contained in this section of this Prospectus relates to and has been obtained from J.P. Morgan SE. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of J.P. Morgan SE 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 CALCULATION AGENT, THE MONITORING AGENT AND THE MASTER SERVICER ADVISER

In the context of this Transaction, Banca Finanziaria Internazionale S.p.A. acts as Calculation Agent, Monitoring Agent and Master Servicer Adviser.

Banca Finanziaria Internazionale S.p.A., *breviter* "Banca Finint S.p.A.**"**, is a bank incorporated as a joint stock company (*società per azion*i) under the laws of the Republic of Italy, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment in the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered in the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking groups 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 S.p.A.*

***The information contained herein relates to Banca Finanziaria Internazionale S.p.A. and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Banca Finanziaria Internazionale S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## USE OF PROCEEDS

The proceeds of the offering of the Notes will be used in order to pay (also by way of set-off) the Purchase Price due by the Issuer to each Seller as set out in each relevant Transfer Agreement.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

## THE TRANSFER AGREEMENTS

### Transfer Agreements

*The description of the Transfer Agreements set out below is a summary of certain features of the Transfer Agreements and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements (i) upon request, at the registered offices of the Issuer; and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transfer Agreements.*

Pursuant to 6 (six) transfer agreements, each entered into on 29 November 2023 (the "**Transfer Date**") between the Issuer and:

(1) Banca di San Marino S.p.A. ("**BSM**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**BSM Portfolio**" and the "**BSM Banking Assets**") (the "**BSM Transfer Agreement**");

(2) Cassa di Risparmio della Repubblica di San Marino S.p.A. ("**CRSS**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**CRSS Portfolio**" and the "**CRSS Banking Assets**") (the "**CRSS Transfer Agreement**");

(3) Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. ("**BAC IBS**" and, together with CRSS and BSM, the "**Seller Banks**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**BAC IBS Portfolio**" and the "**BAC IBS Banking Assets**") (the "**BAC IBS Transfer Agreement**");

(4) Società di Gestione degli Attivi ex BNS S.p.A. ("**SGA**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**SGA Portfolio**" and the "**SGA Banking Assets**") (the "**SGA Transfer Agreement**");

(5) 739 SG S.p.A. ("**739**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively, the "**739 Portfolio**" and the "**739 Banking Assets**") (the "**739 Transfer Agreement**"); and

(6) Veicolo Pubblico di Segregazione Fondi Pensione ("**VPSFP**" and together, with 739 and SGA, the "**Other Sellers**"; the Seller Banks and the Other Sellers, collectively, the "**Sellers**"), as assignor of a portfolio of banking assets as identified in the relevant Transfer Agreement (as defined below) in accordance with the San Marino Securitisation Law (respectively the "**VPSFP Portfolio**" and the "**VPSFP Banking Assets**", and together with 739 Banking Assets, SGA Banking Assets, BAC IBS Banking Assets, CRSS Banking Assets, BSM Banking Assets, the "**Banking Assets**") (the "**VPSFP Transfer Agreement**", and together with BSM Transfer Agreement, the CRSS transfer Agreement, the BAC IBS Transfer Agreement, the SGA Transfer Agreement and the 739 Transfer Agreement, the "**Transfer Agreements**" and each a "**Transfer Agreement**"),

each of the Sellers sold, pursuant to articles 1, 7 and 14 of the San Marino Securitisation Law and pursuant to article 52 of the LISF the Portfolio, for consideration to the Issuer without recourse (*pro soluto*) the Banking Assets, deriving from terminated financing agreements whose debtors (the "**Assigned Debtors**") have been classified as non performing (*a sofferenza*) or impaired (*incagli*), which were identified in accordance with the Transfer Agreements.

**The Purchase Price**

As consideration for the acquisition of the Banking Assets pursuant to the relevant Transfer Agreement, the Issuer has undertaken to pay to the relevant Seller the relevant purchase price as set forth therein (each a "**Purchase Price**").

Pursuant to the Transfer Agreements, the relevant parties thereto have agreed that the effects of the transfer of the Banking Assets shall start from the Effective Date, with respect to each Portfolio, in the relevant Transfer Agreement and therefore the Issuer will be the sole owner of all the proceeds received in respect to the relevant Portfolio from the relevant Seller as of the relevant Effective Date and will support any charges, costs and/or expenses in relation to the management of the relevant Portfolio and the relevant collections, related to activities performed since the relevant Effective Date.

**Representations and Warranties of the Sellers**

With respect to each of the Sellers, pursuant to the Transfer Agreements, the relevant Seller has made certain representations and warranties, assumed certain undertakings and undertaken certain indemnity obligations towards the Issuer in relation, among others, to the Portfolio and the Banking Assets, and it has undertaken to indemnify the Issuer for, inter alia, any damages incurred by the Issuer resulting directly from the inaccuracy, untruthfulness and/or breach of such representations and warranties, at the terms and the conditions set out in the relevant Transfer Agreements.

In particular, the following representations have been given by each of the Sellers:

*Representations and warranties relating to the Sellers:*

(a) the relevant Seller is

1) in relation to CRSS, BAC IBS and BSM, each a bank duly incorporated as a joint stock company ("*società per azioni*") and validly existing and operating pursuant to law of the Republic of San Marino;

2) in relation to 739, a company duly incorporated as a joint stock company ("*società per azioni*") and validly existing and operating pursuant to law of the Republic of San Marino;

3) in relation to VPSFP, a trust company duly incorporated as a "*trust di scopo*" and validly existing and operating pursuant to law of the Republic of San Marino;

4) in relation to SGA, a joint stock company (*società per azioni*) duly incorporated under the laws of the Republic San Marino.

(b) subject to the required obtaining of the Approval, to which the effectiveness of the assignment of the Transfer Agreements is subject, the Sellers have carried out all the activities and obtained all the permissions, licenses and authorisations necessary: (i) to enter into and perform the Transfer Agreements; and (ii) to ensure that all the obligations undertaken by it under the Transfer Agreements are legal, valid and binding;

(c) subject to the required obtaining of the Approval, to which the effectiveness of the assignment of the Transfer Agreements is subject, the entry into and execution of the relevant Transfer Agreement and any other Transaction Document to which it is a party, as well as the performance of the activities specified therein, neither contravene nor constitute a breach of: (i) its own articles of association and by-laws; (ii) any applicable laws and regulations applicable to it; (iii) contracts, acts, agreements and

other documents which are binding on it; or (iv) court orders, judgments, arbitral awards, decrees or any other court document binding on it or affecting its assets which could be negatively affect its business;

(d) to the best of the knowledge of the relevant Seller, no judicial or arbitration proceedings have been instituted or announced in writing and no judicial or arbitration proceedings have been instituted or are pending before any competent court or agency or authority which may impact on its assets to an extent that may negatively affect its business activity or whose effects may prejudice significantly its ability to duly transfer the relevant Banking Assets or its ability to meet its obligations under the relevant Transfer Agreements and the other Transaction Documents to which it is a party;

(e) the relevant Seller is not insolvent, and as far as the relevant Seller is aware, there are no facts or circumstances that could make the it insolvent or otherwise unable to fulfil its obligations or expose it to potential insolvency proceedings, nor did it put in place processes that could lead to its winding-up or liquidation, nor will it become insolvent as a result of the entry into the relevant Transfer Agreement or as a result of the fulfilment of its obligations set forth therein;

(f) subject to the required obtaining of the Approval, to which the effectiveness of the assignment of the Transfer Agreements is subject, the relevant Seller has obtained all the authorizations, approvals, consents, notices or registrations necessary for the execution and the perfection of the relevant Transfer Agreement, as well as all other documents to be entered into pursuant to the Transfer Agreements and all transactions contemplated therein and for the validity or effectiveness of the sale of the relevant Banking Assets to the Issuer according to the relevant Transfer Agreement and are valid and such authorizations, approvals, consents, notices or registrations are enforceable as of the Effective Date;

(g) in relation to

(1) VPSFP, the financial statements (*situazione contabile*) as at 30 September 2023, as approved by VPSFP, present a true and fair view of the financial position of the VPSFP as at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 30 September 2023, there have been no material adverse changes in the VPSFP's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder;

(2) BAC, the audited (*certificato da società di revisione a norma di legge*) balance sheet (*bilancio*) as at 31 December 2022, as approved by BAC and certified by an auditing firm in accordance with the applicable law, present a true and fair view of the financial position of BAC as at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 31 December 2022, there have been no material adverse changes in the BAC's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder;

(3) 739, the audited (*certificato da società di revisione a norma di legge*) balance sheet (*bilancio*) as at 31 December 2022, as approved by 739, present a true and fair view of the financial position of 739 as at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 31 December 2022, there have been no material adverse changes in the 739's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder;

(4) BSM, the audited (*certificato da società di revisione a norma di legge*) balance sheet (*bilancio*) as at 30 June 2023, as approved by BSM, present a true and fair view of the financial position of BSM as

at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 30 June 2023, there have been no material adverse changes in the BSM's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder;

(5) CRSS, the balance sheet (*bilancio*) subject to limited auditing procedures as required by BCSM Reg. No. 2015-01 as at 30 June 2023, as approved by CRSS, present a true and fair view of the financial position of CRSS as at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 1st April 2023 there have been no material adverse changes in the CRSS's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder;

(6) SGA, the audited balance sheet (*bilancio*) as at 31 December 2021, as approved by SGA, present a true and fair view of the financial position of SGA as at that date and of the results of its operations for the year then ended, all in accordance with accounting principles generally accepted in the Republic of San Marino and consistently applied. Since 31 December 2021, there have been no material adverse changes in the SGA's economic and financial condition that would adversely affect its ability to perform its obligations under the relevant Transfer Agreement or the transactions contemplated hereby or thereunder.

*Representations and warranties relating to the Banking Assets, the Mortgaged Real Estate Assets and the Acquired Real Estate Asset.* For the sake of clarity, the Sub-Portfolio transferred by VPSFP do not include real estate assets, consequently VPSFP has not given any e representations and warranties related to the real estate assets. In addition, all the representations and warranties related to the registered movable assets applies only to 739 and BSM.

(a) the relevant Seller holds sole and unencumbered legal title to the Banking Assets, and the Banking Assets are not subject to any attachment (*pignoramento*), seizure (*sequestro*), pledge, or other encumbrance (it being however understood that each Seller has guaranteed the existence of the Banking Assets within the limits of paragraph (d) below and without prejudice to the provision set out in paragraph (q));

(b) the Loan Agreements are governed by laws of the Republic of San Marino and have been executed without any fraud (*frode*) or wilful default (*dolo*) by the relevant Seller and, to the best knowledge of such relevant Seller, their respective directors (*amministratori*), managers (*dirigenti*), officers (*funzionari*) and/ or employees (*impiegati*) which could entitle the Assigned Debtor to raise an objection against the relevant Seller concerning any such fraud, willful misconduct or to contest the validity of one or more obligations undertaken under or in connection with the related Loan Agreement and any other agreements, deeds or documents related thereto (it being however understood that the Sellers have guaranteed the existence of the Banking Assets within the limits of paragraph (d) below and without prejudice to the provision set out in paragraph (q));

(c) the Loan Agreements and the Mortgages (if any) (i) have been entered into and granted in compliance with the laws and regulations applicable (including the Applicable Privacy Law and the LISF) and (ii) do not contain clauses or provisions that may prevent or limit howsoever the transfer or assignment, in whole or in part, of the Banking Assets pursuant the Transfer Agreements or, where applicable, the necessary consents have been obtained by the Effective Date or the relevant time limits for the assignment of the Banking Assets and the Loan Agreements have expired (it being however understood that the Sellers have guaranteed the

existence of the Banking Assets within the limits of paragraph (d) below and without prejudice to the provision set out in paragraph (q));

(d) x) without prejudice to the provisions of clause 4 of the relevant Transfer Agreements and what provided under paragraph (q) below, the Banking Assets other than the Acquired Real Estate Assets are at the relevant Identification Date valid, existing and enforceable for their entire Counterclaim (as set out in annex A of the relevant Transfer Agreement) as at such date except for:

i. the effects deriving from the eventual failure to apply interest as set forth in the relevant agreement due to the application of applicable anti-usury legislation, (without prejudice to what is guaranteed by the next point y) and / or compound interest (*interessi anatocistici*), (without prejudice to what is guaranteed by the next point (z)); and

ii. the effects resulting from the inapplicability, invalidity, ineffectiveness or reduction of penalty or commissions contractually agreed or from the application of the provisions regarding the interpretation or from the application of case law or from supervening provisions of law that affect the calculation of the amount of Banking Assets;

y) the Sellers have not applied or charged interest rates exceeding the threshold rate (*tassi soglia*), compound interest (*interessi anatocistici*), and have complied with provisions regarding the equal periodicity of capitalization for the interest credited to the customer and the interest charged to it pursuant to and for the purposes of the laws of the Republic of San Marino and applicable Italian law;

(e) without prejudice to the provision under letter (c) above, the relevant Seller has not materially breached any of its obligations under the Loan Agreements to the extent that this may cause the non-existence, invalidity and/or cancellation (whether in whole or in part) of the Banking Assets deriving from the Loan Agreements, (it being however understood that the Sellers have guaranteed the existence of the Banking Assets within the limits of paragraph (d) above and without prejudice to the provision set out in paragraph (q));

(f) except for the cases of legal privilege in favor of the *Ecc.ma Camera* of the Republic of San Marino for the Mortgaged Real Estate Assets related to the following NDG: with reference to SGA, 23718 e 24543; and with reference to 739, 26476; 26484; F-101 (identified also with 39297), each mortgage which is specified as first ranking voluntary mortgage in the Data Base was a First Ranking Voluntary Mortgage at the relevant Identification Date ("*Ipoteca Volontaria di Primo Grado Economico*" as defined in the Transfer Agreements) and, to the knowledge of the relevant Seller, there is no third party claims, pending or threatened against its Mortgaged Real Estate Assets, its property or assets which might aggravate or affect the degree and the rights of the relevant Seller as a mortgage secured creditor, (it being however understood that the Sellers have guaranteed the existence of the Banking Assets within the limits of paragraph (d) above and that the present representation and warranty shall not be deemed breached solely because the Mortgaged Real Estate Asset has been sold, even in the context of an enforcement proceeding provided that the Issuer is the beneficiary of any collections recovered from the relevant Banking Asset (as at the Identification Date as provided for in the relevant distribution plan in the event of sale in the context of an enforcement proceeding) and without prejudice in any case to the provisions under paragraphs (h) and (q) below);

(g) each Mortgage granted by whoever or howsoever existing in favour of the relevant Seller (i) as at its date of constitution, has been duly created, renewed, registered or annotated and,

starting from its date of constitution and ending to the relevant Identification Date, preserved in favour of the relevant Seller; (ii) without prejudice to the cases of cancellation, waiver, reduction and restriction having the features referred to in points (i) and (ii) of paragraph (h) below at all times occurred, was on the relevant Identification Date valid and enforceable, and (iii) on the date of constitution has been duly registered in respect of principal and interest; (iv) on the relevant Identification Date was compliant to all requirements under all applicable laws and regulations; (v) on the relevant Identification Date was not affected by any formal or material irregularity whatsoever and (vi) on the relevant Identification Date is validly transferable without any limit or restrictions (it being however understood that the Sellers have guaranteed the existence of the Banking Assets within the limits of paragraph (d) above and that the present representation and warranty shall not be deemed breached solely because the Mortgaged Real Estate Asset has been sold, even in the context of an enforcement proceeding, provided that the Issuer is the beneficiary of any collections recovered from the relevant Banking Assets (as provided for in the relevant distribution plan in the event of sale in the context of an enforcement proceeding) and without prejudice in any case to the provisions under paragraphs (h) and (q) below);

(h) without prejudice in any case to the provisions under paragraph (q) below, after the relevant Identification Date the Sellers have carried out all activities necessary to maintain the validity, transferability and enforceability of the Mortgages and of the Ancillary Guarantees (including renewal of the Mortgages where necessary) and has not released, cancelled, waived or reduced (in whole or in part) nor has agreed the cancellation, waiver or reduction (in whole or in part) of the Mortgages except for (i) to the extent that such cancellation, waiver or reduction has been executed in the exercise of prudent banking practice (*e.g.*, by way of discharge or waiver of the security interest granted with regard to payments, partial payments, already occurred or as a result of settlements entered into and/or payments or partial repayments received or to be received), or (ii) when requested by the relevant Assigned Debtor or guarantor in such case in which such cancellation, waiver or reduction has been required by law or applicable contractual provisions;

(i) the Banking Assets Identification Document has been prepared by the Sellers with diligence and in good faith and all of the information provided or howsoever made available to the Issuer by the Sellers in relation to the Banking Assets and included in the Banking Assets Identification Document with reference to the Loan Agreements and Mortgages (if any) are true and correct as at the relevant Identification Date (except for, without prejudice in any case to the provisions under paragraph (q) below, those changes occurred from the Identification Dates to the Effective Date related to the collections paid to the Sellers or as a consequence of the sale of the Mortgaged Real Estate Assets);

(j) all of the information included in the Data Base delivered by the Sellers to the Issuer, via T-Notice, before the Transfer Agreement Execution Date are substantially truthful, complete, accurate and updated at the relevant Identification Date or at such other date indicated in the Data Base with the exception of any changes that have occurred since the relevant Identification Date to the Effective Date), related to the collections received by the Sellers, provided that the Issuer is the beneficiary thereof and without prejudice in any case for the representations and warranties given under paragraphs (h), (k) and (q);

(k) the Mortgaged Real Estate Assets are located in Republic of San Marino or in Italy and, to the knowledge of the Sellers, are existing;

(l) the Sellers hold all the Supporting Documentation (defined as *Documentazione Attesa* in the Transfer Agreements), if not already filed in any court proceedings for the recovery of the Banking Assets; the above-mentioned Supporting Documentation (*Documentazione Attesa*) in

the possession of the Sellers, if not already filed in any court proceedings for the recovery of the Banking Assets, constitutes the sufficient documentation to operate the Banking Assets;

(m) the Sellers have duly and fully paid any tax, duty or levy due in relation to the Loan Agreements or the Mortgages, if any;

(n) each loan granted by the Sellers (or by the relevant assignors (if any)) in accordance with the Loan Agreements has been fully disbursed to or to the account of the relevant Assigned Debtor in accordance with the terms and conditions set out in the relevant Loan Agreement and there is no obligation on the Seller to advance or disburse further amounts to any Assigned Debtor in connection therewith;

(o) there are no claims or causes of action of the Assigned Debtors or Guarantors against the relevant Seller which may have the effect of reducing the Banking Assets in case of opposition by way of set-off against the Banking Asset itself (it being understood, however, that the relevant Seller has guaranteed the existence of the Banking Assets within the limits of paragraph (d) above and without prejudice to the provisions of paragraph (q) and clause 9, letter (i) of each Transfer Agreement); as of the Date of Identification, the relevant Seller has taken the necessary steps to avoid incurring prescriptions and forfeitures with respect to the Banking Assets and has not remitted Banking Assets, nor has it released any of the Assigned Debtors or waived any rights with respect to them;

(p) the activities of management, recovery and collection of the Banking Assets have been carried out by the Sellers and, to the best of the relevant Seller's knowledge, by its agents in full compliance with the law and regulatory provisions;

(q) there are no provisions of law, regulatory provisions or supervisory provisions in accordance to which it is prohibited to the Sellers to sell the Banking Assets and the rights arising from the Loan Agreements and the Mortgages, if any;

(r) the relevant Seller (or the relevant assignors (if any)), where necessary under the relevant Loan Agreement, has (or have, as the case may be) carried out all the necessary steps to order the resolution of all the Loan Agreements and / or to declare the Assigned Debtors deprived of the benefit of the term (*beneficio del termine*). In the event that there are Loan Agreements that has not (or have not, as the case may be) carried out all the necessary steps to order the resolution of all the Loan Agreements, the credit lines related to such Loan Agreements have been revoked, it being understood that the Loan Agreements involving Loans in the form of finance leases have all been resolved;

(s) as at the relevant Identification Date there was no Banking Assets resulting against a commercial company whose bankruptcy proceeding was already ended at that date, in the absence of rights of redress against third parties and/or third party guarantees valid and effective at the relevant Identification Date;

(t) the relevant Seller has not entered into, in relation to one or more Loans and / or to one or more Banking Assets, any servicing agreements that are binding for the Issuer;

(u) all the Assigned Debtors which are individuals ("*persone fisiche*"), (i) at the date of execution of the Loan Agreements, were resident in Republic of San Marino and (ii) to the best of the knowledge of the relevant Seller, were resident in Republic of San Marino or in Italy;

(v) all the Assigned Debtors, which are entities ("*enti giuridici*"), are all incorporated under law of the Republic of San Marino or Italian law and, to the best of the knowledge of the relevant Seller , have all their registered office in Republic of San Marino or in Italy;

(w) except for as provided in clause 12 of each Transfer Agreement, the assignment of the Banking Assets to the Issuer pursuant to the relevant Transfer Agreement shall not affect in any way

the reasons for claim against the Assigned Debtors and/or the Guarantors nor the payment of the outstanding amounts due under the Banking Assets, (it being however understood that the Sellers have guaranteed the existence of the Banking Assets within the limits of paragraph (d) and (q) above);

(x) except for the following NDG (with reference to BSM only): 409227; 446902, with reference to each Assigned Debtor, as at the relevant Identification Date, each of the Banking Assets corresponds to the entire debt relationship ascribed to the relevant Assigned Debtor, being all the Banking Assets existing at the Identification Dates deriving from loans (including the credit facilities (*aperture di credito*)) grated to such Assigned Debtor from the relevant Seller and/or deriving from the enforcement of personal guarantees granted by the relevant Seller in the interest of the Assigned Debtor and for the benefit of third parties;

(y) the Banking Assets are denominated in Euro;

(z) the Assigned Debtors are not employees, directors or managers of the relevant Seller;

(aa) Acquired Real Estate Assets are all non-instrumental real estate assets previously acquired for debt collection or for aggregation transactions pursuant to Articles 1, 7 and 14(1)(c) of the San Marino Securitization Law;

(bb) the Acquired Real Estate Assets exist and are located in the Republic of San Marino, and Sellers hold sole to the Acquired Real Estate Assets, which are duly registered in accordance with applicable law. All the Acquired Real Estate Assets are the sole property of the Sellers and of the relevant Assigned Debtor, has not raised any objection, including in terms of lack of the expected quality and/or correspondence of the Acquired Real Estate Assets to the relevant purpose of use, and has been released certification of compliance with the regulations applicable to them, remaining understood that there are no Acquired Real Estate Assets located in Italy;

(cc) the Acquired Real Estate Assets are not subject to any prejudicial lien, encumbrance, registration and/or transcription, urban convention, mortgage, pledge, privilege, right *in rem* (*diritto reale*), charge *in rem* (*onere reale*), easement (*servitù*), usufruct or other real rights of use, any right of pre-emption (*diritto di prelazione*) or option (save, with reference to SGA, for the Acquired Real Estate Assets under NDG 24560), any retention of title and/or any other prejudicial act liable to transcription aimed at the establishment and realization of the foregoing, except as provided in articles 2.6 and following of the Transfer Agreements;

(dd) with respect to the Acquired Real Estate Assets no easements or other rights are required for the use and enjoyment of the same as currently used;

(ee) the Acquired Real Estate Assets shall not be subject to seizures, confiscations or procedural executions, pursuant to civil or criminal law, nor to attachment or precautionary measures, ordered by the judicial or administrative authorities or in accordance with Italian or foreign arbitration awards, nor to orders certifying that it was constructed without authorization or with irregularities;

(ff) with respect to the Acquired Real Estate Assets, the cadastral data set forth in articles 2.6, and following, of the Transfer Agreements identifying the urban real estate units subject to transfer under the Transfer Agreements are in accordance with the actual and current state of the acquired Real Estate Assets in accordance with applicable cadastral law;

(gg) there are no restrictions provided by pool conventions or agreements signed within consortia that preclude the assignability of the Acquired Real Estate Assets;

(hh) with respect to construction, alteration, renovation, and/or extraordinary maintenance work related to the Acquired Real Estate Assets for which the relevant Seller has obligated itself to

make payments under the relevant contracts, any related construction costs have been paid in full by the relevant Seller. No supplier has any accrued receivables in connection with the Acquired Real Estate Assets for which payment may be required from the Issuer;

(ii) the Acquired Real Estate Assets comply with earthquake-resistant law, if and to the extent in force pursuant to San Marino law;

(jj) the Acquired Real Estate Assets are not subject to archaeological, historical, cultural, landscape constraints under applicable law;

(kk) the Acquired Real Estate Assets comply with current environmental law and there are no substances, wastes, and/or materials (whether solid, liquid, or gaseous) in them that may cause damage to the environment or that may be considered hazardous, toxic, polluting, and/or contaminating under any environmental laws or guidelines, as well as materials containing asbestos and man-made vitreous fibers and all hazardous substances;

(ll) no underground tanks are present in the Acquired Real Estate Assets, nor has there been any leakage or soil and/or subsurface contamination event;

(mm) no written requests for information, orders, complaints have been received and there are no judicial, administrative or other lawsuits, investigations, inspections, arbitrations or administrative or judicial proceedings pending against the Sellers, in its capacity as owner of the Acquired Real Estate Assets, relating to the violation or liability arising from the violation of any environmental law and/or regulation or any circumstance that may result in any liability arising from such violation with respect to (A) emissions or contamination resulting from the release of hazardous substances produced by or in connection with the relevant Acquired Real Estate Assets to (i) the air, (ii) the soil or structures located thereon, (iii) water or marine soil, or (iv) sewage systems, (B) the treatment, storage and disposal of wastes produced by, or present at, the Acquired Real Estate Assets, and (C) the presence of hazardous substances or pollutants;

(nn) there are no judicial (civil, administrative, tax or criminal) or arbitration proceedings pending or threatened in relation to the Acquired Real Estate Assets nor are there any circumstances that make litigation likely or possible;

(oo) there is no lease, commodate, business or branch rental contract, or any other contract and/or agreement of any other nature aimed at granting third parties the use or enjoyment of the property (or any portion thereof) or restricting the marketing of the Acquired Real Estate Assets (save, with reference to SGA, for the Acquired Real Estate Asset under NDG 24560). There is no situation of use or occupation by third parties, even in the absence of valid title, of any portion of the Acquire Real Estate Assets;

(pp) there are no commercial contracts relating to the Acquired Real Estate Assets, or any part thereof, including, but not limited to, tender contracts, concierge contracts, insurance contracts, sponsorship contracts, that are binding on, and/or enforceable against, the Issuer;

(qq) there are no (i) effective employment contracts relating to the Acquired Real Estate Assets nor (ii) employees serving in connection with the Acquired Real Estate Assets that are binding on, and/or enforceable against, the Issuer;

(rr) to the Sellers' knowledge, the Acquired Real Estate Assets has all been constructed, modified and/or renovated on the basis of building orders, licenses, self-declarations, authorizations, approvals, clearances and/or permits obtained in accordance with applicable law;

(ss) all construction orders, licenses, self-declarations, authorizations, authorizations, clearances, and permits relating to the work performed on the Acquired Real Estate Assets have been duly

obtained and are all valid, lawful, and effective and there are no facts or circumstances that would cause their revocation;

(tt) no works and/or modifications of the Acquired Real Estate Assets have been performed and are not being performed unless there are measures, licenses, self-declarations, authorizations, clearances and/or permits required by the applicable law;

(uu) no obligation is pending with respect to the performance of any additional works and/or urbanization works, the payment of any charges, including urbanization charges, or construction cost contributions, or the performance of any additional duties in connection with the Acquired Real Estate Assets;

(vv) to the Sellers' knowledge, the purpose of use of the Acquired Real Estate Assets and the current and actual use of the same is in accordance with the urban planning law;

(ww) no determination has been notified to the relevant Seller by the competent authorities in relation to the non-compliance of the Acquired Real Estate Assets with any measure, license, self-declaration, authorization, clearance and/or permit required under applicable laws and regulations, for the construction and/or modification of the Acquired Real Estate Assets and no expropriation proceedings are pending or threatened in writing in relation to the Acquired Real Estate Assets or parts thereof; no application for permit request (*richiesta di permesso*) or request for remission (*richiesta di condono*) permit has been filed by the relevant Seller with respect to the Acquired Real Estate Assets;

(xx) all costs and charges for which the Issuer may be liable (including, but not limited to, condominium charges and expenses) have been paid;

(yy) up to the relevant date of transfer, all obligations to declare and pay any and all taxes and duties due in respect of the Acquired Real Estate Assets have been properly fulfilled and no dispute, notice of assessment or collection of taxes has ever been received from the competent authorities; there are no omissions, facts or circumstances that may give rise to tax liens on the Acquired Real Estate Assets;

(zz) subject to and without prejudice to the provisions of articles 2.7, and following, of each Transfer Agreement, the Acquired Real Estate Assets shall be, to the Seller's knowledge:

(i) habitable by virtue of duly obtained, valid and effective certificates of habitability that comply with the relevant applicable law. There are no circumstances that may result in the revocation or cancellation of certificates of agibility;

(ii) complying with fire prevention regulations;

(aaa) there are no proceedings or passive lawsuits brought against the Sellers in relation to the Banking Assets (including, but not limited to, proceedings or lawsuits challenging the application of usury law or anatocism (*anatocismo*) and capitalization of interest or revocatory, indemnification and/or restitutory lawsuits);

(bbb) no claims have been raised by the debtors and/or guarantors and/or users based on the application of the legislation on usury or anatocism and capitalization of interest in relation to Banking Assets;

(ccc) receivables arising from Loans (i) have been classified as non-performing loans or as withdrawn substandard loans in accordance with applicable law, and (ii) are due and payable;

(ddd) (i) all receivables arising from Loans that are subject to assignment under the Transfer Agreements have been granted on the basis of well-defined and sound criteria and strict procedures for approving, modifying, renewing, and financing such receivables, and (ii) the relevant Seller has effective systems in place for the application of such criteria and procedures

to ensure generally that the granting of receivables (including receivables arising from Loans that are subject to assignment under the Transfer Agreements) is based on a thorough assessment of the creditworthiness of the relevant debtor;

(eee) there are no Loan Agreements involving Loans provided under Law No. 110 of December 15, 1994, as amended and supplemented (save, with reference to 739, for the following NDG 26476; 26484; F-101 (identified also as 39297)).

(fff) the Acquired Real Estate Asset is transferable in full;

(ggg) only in relation to BSM and 739, the Acquired Real Estate Assets are owned by the relevant Seller, are transferable in full and are non-instrumental registered movable assets already acquired for debt collection or for aggregation operations pursuant to Articles 1, 7 and 14, paragraph 1(c) of the San Marino Securitization Law;

(hhh) the Purchase Price of Banking Assets is not more than the sum of the Net Book Value of individual Banking Assets;

(iii) there are no laws or regulations in the legislation of the Republic of San Marino relating to consumer protection applicable to Banking Assets;

(jjj) there are no real estate assets included among the Banking Assets transferred under the Transfer Agreements on which a so-called "self-mortgage" has been established pursuant to article 13 of Law No. 154 of August 27, 2021 (the "**Self-Mortgages**") or, in relation to the following NDG: with reference to BSM, 421385; 444306; 160990; 449741; 421743; and with reference to 739, 1677; F-034 (identified also as 4796), were subject to assignment under this Agreement both the receivables secured by the so-called "self-mortgage" and the related Acquired Real Estate Assets;

(kkk) the Acquired Real Estate Assets: (x) if related to Loans in the form of finance lease, are assigned pursuant to the Transfer Agreements together with the receivables arising from such financing or (y) if not related to financing in the form of finance lease, have been acquired by assignment as part of the enforcement of the relevant Assigned Debtor;

(lll) pursuant to and for the purposes of Law No. 48 of April 3, 2014, and in particular in relation to the provision of article 5, paragraph 9, letter b), each Sellers declares that it intends to avail itself of the waiver provided for in letter s) of the same paragraph 9, Article 5 of Law 48/2014, issuing for this purpose a declaration of conventional assignment of the lowest of the energy performance classes provided for real estate by using the following wording "self-declared class G (*classe "G" autodichiarata*)". In this regard, each Seller acknowledges that it has received the information and documentation, including the self-declaration in class "G", with regard to the certification of the energy performance of the Acquired Real Estate, and for which it declares itself fully satisfied.

**Indemnity Obligations**

Under the relevant Transfer Agreement, the relevant Seller has undertaken, in substitution of any other remedy provided by the applicable law in favor of the Issuer, including without limitation the provisions of law in relation to termination (*risoluzione*), withdrawal (*rescissione*) and annulment (*annullamento*) of agreements as well as in relation to compensation for damages (*risarcimento del danno*), and without prejudice to the nature without recourse (*pro soluto*) of the transfer of the Banking Assets, to indemnify the Issuer in accordance with the terms and conditions set out under clause 7 of the relevant Transfer Agreement, from any damage (the "**Damage**") effectively incurred by the Issuer and which is direct consequences:

(a) of the inaccuracy, untruthfulness and/or breach of the representations and warranties given by the relevant Seller under clause 5.1.1 of the relevant Transfer Agreement and, in relation to Banking Assets, the representations and warranties given by the relevant Seller under clause 5.1.2 of the abovementioned agreement; (together, the "**Cases of Breach of R&W**"),

(b) for any breach by the relevant Seller of one or more of the obligations under the relevant Transfer Agreement (the "**Cases of Breach of Agreement**"),

provided that the Issuer has acted in good faith and fully observing the provisions under clause 8 of the relevant Transfer Agreement and using ordinary diligence.

In this respect, under the relevant Transfer Agreement, the Issuer has undertaken that, within a mandatory period of 70 (seventy) calendar days from the time of discovery, in case it becomes aware of any event or circumstance which may cause Cases of Breach of R&W or Case of Breach of Agreement, to promptly inform the relevant Seller by sending a written notice (the "**Notice of Breach**").

The Notice of Breach shall contain, on penalty of invalidity, a description of the circumstances of time and/or place, if possible based on the specific circumstances, in which the Issuer became aware of the alleged breach of the representations and warranties by the relevant Seller and an indication of the specific contractual provision breached. The Notice of Breach shall contain a specific description of the Damage and the facts on which the claim is based, the documentation proving the existence of the indemnity obligation and the amount of the indemnity required ("**Indemnity Notice**").

Within 30 (thirty) Business Days from the receipt of the Indemnity Notice, the relevant Seller may challenge in writing the content of the relevant notice. In this case:

(a) in the event the relevant Seller does not challenge the relevant notice within the above term, the indemnity request made by the Issuer in such notice shall be deemed as definitively accepted by the relevant Seller;

(b) in the event that the relevant notice is timely challenged by the relevant Seller, the relevant parties shall attempt a conciliation (*conciliazione*), with reference to all the reports being challenged, within the subsequent 60 (sixty) calendar days, which will start to elapse from the last date on which the relevant challenge notice may be delivered according to the above provisions;

(c) in the event any challenge under paragraph (b) above is not mutually agreed between the parties, the dispute shall be submitted (expressly derogating to the provisions under article 23.1 *et seq*.) to a third party arbitrator in accordance with the terms and conditions of clause 7.4 (c) of the Transfer Agreements.

The relevant Seller shall pay to the Issuer, as indemnity, an amount equal to, respectively, (i) the amount set out in the Indemnity Notice, or (ii) the amount agreed by the parties (iii) or the amount determined by the third party arbitrator, (the "**Indemnity Due**") within 30 (thirty) Business Days from the date on which the Indemnity Due has become definitive for one of the events referred to in letters (a), (b) or (c) above.

In the event that the Issuer obtains at a later stage from an Assigned Debtor, a guarantor or a third party the amounts paid as indemnity by any of the Sellers, the Issuer has undertaken to pay to such Seller, within 5 (five) Business Days, the indemnity received on such sums subsequently recovered (up to the amount of the relevant compensation received), upon condition that the Issuer has already recovered in relation to such indemnified Banking Asset an amount at least equal to the relevant target amount of such Banking Assets specified in the relevant Transfer Agreement, taking into account the payment of the indemnification itself.

In addition, pursuant to the Transfer Agreements:

(1) the indemnities due by the relevant Seller under clause 7 of the Transfer Agreements shall not exceed, in relation to each Banking Asset:

(a) the individual Purchase Price of the relevant Banking Asset; *less*

(b) any proceeds received in respect of such Banking Asset as of the Identification Date; *plus*

(c) legal fees (duly documented) incurred by the Issuer in connection with the Banking Asset; *plus*

(d) interest accrued on the amount resulting from paragraphs (a), (b) and (c) above from the date of payment of the Purchase Price of the Banking Assets until the Payment Date immediately following the date of payment of the indemnity amount, calculated at a rate of interest equal to the rate applicable to the Senior Notes.

(2) the indemnities due by the relevant Seller under clause 7 of the relevant Transfer Agreement shall not exceed on an aggregate basis an amount equal to the 30% (thirty per cent.) of the portion of the Purchase Price allocated on the Banking Assets and, therefore, once the relevant threshold is reached, no other indemnity amount shall be due by the relevant Seller.

(3) the Seller shall be liable towards the Issuer only in respect to the Indemnity Notices which have been notified by and not later than 24 (twenty-four) months after the relevant Effective Date (the "**Guarantee Period**"), provided that, once the relevant Guarantee Period has elapsed, the indemnity provided for under the relevant Transfer Agreement may no longer be requested.

Furthermore, under article 7.11 of the Transfer Agreements, the Sellers and the Issuer have agreed that following receipt of an Indemnity Notice, or following identification by the relevant Seller of a potential Cases of Breach of R&W or Case of Breach of Agreement, the relevant Seller shall, in its absolute discretion and as an alternative to payment of the Indemnity Due, have the right (but not the obligation) to purchase from the Issuer all of the Banking Assets relating to the same Debt Position referred to in the Indemnity Notice(the "**Repurchased Banking Assets**") at a price equal to (the "**Price of the Repurchased Banking Assets**"):

(a) the individual Purchase Price of the relevant Repurchased Banking Assets; *less*

(b) any proceeds realised and/or transferred under the said Repurchased Banking Assets with effect from the Identification Date until the Effective Date (it being understood that any proceeds received by the Issuer under the said Repurchased Banking Assets after the Effective Date shall be promptly returned to the relevant Seller); *plus*

(c) the legal fees (duly documented) incurred by the Issuer in connection with the Repurchased Banking Asset; *plus*

(d) the interest accrued on the amount resulting from paragraphs (a), (b) and (c) above from the date of payment of the Price of the Repurchased Banking Assets until the relevant succeeding Payment Date immediately following t, calculated at a rate of interest equal to the rate applicable to the Senior Notes.

The Price of the Repurchased Banking Assets shall be paid by the Seller within 30 (thirty) Business Days from the date of receipt by the relevant Seller of the Indemnification Notice, provided that if the Issuer subsequently receives any proceeds in respect of the Repurchased Banking Assets, it shall promptly remit them to the relevant Seller.

Pursuant to the Transfer Agreements, the Issuer and the Sellers have agreed that the right referred to in article 7.11 of the Transfer Agreement may only be exercised by the relevant Seller to the extent that the individual purchase price of the Banking Assets being repurchased at the time of the exercise of the relevant right is in the aggregate, when added to the repurchase price of the other Banking Assets already repurchased pursuant to article 7.11 and articles 9.1(m) and 9.2(a) and (c) of the Transfer Agreements, is less than the Aggregate Repurchase Cap.

**Other cases of repurchase**

A. Pursuant to article 9.1 m. of the Transfer Agreements, each of the Sellers has undertaken, in relation to the Acquired Real Estate Assets, to request - within 5(five) or 10 (ten) (as the case may be) Business Days from the execution of the Transfer Agreement - the certifications referred to in Article 79, paragraph 3 of Law 140/2017 (the "**79 Certification**") and to deliver such 79 Certifications to the Issuer promptly as soon as they are available and in any event within 20 Business Days following the Issue Date. Without prejudice to article 5.12(ggg) of the Relevant Transfer Agreement, if the 79 Certification discloses any land registry and/or town planning discrepancy (*difformità catastale e/o urbanistica*) in respect of an Acquired Real Estate Asset and the sale price offered by a third party investor to the Issuer for such Acquired Real Estate Assets is lower than the Target Price of the relevant Banking Asset, the relevant Seller shall, alternatively

(i) repurchase the Acquired Real Estate Assets (together with the related claim) at a price equal to the Target Price, it being understood that such repurchase right may only be exercised by the relevant Seller to the extent that the repurchase price of the relevant Banking Asset (together with the related claim) subject to repurchase at the time of the exercise of the relevant right is, in the aggregate, added to the repurchase price of the other Banking Assets already repurchased pursuant to article 9.1 m. of the Transfer Agreements as well as articles 7. 11 and 9.2(a) and (c) of the Transfer Agreements, less than the Aggregate Repurchase Cap; or

(ii) pay to the Issuer, within 15 Business Days of the request, an amount equal to the difference between: (i) the Target Price; and (ii) the price offered by the third party investor.

B. Pursuant to article 9.2 of the Transfer Agreements, each of the Seller further acknowledges and expressly agrees:

a. under letter a. of the article 9.2 of the Transfer Agreements, the provisions of clause 3. 3(b)(3)(ii)(x) of the Servicing Agreement (of which it acknowledges that it is aware), and accordingly, if the Issuer proposes to the relevant Seller to repurchase the receivables pursuant to such provision of the Servicing Agreement, the Seller may repurchase the relevant receivables (at a price equal to or greater than the price that the Issuer would have been able to realise - in relation to the relevant Banking Assets - had the relevant Renegotiation been in place), it being understood that such repurchase right may only be exercised by the Seller to the extent that the repurchase price of the relevant Banking Asset being repurchased at the time of the exercise of the relevant right is in the aggregate, added to the repurchase price of the other Banking Assets already repurchased pursuant to article 9.2(a) and articles 7. 11, 9.1(m) and 9.2(c) of the Transfer Agreement, less than the Aggregate Repurchase Cap;

b. under letter b. of the article 9.2 of the Transfer Agreements, the provisions of clause 3.3(b)(3)(ii)(y) of the Servicing Agreement (the contents of which it acknowledges), it being understood that the relevant Seller may object to the implementation of the Renegotiation (as further specified pursuant to the said clause) for a number of renegotiated Banking Assets in respect of which the sum of the relevant Individual Banking Asset Purchase Prices (as defined in the Transfer Agreements, the "*Prezzo di Acquisto Attivi Bancari Individuale*") does not exceed 5% of the Banking Asset Purchase Price (as defined in the Transfer Agreements, the "Prezzo di Acquisto Attivi Bancari");

c. under letter c. of the article 9.2 of the Transfer Agreements, the provisions of clause 3. 5(a) of the Servicing Agreement (the contents of which it acknowledges), it being understood that in such case the relevant Seller may exercise its right to repurchase the relevant Banking Asset at a price equal to the Target Price, and provided, however, that such repurchase right may be exercised by the relevant Seller only to the extent that the repurchase price of the relevant Banking Asset (together with the related claim) being repurchased at the time of the exercise of such right is, in the aggregate, added

to the repurchase price of the other Banking Assets already repurchased pursuant to article 9.2(c) and articles 7. 11, 9.1(m) and 9.2(a) of the Transfer Agreement, less than the Aggregate Repurchase Cap.

**Costs and taxes**

The relevant parties have agreed that any expense, cost, charge, direct duty and/or tax, plus interest and penalties for non-payment and/or late payment relating thereto, relating to or to be incurred in relation to the execution of the Transfer Agreements and/or the assignment of the Banking Assets and/or the deeds directly resulting from and/or dependent upon the assignment of the Banking Assets (including registration tax and legal expenses), shall be paid by the relevant Seller.

**Governing law and jurisdiction**

The Transfer Agreements and any non-contractual obligations arising out of or in connection with each of them shall be governed by and construed in accordance with law of the Republic of San Marino.

In the event of any disputes arising out of or in connection with such agreement including all non contractual obligations thereof, should the parties fail to negotiate in good faith to reach a solution, the relevant parties have agreed to submit the matter to an arbitrator pursuant to law of the Republic of San Marino No. 34/1999.

## THE SERVICING AGREEMENT

*The description of the Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of Servicing Agreement (i) upon request, at the registered offices of the Issuer and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Servicing Agreement.*

On 29 November 2023 the Issuer, Istituto per la Gestione e il Recupero dei Crediti S.p.A. in its capacity as master servicer ("**IGRC**" or the "**Master Servicer**" or the "**Corporate Servicer Provider**") and S3 – Special Servicer Sammarinese S.r.l. in its capacity as special servicer ("**S3**" or the "**Special Servicer**") entered into a servicing agreement, pursuant to which, *inter alia*,

(i) the Issuer appointed IGRC as

a) "*Servicer incaricato dal Veicolo di Sistema per incassi, pagamenti, recupero crediti o gestione e smobilizzo degli Attivi Bancari ceduti dagli originator e in seguito cartolarizzati*" pursuant to article 13, paragraph 1, of the San Marino Securitisation Law and "*della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento ovvero della gestione dei beni materiali ceduti*" pursuant to Article 3, paragraph 4, letter (c) of the San Marino Securitisation Law and *"incaricato di verificare la conformità delle operazioni di cartolarizzazione alla LEGGE, alle vigenti disposizioni di vigilanza e al PROGRAMMA"* pursuant to article 19, paragraph 1, of the Regulation 2022-04; and

b) Corporate Servicer Provider for the performance of certain corporate services (as set out in annex I (*Attività di Servizi Amministrativi*) of the Servicing Agreement); and

(ii) IGRC, within the consent of the Issuer, has appointed S3 to act as Special Servicer of the Transaction and, for the effect, has subdelegated to S3 certain activities related to the management, administration, recovery and collection of the Banking Assets and related reporting activities, as better detailed in the Servicing Agreement,

(the "**Servicing Agreement**").

**Power of renegotiation of the Special Servicer and sale of the Banking Assets**

(A) Pursuant to the Servicing Agreement, the Special Servicer may proceed, should this be necessary for a more rapid management of the recovery procedure of the Debt Positions, to defer repayment plans and/or transactions with the Assigned Debtors (the "**Renegotiations**") within the limits and conditions set out in the Servicing Agreement as well as those indicated in the Collection and Recovery Policies, it being understood that, should the Special Servicer, in carrying out such Renegotiations, be aware of a conflict between the interests of the Issuer and the interests of the Special Servicer (or of any company related to the same) in the performance of its ordinary activity, the Special Servicer shall act in such a way as to adequately favour the interests of the Issuer and of the holders of the Senior Notes.

(B) In particular, pursuant to the Servicing Agreement, the Issuer and the Master Servicer granted the Special Servicer the power to effect Renegotiations in accordance with (and within the limits of) the following (the "**Delegated Powers**").

1. The Special Servicer may independently exercise the Delegated Powers in relation to a Debt Position, if:

(i) the Target Price of such Debt Position is equal to or less than Euro 25,000; or

(ii) the PV of the amount offered for the Definition of the Debt Position, added to an amount equal to the PV of the Net Collections of the Debt Position to be defined (the value so

calculated, hereinafter the "**Weighted PV**"), is equal to or greater than the Target Price of such Debt Position.

2. If the PV Cumulative Profitability Ratio and the Cumulative Collection Ratio (together the "**PD Indices**") as calculated at the end of the preceding Collection Period are equal to or greater than 90%, the Special Servicer shall exercise the Delegated Powers as follows:

   (i) the Special Servicer may independently exercise the Delegated Powers if the Weighted PV is greater than 85% of the Target Price of such Debt Position;

   (ii) where the Weighted PV is less than or equal to 85% but equal to or greater than 70% of the Target Price of such Debt Position, the Special Servicer, may autonomously exercise the Delegated Powers, subject to obtaining an advisory written opinion - regarding the related Renegotiation – issued by the PMO within the maximum period of 5 (five) Business Days from the relevant request (for circumstances indicated by the Special Servicer as being of particular urgency), and within a maximum term of 8 (eight) Business Days from the relevant request (for all other circumstances) (the "**PMO Opinion**");

   (iii) if the Weighted PV is less than 70% of the Target Price of such Debt Position, the Special Servicer, if it nevertheless deems the relevant Renegotiation to be appropriate, shall:

      (x) submit the terms of the Renegotiation to the Special Servicer Adviser who shall provide a non-binding opinion as to whether or not (in its opinion) such Renegotiation is appropriate (the "**Special Servicer Adviser's Non-Binding Opinion**") within a maximum period of 5 (five) Business Days of the relevant request (for circumstances indicated by the Special Servicer as being of particular urgency), and within a maximum period of 8 (eight) Business Days of the relevant request (for all other circumstances); and

      (y) upon receipt of the Special Servicer Adviser's Non-Binding Opinion, send it to the Trustee for its consideration by the holders of the Most Senior Class of Notes (who shall decide in accordance with the provisions set out in the Provisions for Meetings of Noteholders for a "*Reserved Matters*").

   The Trustee shall notify the Special Servicer of the result of the consultation of the Noteholders and

   a) if the Noteholders have expressed a negative opinion, the Renegotiation shall not be implemented;

   b) if the Noteholders have expressed a positive opinion, the Renegotiation shall be implemented;

   c) if following the completion of the Reserved Matter voting procedure, the Noteholders have not (for whatever reason) reached a resolution, the Special Servicer shall (x) not implement the Renegotiation, if the Special Servicer Adviser's Non-Binding Opinion is negative; or (y) implement the Renegotiation, if the Special Servicer Adviser's Non-Binding Opinion is positive.

3. If the PD Indices as calculated at the end of the preceding Collection Period are lower than 90%, the Special Servicer shall exercise the Delegated Powers as follows:

   (i) the Special Servicer may independently exercise the Delegated Powers if the Weighted PV is greater than 90% at the Target Price of such Debt Position;

(ii) if the Weighted PV is less than or equal to 90% but equal to or greater than 80% of the Target Price of such Debt Position, the Special Servicer may exercise the Delegated Powers autonomously after obtaining the PMO Opinion. In the event that:

a. the Special Servicer, having obtained the PMO Opinion, decides not to implement the relevant Renegotiation, the Special Servicer (through the Issuer) may propose (within the limits set forth in the relevant Transfer Agreement) to the Seller of the relevant Banking Asset to repurchase the Banking Asset at a price equal to or greater than the proceeds which the Issuer would have been able to realise (in respect of the relevant Banking Asset) had the relevant Renegotiation been effected. If the Seller refuses (or cannot exercise the right to re-purchase), or if within the period of 5 (five) Business Days it has not provided any feedback, the relevant Renegotiation shall be deemed to have been finally rejected; or

b. the Special Servicer decides to implement the relevant Renegotiation notwithstanding the negative PMO Opinion, the Special Servicer (through the Issuer) shall inform the relevant Seller of such intention and the Seller, to the extent provided in the relevant Transfer Agreement may object to the implementation of such Renegotiation. If the Seller has not exercised (or cannot exercise) its right to object to the Renegotiation, or if within the period of 5 (five) Business Days it has not provided any feedback, the relevant Renegotiation shall be deemed to have been finally accepted; or

c. the Special Servicer decides to implement the relevant Renegotiation with a positive PMO Opinion, the relevant Renegotiation shall be deemed accepted.

(iii) if the Weighted PV is less than or equal to 80% of the Target Price of such Debt Position, the Special Servicer, if it nevertheless deems the relevant Renegotiation to be appropriate, shall:

a. submit the terms of the Renegotiation to the Special Servicer Adviser who shall provide a non-binding opinion as to whether or not (in its opinion) such Renegotiation is appropriate (the "**Special Servicer Adviser's Non-Binding Opinion**") within a maximum period of 5 (five) Business Days of the relevant request (for circumstances indicated by the Special Servicer as being of particular urgency), and within a maximum period of 8 (eight) Business Days of the relevant request (for all other circumstances); and

b. upon receipt of the Special Servicer Adviser's Non-Binding Opinion, send it to the Trustee for its consideration by the holders of the Most Senior Class of Notes (who shall decide in accordance with the provisions set out in the Provisions for Meetings of Noteholders for a "*Reserved Matters*").

The Trustee shall notify the Special Servicer of the result of the consultation of the Noteholders and:

a) if the Noteholders have expressed a negative opinion, the Renegotiation shall not be implemented;

b) if the Noteholders have expressed a positive opinion, the Renegotiation shall be implemented;

c) if following the completion of the Reserved Matter voting procedure, the Noteholders have not (for whatever reason) reached a resolution, the Special Servicer shall (x) not implement the Renegotiation, if the Special Servicer

Adviser's Non-Binding Opinion is negative; or (y) implement the Renegotiation, if the Special Servicer Adviser's Non-Binding Opinion is positive.

(C) Under the Servicing Agreement, it has been understood that without prejudice to the limitations set forth in paragraphs (A) and (B) above, any Renegotiation shall nevertheless comply with the following parameters: the amount to be paid by the Assigned Debtor, as a result of the Renegotiation, shall be paid either (x) in a lump sum at the same time as the agreement pertaining to the Renegotiation is entered into or (y) with a maximum deferral period of 48 months provided that, in such case, Mortgages and Collateral Guarantee, if any, may not be released until payment of the last instalment (except as expressly provided for under applicable law) and (z) in any event, the last payment due by the relevant Seller under the relevant Renegotiation shall be made within two years prior to the Class A Final Maturity Date (if outstanding as at the date of the relevant Renegotiation, or the Final Maturity Dates of the Mezzanine Notes and Junior Notes, if on the date of the relevant Renegotiation the Senior Notes have been repaid).

(D) Under the Servicing Agreement, the Parties have furthermore agreed that the Special Servicer (subject to the consent of the holders of the Senior Notes) shall be entitled to amend the content of the Delegated Powers at any time (subject to the consent of the Issuer and the Master Servicer); any amendment to the Delegated Powers shall be notified to the Rating Agencies. The Special Servicer undertakes to act within the limits of the Delegated Powers in accordance with the provisions of this paragraph and to notify the Rating Agencies of any impact that the change may have on recovery expectations.

**Assignment in Payment Request (*Richiesta di Assegnazione*)**

1) The Issuer and the Master Servicer grant the Special Servicer the power to submit a request for assignment in payment of the Mortgaged Real Estate Asset (the "**Assignment in Payment Request**"), pursuant to and for the purposes of the relevant applicable law, provided that:

(i) such property has been put up for auction;

(ii) three convocations of the auction are concluded without sale of the relevant real estate asset.

2) Notwithstanding the assumptions in (a) above, if the PD Indices as calculated at the end of the preceding Collection Period are less than 80%, the Issuer and the Master Servicer shall grant the Special Servicer the power to submit an Assignment in Payment Request to the holders of the Most Senior Class of Notes for their approval, if this is deemed more advantageous and would allow for a better recovery of the relevant Debt Position. For this purpose, the Special Servicer shall:

(i) submit the terms of the Assignment in Payment Request to the Special Servicer Adviser who shall provide a non-binding opinion as to whether or not (in its opinion) such Assignment in Payment Request is appropriate (the "**Special Servicer Adviser's Non-Binding Opinion on the Assignment in Payment**") within a maximum period of 5 (five) Business Days of the relevant request (for circumstances indicated by the Special Servicer as being of particular urgency), and within a maximum period of 8 (eight) Business Days of the relevant request (for all other circumstances); and

(ii) upon receipt of the Special Servicer Adviser's Non-Binding Opinion on the Assignment in Payment, send it to the Trustee for its consideration by the holders of the Most Senior

Class of Notes (who shall decide in accordance with the provisions set out in the Provisions for Meetings of Noteholders for a "*Reserved Matters*").

The Trustee shall notify the Special Servicer of the result of the consultation of the Noteholders and:

a) if the Noteholders have expressed a negative opinion, the Assignment in Payment Request shall not be implemented;

b) if the Noteholders have expressed a positive opinion, the Assignment in Payment Request shall be implemented;

c) if following the completion of the Reserved Matter voting procedure, the Noteholders have not (for whatever reason) reached a resolution, the Special Servicer shall (x) not implement the Assignment in Payment Request, if the Special Servicer Adviser's Non-Binding Opinion on the Assignment in Payment is negative; or (y) implement the Assignment in Payment Request, if the Special Servicer Adviser's Non-Binding Opinion on the Assignment in Payment is positive.

3) For avoidance of doubt, if the PD Indices as calculated at the end of the preceding Collection Period are less than 80%, but the conditions set out in (1) above are fulfilled, the rules set out in (1) above shall apply.

**Sale of the Banking Assets**

To the extent that this is advantageous for the Noteholders in accordance with the provisions of Article 3, paragraph 4, letter d) of the San Marino Securitisation Law, the Special Servicer may, in the name and on behalf of the Issuer, transfer - within the limits set forth under the Collection and Recovery Policy of the Special Servicer - to third parties the Banking Assets, in accordance with the procedures attached to the Servicing Agreement as annex G (*Procedure di Vendita degli Attivi Bancari*) and the procedures and limits set forth in article 3.3 (*Transazioni e dilazioni*) of the Servicing Agreement, which shall also apply *mutatis mutandis* to the sale referred to in article 3.17 (*Vendita degli Attivi Bancari*) of the Servicing Agreement and therefore the Special Servicer also in the case of a sale of a Banking Asset may exercise the relevant Delegated Powers as provided in article 3.3 (*Transazioni e dilazioni*) of the Servicing Agreement. Under the Servicing Agreement, the Company has authorised the Special Servicer to use (at the Issuer's expense, but within the limits of the Business Plan) - at its discretion - platforms intended for the market place of real estate assets for their valuation, according to market economic conditions to be defined by the Special Servicer. It is understood that in the event that such service is made available by the Special Servicer Adviser and at economic conditions equal to those of other operators, the Special Servicer must entrust such service to the Special Servicer Adviser also in consideration of the role played by the Special Servicer Adviser.

**Proceedings**

The Special Servicer shall continue the proceedings pending by intervening in the name and on behalf of the Issuer and, in the name and on behalf of the Issuer, commence new Proceedings, where necessary or advisable and economically advantageous, in accordance with the provisions of the Collection and Recovery Policy of the Special Servicer. In particular, the Special Servicer shall, in line with the provisions of the Servicing Agreement and the Collection and Recovery Policy of the Special Servicer and clause 8 of the relevant Transfer Agreement (*Gestione del Contenzioso*) (also in relation to the maximum timeframes for taking over the proceedings), perform any action/deed, transaction or formality pertaining to the management and administration of the Enforcement Proceedings and Insolvency Proceedings including, by way of example:

(i) the commencement (*instaurazione*), continuation (*prosecuzione*), reinstatement (*riassunzione*) and settlement (*transazione*) of enforcement proceedings or other judicial proceedings, including precautionary injunction proceedings (*procedimenti giudiziari cautelari*);

(ii) out-of-court settlements (*transazioni stragiudiziali*), agreements on debt restructuring (*ristrutturazione del debito*), cash management and/or the sale of the Banking Assets;

(iii) deeds of debt write-off (*atti di rinuncia al credito*), cancellation of debt (*annullamento del debito*), partial or total discharge (*quietanza parziale o totale*);

(iv) acts/deeds, formalities and preparation of documents aimed at preserving the Mortgages and the Ancillary Guarantees; and

(v) the commencement of enforcement proceedings against the Assigned Debtors,

it being agreed that the Special Servicer may waive any pending Proceedings if, in its opinion, the continuation of such Proceedings is not considered economically advantageous for the Issuer's interest. For this purpose, before any waiver, the Special Servicer shall provide the Issuer with a report containing the reasoned opinion on such waiver and obtain the PMO Opinion who shall inform the Special Servicer of its decision within a maximum term of 5 (five) Business Days from the relevant request (for circumstances indicated as particularly urgent by the Special Servicer) and within a maximum term of 8 (eight) Business Days from the relevant request (for all other circumstances). Whether in case of a positive or negative PMO Opinion, the Special Servicer shall retain the right to waive or not such Proceedings, it being understood that, if in case of a negative PMO Opinion on the waiver of the Proceedings, the Special Servicer intends to waive the Proceedings, the Special Servicer shall propose to the Seller of the relevant Banking Asset subject to the Proceedings the repurchase of such Banking Asset, for a price equal to the Target Price. If the relevant Seller has refused, or if within the term of 10 (ten) Business Days it has not provided any response, the Special Servicer shall be free to abandon the relevant Proceeding.

**Special Servicer's fees**

The Issuer shall pay the Special Servicer the following fees:

(i) a fee (the "**Performance Fee**") calculated in relation to each Closed Position by applying a percentage equal to 10% to the positive difference between: (i) the aggregate of all Periodic Net Collections received in relation to the relevant Closed Position up to the date of Administrative Closing of the Assigned Position and (ii) and the Expected Net Collections of such Closed Position. It is understood that such Performance Fee shall be paid to the item "*second*" of the applicable Order of Priority as from the Payment Date following the Payment Date on which full redemption of the Rated Notes has occurred;

(ii) a fee (the "**Real Estate Fee**") consisting of the following:

a) a fee (the "**Property Manager Fee**") equal to:

1. an amount of Euro 50,000, payable as a lump sum on the First Payment Date; *plus*

2. an amount of Euro 200 for each Acquired Asset for the administrative management of the Acquired Assets (being real estate), payable on a lump sum basis in respect of each Acquired Asset; and

3. an amount of Euro 250 for each Acquired Asset for the technical management of the Acquired Assets (being real estate), to be paid on a lump sum basis in respect of each Acquired Asset (being real estate),

and, in any event, no later than the Limit Date and for a maximum total amount not exceeding the relevant Special Servicer CAP;

b) a fee payable, in respect of each Acquired Asset (being real estate) subject to sale and on the Payment Date following the relevant sale, equal to 2% of the relevant Realisation Value, and in any event not exceeding the relevant Limit Date (the "**Remarketing Fee**") and for a maximum aggregate amount not exceeding the relevant Special Servicer CAP.

In addition, the Special Servicer shall be entitled to be reimbursed in respect of costs and expenses incurred, if any, in carrying out the maintenance of the Acquired Assets Acquired Assets (being real estate) (the "**Maintenance Costs**") as resulting from the relevant Semi-Annual Report, to be paid *pro-rata* on each Payment Date and up to the relevant Limit Date, and in any event for a total maximum amount not exceeding the relevant Special Servicer CAP.

It is understood that (a) if these costs have been directly incurred by the Issuer, the Special Servicer shall not be entitled to reimbursement and the relevant expense will in any case be counted in the relevant CAP and (b) such costs have been estimated at a value equal to 1.2% *per annum* of the property value of the Acquired Assets (being real estate).

For the purposes of this paragraph "*Special Servicer's fee*":

"**Special Servicer CAP**" means the maximum amount payable, taking into account all amounts paid under the same title, and equal to:

(i) Euro 2,500,000, in relation to the reimbursement of the Maintenance Costs (as detailed in the Servicing Agreement);

(ii) Euro 250,000, in relation to the Property Manager Fee (as detailed in the Servicing Agreement); and

(iii) Euro 1,100,000, in relation to the Remarketing Fee (as detailed in the Servicing Agreement).

"**Closed Position**" means any Assigned Position in respect of which collections made in a given Collection Period result in the Administrative Closing of the Assigned Position.

"**Limit Date**" means:

1. in relation to the Maintenance Costs, the earlier of (i) the Payment Date (included) on which the total amount of the Maintenance Costs paid by the Issuer (and calculated from the First Payment Date) is equal to Euro 2,500,000; and (ii) the Payment Date (included) falling in December 2030;
2. in relation to the Fee Property Manager, the earlier of (i) the Payment Date (included) on which the total amount of the Fee Property Manager paid by the Issuer (and calculated from the First Payment Date) is equal to Euro 250,000; and (ii) the Payment Date (included) falling in December 2030;
3. in relation to the Remarketing Fee, the earlier of (i) the Payment Date (inclusive) on which the total amount of the Remarketing Fee paid by the Company (and calculated as of the First Payment Date) is equal to Euro 1,100,000; and (ii) the Payment Date (inclusive) falling in December 2030.

"**Realisation Value**" indicates the price at which the relevant Acquired Asset has been sold.

**Master Servicer's Fee**

Pursuant to the Servicing Agreement, the Issuer shall pay to the Master Servicer, *pro rata* and on each Payment Date, an annual fee of Euro 1,000.

**Term and early termination**

*Term*

The Servicing Agreement shall remain in force and effect until the relevant termination date with the only exception of clause 9 (*Importi dovuti al Master Servicer e allo Special Servicer*) of the Servicing Agreement which shall remain in force until the expiry of one year (or two years in case of early redemption of the Notes) and one day after the redemption in full or cancellation of the Notes.

*Termination of the appointment of the Master Servicer*

Each of the parties of the Servicing Agreement has agreed that pursuant to the provisions of the San Marino Securitisation Law and of the applicable regulations, IGRC shall be the Master Servicer of the Transaction. Thus, the mandate granted in favour of IGRC as Master Servicer shall not be terminated by the Issuer or any other party to the Transaction, save in case of any amendment to the applicable law and regulations.

*Termination of the appointment of the Special Servicer*

Under the Servicing Agreement, the Special Servicer has acknowledged and expressly accepted that the Master Servicer, without prejudice to the rights or remedies available to it under the applicable legal framework in force, may revoke, or shall revoke (a) in case of occurrence of paragraph (i) below or (b) if so requested by the Trustee (as instructed by the holder of the Most Senior Class of Notes), the engagement of the Special Servicer upon the occurrence of any of the events specified below, which constitute just cause for revocation pursuant to the applicable law of the Republic of San Marino:

(i) the Special Servicer is declared insolvent, or any order is issued by the competent authorities ordering the liquidation of the Special Servicer or the appointment of a liquidator or administrator, or a resolution is passed by the Special Servicer to obtain such measures, or the Special Servicer is admitted to an Insolvency Proceeding, or a resolution is passed by the Special Servicer to admit the Special Servicer to one of the above-mentioned Insolvency Proceedings, or a resolution is passed to place the Special Servicer in voluntary liquidation, or the Special Servicer ceases to operate;

(ii) the failure of the Special Servicer to transfer or deposit any liquid amount due and available under this Agreement within 15 (fifteen) calendar days from the date of reconciliation of the relevant collection date from the relevant Issuer Collection Account to the Issuer Transaction Account opened by the Issuer with the Central Bank of the Republic of San Marino in accordance with the provisions of the San Marino Securitisation Law, unless such non-payment is due to technical reasons;

(iii) the failure of the Special Servicer, due to willful misconduct or gross negligence, not remedied within 15 (fifteen) Business Days from receipt of the Issuer's written request for performance (or, with respect to the obligation to deliver the Semi-Annual Report not remedied within 5 (five) Business Days after the Semi-Annual Report Date), of any obligation (other than the obligations referred to in paragraph (ii) above) of the Special Servicer under the Servicing Agreement or any other Transaction Document to which the Special Servicer is a party;

(iv) the representations and warranties made by the Special Servicer under the Servicing Agreement are found to be false or misleading in any material respect and this has a materially adverse effect on the Issuer and/or the Transaction and the Special Servicer fails to remedy the same within 15 (fifteen) Business Days after receipt of the first written allegation of breach of such representations and warranties;

(v) the Special Servicer changes its corporate form, or transfers all or a material part of its business or business group to a non-group company, or eliminates the structure in charge of the administration and recovery of the Banking Assets, if taken individually or jointly, such events could reasonably be expected to jeopardise the proper performance by the Special Servicer of its obligations under the Servicing Agreement;

(vi) the loss, by the Special Servicer, of the characteristics required by law by the Central Bank of the Republic of San Marino for persons performing the role referred to in the Servicing Agreement in a securitisation transaction, or the failure to meet other requirements which may be required in the future by the Central Bank of the Republic San Marino or other governmental or administrative authorities competent to provide for such purpose;

The revocation of the engagement of the Special Servicer must be notified in writing by the Master Servicer to the Issuer, the Special Servicer, the Special Servicer Adviser, the Rating Agencies and the Trustee, and shall have effect upon the expiry of 30 (thirty) calendar days from the date of the Special Servicer's receipt of the above-mentioned notification of revocation or on such other later date indicated therein or, in all cases, on the date, if later, on which a new person is appointed to perform the Special Servicer's Activities.

The parties of the Servicing Agreement have agreed that in the event of revocation of the Special Servicer's engagement, the Special Servicer will be entitled to receive, on the immediately succeeding Payment Date, any of its fees due at the time when the revocation will be effective (net of any sums due by the Special Servicer to the Issuer at the moment of revocation) in accordance with the applicable Order of Priority. The Servicer will furthermore be entitled to receive the agreed fees until the moment of takeover by a successor.

S3 has undertaken not to apply for any measures aimed at obtaining the suspension of the revocation of the Special Servicer.

**Servicing Report**

Pursuant to the Servicing Agreement, as of the date of execution of the Servicing, the Special Servicer shall provide in electronic format to the Master Servicer the following reports:

(i) within 2 Business Days preceding each Quarterly Servicing Report Date, a report - which shall be prepared substantially in accordance with the schedule set out in annex C of the Servicing Agreement - relating to the activity carried out in relation to the Banking Assets, in the immediately preceding Interim Collection Period with an indication of the relevant collections and the evolution of the Banking Asset (the "**Quarterly Servicing Report**");

(ii) within 2 Business Days preceding each Semi-Annual Servicing Report Date, a statement - to be prepared substantially in accordance with the format set out in schedule F of the Servicing Agreement - relating to the activity carried out in relation to the Banking Assets, in the immediately preceding Collection Period with an indication of the relevant collections and the evolution of the Banking Assets (the "**Semi-Annual Servicing Report**");

(iii) within 2 Business Days preceding each Monthly Servicing Report Date, a report relating to the activity carried out in relation to the Banking Assets, in the month immediately preceding (or, in the case of the first report of the Master Servicer which will be sent in March 2024, relating to the activity carried out by the Master Servicer, including through the Special Servicer, during the period between the relevant Date of Identification of the Bank Assets and February 2024 (included)) (the "**Monthly Servicing Report**" and together with the Semi-Annual Servicing Report and the Quarterly Servicing Report, the "**Servicing Report**") which shall be prepared substantially in accordance with the schedule set out in schedule D of the Servicing Agreement and which shall also contain a section relating to the Collections received on the individual Banking Assets including the Collections received from the relevant Seller and transferred to the Issuer with effect from the Identification Date of the Banking Assets; and

(iv) within 2 Business Days preceding each Quarterly Servicing Reporting Date and each Semi-annually Servicing Reporting Date, a loan-by-loan report containing all the information required by Article 7(1)(a) of the EU Securitisation Regulation, the UK Securitisations Regulation and the relevant applicable Regulatory Technical Standards and in line with the templates and formats set out therein (including Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019) (the "**Loan by Loan Report**"), it being understood that the first Loan by Loan by Loan Information shall be prepared by the Quarterly Servicing Report Date falling on March 2024.

The Master Servicer, if it has any changes to make to the relevant Servicing Report or Loan by Loan Report received from the Special Servicer shall notify the Special Servicer thereof by the Business Day preceding the relevant Servicing Report Date so that the Master Servicer and the Special Servicer in good faith agree on any changes to be made to the relevant Servicing Report or Loan by Loan Report (as the case may be). By the relevant Servicing Report Date, the Master Servicer shall send the relevant Servicing Report to the Issuer, the Special Servicer, the Trustee, the Corporate Servicer Provider, the Calculation Agent, the Cap Counterparty, the Arranger and the Rating Agencies.

**Other reports of the Special Servicer**

Under the Servicing Agreement, the Special Servicer has undertaken to provide the reports set out in annex M (*Flussi Informativi*) of the Servicing Agreement with the following timelines:

a. the flow denominated "*Tracciato Loan-by-Loan mensile*" shall be sent by the 8th (eighth) Business Day of each calendar month starting from January 2024;

b. the flow entitled "*Tracciato Variazioni CR*" shall be sent promptly upon the occurrence of an event to be reported to the *Centrale dei Rischi*; and

c. the flow denominated "*Movimenti*" shall be sent on a weekly basis from the date of execution of the Servicing Agreement accompanied by the documentation collected by the Special Servicer and required for anti-money laundering purposes.

With reference to point c. above, the Special Servicer has undertaken to carry out all the necessary fulfilments regarding the identification of customers, also for anti-money laundering purposes, and the collection of the necessary documentation, according to the guidelines received from the Master Servicer, providing the information acquired and relating to the paying agents (assigned debtors, guarantors and/or third parties) that are part of the management and debt collection operation, as well as any additional information that will be requested by the Master Servicer. The content of annex M (*Flussi Informativi*) of the Servicing Agreement may be modified, in good faith, with the prior agreement of the Master Servicer and the Special Servicer.

In order to enable the Master Servicer to fulfil its legal obligations punctually, including those deriving from the anti-money laundering regulations in force from time to time, the Special Servicer has undertaken to comply with the indications set forth in article 22 (*Livelli di Servizi e Indicatori di performance*) and to comply with the guidelines issued by the Master Servicer from time to time, providing, among other things, information relating to collections and repayment plans.

**Governing law and jurisdiction**

The Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement are governed by and construed in accordance with Republic of San Marino law.

**INTERIM SERVICING AGREEMENT**

Under an interim servicing agreement entered into on or about the Issue Date (the "**Interim Servicing Agreement**") between the Issuer, the Master Servicer, the Special Servicer and each of the Sellers, the parties of the Interim Servicing Agreement have agreed on the management obligations, for a period

specified under the Interim Servicing Agreement, that each Seller shall assume (in coordination with the Special Servicer and the Master Servicer (which will be assisted by the Adviser Master Servicer and the Adviser Special Servicer) in relation to the Banking Assets respectively transferred by each of them to the Issuer, with the intention of achieving, also during such interim management period, the objectives contained in the Business Plan, implementing the principles and provisions contained in the Servicing Agreement.

## THE BUSINESS PLAN DEVELOPMENT AGREEMENT

*The description of the Business Plan Development Agreement set out below is a summary of certain features of the Business Plan Development Agreement and is qualified in its entirety by reference to the detailed provisions of the Business Plan Development Agreement. Prospective Noteholders may inspect a copy of Business Plan Development Agreement (i) upon request, at the registered offices of the Issuer and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Business Plan Development Agreement.*

On 29 November 2023 the Issuer and Guber Banca S.p.A. in its capacity as business plan developer ("**Guber**" or the "**Business Plan Developer**") entered into a business plan development agreement (the "**Business Plan Development Agreement**"), pursuant to which Guber has been appointed by the Issuer, as Business Plan Developer to, *inter alia*, prepare the business plan of the Transaction in which are estimated the costs for the management and recovery of the Banking Assets, the strategies for the valuation of such Banking Assets and the estimated expected cash flows to be consistent with the repayment of the Class A Notes (the " **Business Plan**").

In particular, by entering into the Business Plan Development Agreement, under the terms and in the manner set forth in article 6 of the Business Plan Development Agreement, Guber agrees to perform the following activities in favour of the Issuer, under the terms and in the manner specified in the Business Plan Development Agreement:

(i) **Due Diligence ("DD") activities**: DD activity on the Banking Assets contained in the relevant Portfolio as better detailed in the Business Plan Development Agreement;

(ii) **Data Remediation activities**: data remediation activity (the "**Data Remediation**") on the Banking Assets contained in the relevant Portfolio as better detailed in the Business Plan Development Agreement;

(iii) **Business Plan production activities**: drafting the Business Plan in accordance with the principles contained in the Business Plan Development Agreement (se also section "*The Business Plan*" of this Prospectus;

(iv) **Support in obtaining ratings on the Class A Notes**: assisting the Issuer in the process of obtaining ratings on the Class A Notes, and in particular:

  (a) preparing the presentations useful to provide all the qualitative and quantitative information required by the Rating Agencies involved;

  (b) with reference to property valuations with the Rating Agencies, where deemed necessary, organising and managing any property tours, providing technical and logistical support (involving the valuators) to the Rating Agencies;

(v) **Support for marketing activities of the Class A Notes**: cooperating with the Issuer and the Arranger, to prepare presentations useful to provide all the qualitative and quantitative information required by investors during the marketing activities for the placement of the Class A Notes.

Considering that all the activities have been performed by the Business Plan Developer, the Business Plan Development Agreement shall remain in force and effect from the date of execution until the Issue Date.

**Governing law and jurisdiction**

The Business Plan Development Agreement and all non contractual obligations arising out or in connection with the Business Plan Development Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Business Plan Development Agreement including all non contractual obligations thereof, the parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

## THE ADVISORY SPECIAL SERVICING AGREEMENT

*The description of the Advisory Special Servicing Agreement set out below is a summary of certain features of the Advisory Special Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Advisory Special Servicing Agreement. Prospective Noteholders may inspect a copy of Advisory Special Servicing Agreement (i) upon request, at the registered offices of the Issuer and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Advisory Special Servicing Agreement.*

On 29 November 2023 S3 – Special Servicer Sammarinese S.r.l. in its capacity as special servicer ("**S3**" or the "**Special Servicer**"), the Issuer and Guber Banca S.p.A. in its capacity as special servicer adviser ("**Guber**" or the "**Special Servicer Adviser**") entered into an advisory special servicing agreement (the "**Advisory Special Servicing Agreement**"), pursuant to which Guber has been appointed by the Special Servicer, upon request of IGRC and with the consent and approval of the Issuer, as Special Servicer Adviser to, *inter alia*, carry out certain activities related to the set-up of the Special Servicer and on-going advisory activities in favour of the Special Servicer.

**Fees of the Special Servicer Adviser**

Pursuant to the Advisory Special Servicing Agreement, the Issuer shall pay to the Special Servicer Adviser the following fees:

(i) for the performance of the activities set out under article 3.2 of the Advisory Special Servicing Agreement (the "**Set-Up Activities**"), for each calendar year during the entire effectiveness of the Advisory Special Servicing Agreement, an amount equal to the greater of (i) Euro 200,000 and (ii) 0.05% of the GBV (*gross book value*) under management of the Master Servicer as evidenced in the Semi-Annual Servicing Report produced in the month of June of each calendar year (the "**Fixed Advisory Fee**");

(ii) for the activities set out under article 3.3 of the Advisory Special Servicing Agreement (the "**Advisory Activities**", and together with the Set-Up Activities, the "**Activities**"), for each calendar year during the entire effectiveness of the Advisory Special Servicing Agreement, an amount equal to 1.6% *per annum* of the aggregate of gross collections (defined as "*Incassi Lordi*" in the Servicing Agreement) related to the Assigned Position as set out in the relevant Semi-annually Servicing Report produced in the month of December (the "**Variable Advisory Fee**" and together with the Fixed Advisory Fee, the "**Fees**").

As provided in the Advisory Special Servicing Agreement, the Fees will be paid in the following manner:

1. the Fixed Advisory Fee shall be paid, on each Payment Date falling in the month of June, to Guber:

   (i) by the Issuer, starting from the Payment Date which falls on June 2024 and until the earlier of: (x) the Payment Date (included) on which the total amount of the Fixed Advisory Fee paid by the Issuer (and calculated as of the Payment Date which falls on June 2024) is equal to Euro 1,600,000.00 (the "**Fixed Advisory Fee Limit**"); or (y) the Payment Date (included) that falls on June 2030 – and, in any event, subject to the provisions of article 18 (*Limited Recourse and Non-Petition*) of the Advisory Special Servicing Agreement and within the limits of the Issuer Available Funds;

   (ii) by S3 (x) for any amount that would exceed the Fixed Advisory Fee Limit, and (y) in each case starting from the Payment Date (excluded) specified in points (x) or (y) above (as the case may be);

2. the Variable Advisory Fee shall be paid, *pro-rata* and on each Payment Date falling in the month of December, to Guber:

(i) by the Issuer, starting from the Payment Date falling on December 2024 and ending on the earlier of: (x) the Payment Date (included) on which the total amount of the Variable Advisory Fee paid by the Issuer (and calculated as of the first Payment Date falling on December 2024) is equal to Euro 2,000,000.00 (the "**Variable Advisory Fee Limit**"); or (y) the Payment Date (included) that falls in December 2030 – and, in any event, subject to the provisions of article 18 (*Limited Recourse and Non-Petition*) of the Advisory Special Servicing Agreement and within the limits of the Issuer Available Funds;

(ii) by S3 (x) for any amount that would exceed the Variable Fee Advisory Limit, and (y) in each case as of the Payment Date (excluded) specified in points (x) or (y) above (as the case may be),

in each case against issue of an invoice directly payable by the Issuer or S3 (as the case may be) and to the current account that Guber shall notify to the Issuer or S3 of, in accordance with the terms of the Advisory Special Servicing Agreement.

Pursuant to terms of the Advisory Special Servicing Agreement and the applicable Order of Priority, the Fixed Advisory Fee will be paid *pari passu* and *pro-rata* with the payments to be made by the Issuer under item (*Second*) of the applicable Order of Priority and after making the payments required under item (*First*) of the applicable Order of Priority.

Otherwise, pursuant to terms of the Advisory Special Servicing Agreement, the Variable Advisory Fee will be paid:

(a) if the Present Value Profitability Ratio and/or Cumulative Collection Ratio (both as defined in the Servicing Agreement) is between 100% and 90% (excluded), it shall be paid *pari passu* and *pro rata* with the payments to be made by the Issuer under item (*Second*) of the applicable Order of Priority and after making the payments provided for under item (*First*) of the applicable Order of Priority;

(b) if the Present Value Profitability Ratio and/or Cumulative Collection Ratio (both as defined in the Servicing Agreement) is between 90 per cent. and 80 per cent. (excluded):

  (i) 95% of the Variable Advisory Fee shall be paid *pari passu* and *pro rata* with the payments to be made by the Issuer pursuant to item (*Second*) of the applicable Order of Priority and after making the payments required under item (*First*) of the applicable Order of Priority; and

  (ii) 5% of the Variable Advisory Fee shall be paid *pari passu* and *pro rata* with the payments to be made by the Issuer pursuant to item (*Tenth*) of the Pre-Acceleration Order of Priority or (*Ninth*) of the Acceleration Order of Priority and after making the scheduled senior payments with respect to such item as provided in the applicable Order of Priority.

(c) if the Present Value Profitability Ratio and/or Cumulative Collection Ratio (both as defined in the Servicing Agreement) is equal to or less than 80%:

  (i) 90% of the Variable Advisory Fee shall be paid *pari passu* and *pro rata* with the payments to be made by the Issuer pursuant to item (*Second*) of the applicable Order of Priority and after making the payments provided for in item (*First*) of the applicable Order of Priority; and

  (ii) 10% of the Variable Advisory Fee shall be paid *pari passu* and *pro rata* with the payments to be made by the Issuer pursuant to item (*Tenth*) of the Pre-Acceleration Order of Priority or (*Ninth*) of the Acceleration Order of Priority

and after making the scheduled senior payments with respect to such item as provided in the applicable Order of Priority.

The Fees shall be deemed to include all costs and expenses incurred (or to be incurred) by the Special Servicer Adviser in connection with the performance of the Activities contemplated by the Advisory Special Servicing Agreement(including costs and fees due to sub-delegated parties), excluding VAT (if applicable), the costs of setting up the infrastructure and purchasing Microsoft licenses in connection with the implementation of the "Sistema Gestionale IT (as defined in the Advisory Special Servicing Agreement).

It remains understood that Guber, in its capacity as Special Servicer Adviser, (i) shall be liable under the Advisory Special Servicing Agreement in cases of wilful misconduct and gross negligence and with the limitations set forth in the Advisory Special Servicing Agreement, and (ii) without prejudice to the provisions of the Advisory Special Servicing Agreement regarding Guber's fees subordination mechanisms and the underperformance termination event, Guber shall not be liable nor may be terminated in the event of (a) any breach by the Special Servicer, in the performance of its activities (including the failure to comply with the Business Plan or the failure to achieve the performance targets set forth in the Business Plan), or (b) force majeure events, including, but not limited to, any epidemiological emergencies in connection with any public restrictive measures that prevent, delay, or more generally limit, the ability of the Special Servicer Adviser to fulfil its obligations under the Advisory Special Servicing Agreement.

**Governing law and jurisdiction**

The Advisory Special Servicing Agreement and all non contractual obligations arising out or in connection with the Advisory Special Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Advisory Special Servicing Agreement including all non contractual obligations thereof, the parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

## THE MASTER SERVICER ADVISORY AGREEMENT

*The description of the Master Servicer Advisory Agreement set out below is a summary of certain features of the Master Servicer Advisory Agreement and is qualified in its entirety by reference to the detailed provisions of the Master Servicer Advisory Agreement. Prospective Noteholders may inspect a copy of Master Servicer Advisory Agreement (i) upon request, at the registered offices of the Issuer and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Master Servicer Advisory Agreement.*

On 29 November 2023 the Istituto per la Gestione e il Recupero dei Crediti S.p.A. in its capacity as master servicer ("**IGRC**" or the "**Master Servicer**") and Banca Finanziaria Internazionale S.p.A. in its capacity as master servicer advisor ("**FinInt**" or the "**Master Servicer Adviser**") entered into a master servicer advisory agreement (the "**Master Servicer Advisory Agreement**"), pursuant to which FinInt has been appointed by the Master Servicer as Master Servicer Adviser to, *inter alia*, carry out certain activities related to the set-up of the Master Servicer and on-going advisory activities in favour of the Master Servicer.

**Fees**

As provided in the Advisory Master Servicing Agreement, for the performance of the activities set out under the Advisory Master Servicing Agreement, the Issue shall pay to the Master Servicer Adviser a fee as set out in a separate fee letter (to be entered into between the Master Servicer, the Issuer, SE and FinInt (the "**Master Servicer Adviser Fee**").

The Master Servicer Adviser Fee shall be paid, *pro-rata* and on each Payment Date, to FinInt:

(i) by the Issuer, as of the First Payment Date and until the earlier of: (x) the Payment Date (included) on which the total amount of the Master Servicer Adviser Fee paid by the Issuer (and calculated as of the First Payment Date) is equal to Euro 600,000.00 (the "**Fee Limit**"); or (y) the Payment Date (included) that falls in December 2030 – and, in any event, subject to the provisions of article 18 (*Limited Recourse and Non-Petition*) of the Advisory Master Servicing Agreement and within the limits of the Issuer's available funds;

(ii) by IGRC (as agreed by way of a separate fee letter to be entered into between IGRC, the Issuer and the Master Servicer Adviser in accordance with the provision of the Advisory Master Servicing Agreement) (x) for any amount that would exceed the Fixed Advisory Fee Limit, and (y) in each case as of the Payment Date (excluded) specified in (as the case may be) (x) or (y) above;

in each case against issue of an invoice directly payable by the Issuer or IGRC (as the case may be) and to the current account that FinInt shall notify the Issuer and IGRC of, in accordance with the terms of the Advisory Master Servicing Agreement.

In the event that, on the Payment Date referred to in (i)(x) above, the Master Servicer Adviser Fee payable by the Issuer to FinInt exceeds the relevant Fee Limit, the parties to the Advisory Master Servicer Agreement have expressly acknowledged that the Fee Letter shall provide that the portion in excess of the Fee Limit shall be paid to FinInt by IGRC.

The Master Servicer Adviser Fee shall be deemed to include all costs and expenses incurred (or to be incurred) by the Master Servicer Adviser in connection with the performance of the activities contemplated by the Advisory Master Servicing Agreement (including costs and fees due to sub-delegated parties), excluding VAT (if applicable).

**Governing law and jurisdiction**

The Master Servicer Advisory Agreement and all non contractual obligations arising out or in connection with the Master Servicer Advisory Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Master Servicer Advisory Agreement including all non contractual obligations thereof, the parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

## DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

*The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents (i) upon request, at the registered offices of the Issuer and (ii) on the Reporting Website. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transaction Documents.*

### PAYING AGENCY AGREEMENT

Under a paying agency agreement entered into on the Signing Date (the "**Paying Agency Agreement**") between the Issuer, the Trustee, The Bank of New York Mellon SA/NV – Dublin Branch as the Registrar and The Bank of New York Mellon SA/NV – London Branch as Paying Agent: (a) the Paying Agent has agreed to carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Noteholders; and (b) the Registrar has agreed to, *inter alia*, authenticate the Global Note Certificates and maintain the Registers.

The Paying Agency Agreement and all non contractual obligations arising out or in connection with it are governed by and construed in accordance with English law. The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

### RSM GUARANTEE AGREEMENT

Under a deed of guarantee entered prior to the Issue Date between the Issuer and the Republic of San Marino (the "**RSM Guarantee Agreement**"), the Republic of San Marino in its quality of guarantor (the "**RSM Guarantor**") has granted in favour of the Issuer an onerous, unconditional, irrevocable and on first demand guarantee (the "**RSM Guarantee**"). The RSM Guarantee is aimed at covering: (i) the payment by the Issuer of any amount of interest due on the Class A Notes on any Payment Date; and (ii) the payment by the Issuer of the principal on the Class A Notes on the Class A Final Maturity Date.

Following to the enforcement of the RSM Guarantee, the RSM Guarantor shall pay to the Issuer the relevant guaranteed amount within 30 Business Day from the date of enforcement.

The RSM Guarantee Agreement and all non contractual obligations arising out or in connection with the Advisory Special Servicing Agreement are governed by and construed in accordance with the law of the RSM Guarantee Agreement.

### THE ESCROW ACCOUNT AND PLEDGE AGREEMENT

Pursuant to, and for the purposes of, article 19 of the San Marino Securitisation Law, on the Issue Date, the Sellers have created in favour of the Issuer a pledge regulated by the Law of the Republic of San Marino (the "**Escrow Account Pledge**") over the account opened by the Sellers with the BCSM (the "**Escrow Account**") in accordance with the Escrow Account and Pledge Agreement.

Pursuant to the provisions of the Escrow Account and Pledge Agreement, in case of occurrence of a Class A Notes Shortfall Event, the Issuer (acting through the Master Servicer) shall enforce the pledge by sending a notice to *inter alia* the Sellers (the "**Pledge Enforcement Notice**") to inform them that it will use the Escrow Amount to cure a Class A Notes Shortfall Event.

In particular, on the Issue Date there will be deposited in the Escrow Account an amount equal to Euro 13,757,366 equal to 20% of the cash proceeds deriving from the sale of the Senior Notes.

In the context of the Escrow Account and Pledge Agreement, the Sellers have agreed (i) to authorize the Issuer to use the Escrow Surplus Amount as Issuer Available Funds as described below and (ii) to be reimbursed for the amount equal to the Escrow Surplus Amount used by the Issuer only after the repayments in full of the Senior Notes and in any case in accordance with the applicable Order of Priority.

In particular, provided that on a Calculation Date the Calculation Agent has verified that the Issuer Available Funds on such date are sufficient to pay, on the relevant following Payment Date, the Senior Costs (the "**Escrow Amortisation Event**"), the Issuer is authorised to use as Issuer Available Funds the following amounts:

(a) on the first following Payment Date the difference between: (1) the total amount credited on the Escrow Account on the immediately preceding Calculation Date; and (2) an amount equal to 8% of the Principal Amount Outstanding of the Senior Notes calculated on the previous Calculation Date; and

(b) on the second following Payment Date and on any Payment Date thereafter, an amount in excess of the Target Escrow Amount,

(the amounts under letter (a) or (b) above, the "**Escrow Surplus Amount**").

The Escrow Account and Pledge Agreement and all non-contractual obligations arising out or in connection with it are governed by and construed in accordance with San Marino law. The Courts of San Marino have exclusive jurisdiction to hear any disputes that arise in connection therewith.

**ENGLISH ACCOUNT BANK AGREEMENT**

Under an English law account bank agreement entered into on or about the Signing Date (the "**English Account Bank Agreement**") between, *inter alios*, the Issuer, the Trustee and The Bank of New York Mellon SA/NV – London Branch as English account bank (the "**English Account Bank**" and together with Italian Account Bank and the SM Account Bank, the "**Account Banks**") whereby the English Account Bank has agreed to provide the Issuer with certain account handling, reporting and agency services in respect of the Payments Account.

The English Account Bank Agreement and all non contractual obligations arising out or in connection with it are governed by and construed in accordance with English law. The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

**THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT**

Under an Italian law cash allocation, management and payments agreement entered into on or about the Signing Date (the "**Cash Allocation, Management and Payments Agreement**") between, *inter alios*, the Issuer, the Trustee, the Calculation Agent, the Monitoring Agent, The Bank of New York Mellon SA/NV – Milan Branch as Italian account bank (the "**Italian Account Bank**") and the Master Servicer whereby the parties thereto have agreed to provide the Issuer with certain account handling, reporting and agency services in respect of the Issuer Collection Accounts.

In the event of any disputes arising out of or in connection with the Cash Allocation, Management and Payments Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

**SUBSCRIPTION AGREEMENT**

Under a subscription agreement entered into on or prior to the Issue Date among, *inter alios*, the Issuer, each of the Sellers (as Class B Notes and Class J Notes subscriber, the "**Mezzanine and Junior Notes Subscriber**"), the Arranger and the International Placement Agent (the "**Subscription Agreement**"):

(i) the Mezzanine and Junior Notes Subscriber has agreed to subscribe and pay for the Class B Notes and Class J Notes upon the terms and subject to the conditions thereof; and

(ii) the International Placement Agent has agreed to use its best efforts to procure purchasers to subscribe for the Senior Notes outside the Republic of San Marino; and

(iii) the Local Placement Agents have agreed to use their best efforts to procure purchasers to subscribe for the Senior Notes inside the Republic of San Marino

The Subscription Agreement and all non-contractual obligations arising out or in connection with it are governed by and construed in accordance with English law. The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

**DEED OF CHARGE**

Pursuant to the deed of charge (the "**Deed of Charge**") entered into on or about the Issue Date, the Issuer (1) assigned absolutely with full title guarantee all of its present and future rights, title, interest and benefit in, to and under the English Law Transaction Documents and all payments due thereunder; (2) charged by way of first fixed charge the Payments Account and (3) charged by way of first floating charge all or substantially all of the assets and undertaking of the Issuer which are located in England and Wales not subject to effective security created pursuant to the Deed of Charge or otherwise in connection with the Securitisation, in each case, in favour of the Trustee to hold on trust on behalf of the Noteholders and the Secured Creditors.

The Deed of Charge and any non-contractual obligations arising out of or connected with it are governed by and construed in accordance with, English law. The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

**THE CAP AGREEMENT**

On or about the Issue Date, the Issuer entered into a cap transaction with J.P. Morgan SE as Cap Counterparty ("**Cap Transaction**"). The Cap Transaction is governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together with a Schedule thereto (the "**Schedule**") and a cap confirmation (the "**Cap Confirmation**" and together with the ISDA Master Agreement and the Schedule, the "**Cap Agreement**"). The Cap Transaction is entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Rated Notes.

If the Cap Counterparty (or its guarantor or credit support provider, as applicable) is downgraded below any of the required credit ratings set out in the relevant Cap Agreement, the Cap Counterparty will be required to carry out, within the time frame specified in the Cap Agreement, one or more remedial measures at its own cost which include the following:

(a) transfer all of its rights and obligations under the Cap Agreement to an appropriately rated entity; and

(b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Cap Agreement.

The occurrence of certain termination events and events of default contained in the Cap Agreement may cause the termination of the Cap Agreement prior to its stated termination date. Such events include (1) redemption of the Rated Notes pursuant to Condition 8.1 (*Mandatory redemption*); (2) redemption of the Rated Notes pursuant to Condition 8.4 (*Optional redemption*) or 8.2 (*Redemption for Taxation*); (3) amendment of any Transaction Document without the prior written consent of the Cap Counterparty if such amendment affects the amount, timing or priority of any payments due from the Cap Counterparty to the Issuer or from the Issuer to the Cap Counterparty, (4) failure by the Cap Counterparty to take certain

remedial measures required under the Cap Agreement following a Cap Counterparty Rating Event; and (5) acceleration of the Notes following service of an Enforcement Notice.

Pursuant to the Cap Confirmation, on the Issue Date the Issuer will pay to the Cap Counterparty a premium and the Cap Counterparty will make a payment to the Issuer on each Payment Date only if the floating rate payable on the Rated Notes exceeds the strike price indicated in the Cap Confirmation for the relevant reference period. The notional amount for calculating any such payment will be the scheduled notional amount contained therein for the relevant Interest Period.

The Cap Counterparty will be required to make payments pursuant to the Cap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Cap Counterparty will, subject to certain conditions, be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law may result in the termination of the Cap Agreement. The Issuer will not be required to gross up under the Cap Agreement. Any Cap Tax Credit Amounts payable by the Issuer shall be paid directly to the Cap Counterparty following receipt without regard to the applicable Order of Priority and shall not form Issuer Available Funds.

The Cap Agreement and any non-contractual obligation arising out of, or in connection with, the Cap Agreement is governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

**THE ITALIAN ACCOUNT PLEDGE AGREEMENT**

Pursuant to an Italian law account pledge entered into between, *inter alios*, the Issuer and the Trustee (the "**Italian Account Pledge**", a pledge has been created on the amounts standing to the credit of the Issuer Collection Accounts opened by the Issuer with the Italian Account Bank, for the benefit of the Notes.

The Italian Account Pledge Agreement and all non contractual obligations arising out or in connection with it are governed by and construed in accordance with Italian law. The Courts of Milan have exclusive jurisdiction to hear any disputes that arise in connection therewith.

**SUBORDINATED LOAN AGREEMENT**

Pursuant to six subordinated loan agreements entered into on or about the Issue Date, among the Issuer, and each Subordinated Loan Provider (the "**Subordinated Loan Agreement**"), each Subordinated Loan Provider will provide to the Issuer an interest bearing Subordinated Loan which will be applied by the Issuer to fund the Liquidity Reserve. Payments under the Subordinated Loan Agreement to the Subordinated Loan Providers will be paid by the Issuer on each Payment Date in accordance with the applicable Order of Priority.

The Subordinated Loan Agreements and all non contractual obligations arising out or in connection with it are governed by and construed in accordance with San Marino law. The Courts of San Marino have exclusive jurisdiction to hear any disputes that arise in connection therewith.

## DESCRIPTION OF THE NOTES IN GLOBAL FORM

### General

The Global Notes will be deposited on or about the Issue Date with the Common Depositary. The Global Notes will be registered in the name of a nominee for the Common Depositary. The Issuer will procure the Registrar to maintain a register in which it will register the nominee for the Common Depositary as the owner of the Global Notes. Upon confirmation by the Common Depositary that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record book-entry interests representing beneficial interests (the "**Book-Entry Interests**") in the Global Notes attributable thereto.

Book-Entry Interests in respect of Global Notes will be recorded in denominations with respect to the Notes of €100,000 (the "**Minimum Denomination**") and, for so long as or Clearstream, Luxembourg so permit, with respect to the Class A Notes integral multiples of €1,000 in excess thereof and with respect of the Class B Notes and the Class J Notes: integral multiples of €1 in excess thereof. Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the settlement agents appointed in connection with the Notes. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee of the Common Depositary is the registered holder of the Global Notes underlying the Book-Entry Interests, the nominee of the Common Depositary will be considered the sole Noteholder of the Global Note for all purposes under the Note Trust Deed. Except as set forth under the section entitled '*Issuance of Definitive Notes*' below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Note Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Note Trust Deed.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Note Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream,

Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of the Common Depositary may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Depositary.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under the section entitled '*Transfers and Transfer Restrictions*' below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

**Trading between Euroclear and/or Clearstream, Luxembourg participants**

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

**Payments on the Global Notes**

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Euros by or to the order of the Paying Agent on behalf of the Issuer to the order of the Common Depositary or its nominee as the registered holder thereof. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Depositary or its nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common Depositary, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The record date, in respect of the Notes shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes are being held is open for business. None of the Issuer, any agent of the Issuer, the Arranger, the Trustee or any other Transaction Party will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

**Information Regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their

respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Note Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

**Redemption**

In the event that any Global Note (or portion thereof) is redeemed, the Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of the Common Depositary and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Paying Agent for cancellation.

The Issuer shall procure that a register is kept by the Registrar in accordance with the Paying Agency Agreement and the Registrar shall enter on the register the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

**Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

**Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to the customary procedures established by each respective system and its Participants.

Beneficial interests in the Global Notes may be held only through Euroclear and Clearstream, Luxembourg. None of the Global Notes nor any beneficial interest therein may be transferred except in compliance with the applicable transfer restrictions (please refer to the section entitled *'Transfer Restrictions and Investor Representations*' above). Each purchaser of Notes, in making its purchase, will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements.

**Settlement and transfer of Notes**

Subject to the rules and procedures of each applicable clearing system, purchases of notes held within a clearing system must be made by or through Participants, which will receive a credit for such notes on the clearing system's records. The ownership interest of each actual purchaser of each such note (the "**beneficial owner**") will in turn be recorded on the Participant's records. Beneficial owners will not receive written confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of beneficial owners. Beneficial owners will not receive individual notes representing their ownership interests in such notes unless use of the book-entry system for the notes described in this section is discontinued.

No clearing system has knowledge of the actual beneficial owners of the notes and certificates held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. Please refer to the section entitled *'General'* above for further information.

**Issuance of Definitive Notes**

Holders of Book-Entry Interests in the Global Note will be entitled to receive Definitive Notes in exchange for their respective holdings of Book-Entry Interests if, *inter alia*the Issuer or the Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form.

Any Definitive Note issued in exchange for Book-Entry Interests in a Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Global Note will not be entitled to exchange such Definitive Note, for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under the section entitled *'Transfers and Transfer Restrictions'* provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Definitive Notes will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or for any amount in excess thereof, in integral multiples of, in respect of the Class A Notes, €1,000 and in respect of the Class B Notes and the Class J Notes, €1. As the Notes have a denomination consisting of the Minimum Denomination

plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

**Action in Respect of the Global Note and the Book-Entry Interests**

Not later than ten days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests of the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under the section entitled "General" above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

**Reports**

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, the Global Note or the Book-Entry Interests.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the "**Conditions**"). These Conditions are subject to the detailed provisions of the Note Trust Deed and the other Transaction Documents (as defined below).*

On 14 December 2023 or such later date as may be agreed in accordance with the Subscription Agreement (the "**Issue Date**"), the Issuer will issue:

(i) the Euro 70,000,000 Class A Asset Backed Floating Rate Notes due 31 December 2036 (the "**Class A Notes**" or the "**Senior Notes**" or the "**Rated Notes**");

(ii) the Euro 17,544,025 Class B1 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B1 Notes**"); (ii) the Euro 8,175,776 Class B2 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B2 Notes**"); (iii) the Euro 4,376,188 Class B3 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B3 Notes**"); (iv) the Euro 4,706,191 Class B4 Asset Backed Floating Rate Notes due 31 December 2036 (the "**Class B4 Notes**"); (v) the Euro 7,291,402 Class B5 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B5 Notes**"); and (vi) the Euro 155,302 Class B6 Asset Backed Fixed Rate Notes due 31 December 2046 (the "**Class B6 Notes**" and, together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes and the Class B5 Notes, the "**Class B Notes**" or the "**Mezzanine Notes**"); and

(iii) the Euro 24,538,088 Class J1 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J1 Notes**"); (ii) the Euro 1,839,496 Class J2 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J2 Notes**"); (iii) the Euro 7,034,980 Class J3 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J3 Notes**"); (iv) the Euro 11,395,695 Class J4 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J4 Notes**"); (v) the Euro 5,140,545 Class J5 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J5 Notes**"); and (vi) the Euro 316,653 Class J6 Asset Backed Variable Return Notes due 31 December 2046 (the "**Class J6 Notes**" and together with the Class J1 Notes, the Class J2 Notes, the Class J3 Notes, the Class J4 Notes and the Class J5 Notes, the "**Class J Notes**" or the "**Junior Notes**" and together with the Senior Notes and the Mezzanine Notes, the "**Notes**").

The proceeds of the subscription of the Notes will be applied by the Issuer on such date to fund the purchase from:

(1) Banca di San Marino S.p.A. ("**BSM**") of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**BSM Portfolio**" and the "**BSM Banking Assets**");

(2) Cassa di Risparmio della Repubblica di San Marino S.p.A. ("**CRSS**") of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**CRSS Portfolio**" and the "**CRSS Banking Assets**");

(3) Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A. ("**BAC IBS**" and, together with CRSS and BSM, the "**Seller Banks**") of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**BAC IBS Portfolio**" and the "**BAC IBS Banking Assets**");

(4) Società di Gestione degli Attivi ex BNS S.p.A. ("**SGA**") of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively, the "**SGA Portfolio**" and the "**SGA Banking Assets**");

(5) 739 SG S.p.A. ("**739**") of a portfolio of banking assets as identified in the relevant Transfer

Agreement in accordance with the San Marino Securitisation Law (respectively, the "**739 Portfolio**" and the "**739 Banking Assets**"); and

(6) Veicolo Pubblico di Segregazione Fondi Pensione ("**VPSFP**" and together, with 739 and SGA, the "**Other Sellers**"; the Seller Banks and the Other Sellers, collectively, the "**Sellers**") of a portfolio of banking assets as identified in the relevant Transfer Agreement in accordance with the San Marino Securitisation Law (respectively the "**VPSFP Portfolio**" and the "**VPSFP Banking Assets**").

The VPSFP Portfolio, the 739 Portfolio, the SGA Portfolio, the BAC IBS Portfolio, the CRSS Portfolio and the BSM Portfolio, (together the "**Portfolio**" and each a "**Sub-Portfolio**") will be purchased by the Issuer pursuant to 6 (six) San Marino law transfer agreements entered into on 29 November 2023 between the Issuer and each of the Sellers (together the "**Transfer Agreements**" and each a "**Transfer Agreement**"). In addition, each Seller will make certain representations and warranties in relation to, *inter alia*, the relevant Sub-Portfolio and has agreed to indemnify the Issuer for breach of such representations and warranties under the relevant Transfer Agreement.

Under a San Marino law servicing agreement entered into on 29 November 2023 (the "**Servicing Agreement**") between the Issuer, Istituto per la Gestione e il Recupero dei Crediti S.p.A. ("**IGRC**") as master servicer (the "**Master Servicer**") and corporate servicer provider (the "**Corporate Servicer Provider**") and S3 – Special Servicer Sammarinese S.r.l. ("**S3**") as special servicer (the "**Special Servicer**"), IGRC has agreed, *inter alia*, to provide the Issuer with (i) management, administration, collection and recovery services in respect of the Portfolio and to carry out supervising activities with respect to the transaction in order to ensure compliance with the San Marino Securitisation Law and (ii) certain corporate services (as detailed in the Servicing Agreement). In the context of the Servicing Agreement, the Master Servicer with the consent of the Issuer, has appointed S3 to act as Special Servicer and perform the relevant Special Servicer Activities as described in the Servicing Agreement.

Under an Italian law advisory master servicing agreement entered into on 29 November 2023 (the "**Advisory Master Servicing Agreement**") between the Issuer, the Master Servicer and Banca Finint S.p.A. as master servicer adviser (the "**Master Servicer Adviser**"), the Master Servicer Adviser (with the consent of the Issuer) has agreed to provide, *inter alia*, to the Master Servicer certain advisory services in relation to the activities to be carried out by the Master Servicer under the Servicing Agreement.

Under an Italian law advisory special servicing agreement entered into on 29 November 2023 (the "**Advisory Special Servicing Agreement**") between, the Issuer, the Special Servicer and Guber Banca S.p.A. as special servicer adviser (the "**Special Servicer Adviser**"), the Special Servicer Adviser (with the consent of the Issuer) has agreed to provide, *inter alia*, to the Special Servicer certain advisory services in relation to the activities to be carried out by the Special Servicer under the Servicing Agreement.

Under an Italian law business plan developer services agreement entered into or about 29 November 2023 (the "**BP Developer Services Agreement**") between the Issuer and Guber Banca S.p.A. as business plan developer (the "**BP Developer**"), the BP Developer has agreed *inter alia*, to prepare the Business Plan of the Transaction.

The Notes will be constituted by an English law note trust deed entered into on or about 29 November 2023 (the "**Signing Date**") (the "**Note Trust Deed**") between the Issuer and BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**").

The Notes will have the benefit of, *inter alia*, the Security created by the Issuer pursuant to (i) an English law deed of charge entered into on or about the Signing Date between, *inter alios*, the Issuer and the Trustee (the "**Deed of Charge**") and (ii) an Italian law account pledge between, *inter alios*, the Issuer and the

Trustee (the "**Italian Account Pledge**" and together with the Deed of Charge, the "**Security Documents**").

In addition, the Class A Notes only will also have the benefit of:

(a) the state guarantee issued by the Republic of San Marino in favour of the Issuer pursuant to article 21 of the San Marino Securitisation Law (the "**RSM Guarantee**"); and

(b) a pledge (the "**Escrow Account Pledge**" and together with the RSM Guarantee, the "**Class A Notes Guarantees**") created on the amounts standing to the credit of the Escrow Account opened by the Sellers with Banca Centrale della Repubblica di San Marino ("**BCRS**") pursuant to a San Marino law pledge agreement entered into on or about the Signing Date between *inter alios*, the Issuer and the Sellers (the "**Escrow Account and Pledge Agreement**") in accordance with Article 19 of the Marino Securitisation Law.

Under the Escrow Account and Pledge Agreement, Banca Centrale della Repubblica di San Marino acting as account bank in San Marino (the "**SM Account Bank**"), the SM Account Bank has agreed to maintain the Escrow Account and to provide the Sellers with certain account handling and cash administration services in respect of the amounts standing, from time to time, to the credit of the Escrow Account.

Under a deed of guarantee entered prior to the Issue Date between the Issuer and the Republic of San Marino (the "**RSM Guarantee Agreement**"), the Republic of San Marino in its quality of guarantor (the "**RSM Guarantor**") has granted in favour of the Issuer an onerous, unconditional, irrevocable and on first demand guarantee (the "**RSM Guarantee**").

Under an Italian law cash allocation, management and payments agreement entered into on or about the Signing Date (the "**Cash Allocation, Management and Payments Agreement**") between, *inter alios*, the Issuer, the Trustee, the Calculation Agent, the Monitoring Agent, The Bank of New York Mellon SA/NV – Milan Branch as Italian account bank (the "**Italian Account Bank**"), the Monitoring Agent and the Master Servicer whereby the parties thereto have agreed to provide the Issuer with certain account handling, reporting and agency services in respect of the Issuer Collection Accounts.

Under an English law account bank agreement entered into on or about the Signing Date (the "**English Account Bank Agreement**") between, *inter alios*, the Issuer, the Trustee and The Bank of New York Mellon SA/NV – London Branch as English account bank (the "**English Account Bank**" and together with Italian Account Bank and the SM Account Bank, the "**Account Banks**") whereby the English Account Bank has agreed to provide the Issuer with certain account handling, reporting and agency services in respect of the Payments Account.

Under an English law paying agency agreement entered into on or about the Signing Date (the "**Paying Agency Agreement**") between the Issuer, the Trustee, The Bank of New York Mellon SA/NV – Dublin Branch as the Registrar and The Bank of New York Mellon SA/NV – London Branch as Paying Agent: (a) the Paying Agent has agreed to carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Noteholders; and (b) the Registrar has agreed to, *inter alia*, maintain the Registers.

Under an English law subscription agreement entered into on or about the Signing Date between, *inter alios*, the Issuer, the Sellers and the Arranger (the "**Subscription Agreement**") (i) the Issuer has agreed to issue the Notes; (ii) the Sellers, as initial subscribers have agreed to subscribe for the Mezzanine Notes and the Junior Notes and (iii) the International Placement Agent has agreed to use its best efforts to procure purchasers to subscribe for the Senior Notes, upon the terms and subject to the conditions thereof.

Under a San Marino law quotaholder agreement entered into on or about the Signing Date between, inter

alios, the Issuer and Trust Dominus as sole quotaholder, the parties thereto have recorded certain arrangements regarding the quota capital of the Issuer (the "**Quotaholder Agreement**").

Under three subordinated loan agreements entered into on or prior to the Issue Date (the "**Subordinated Loan Agreements**") between the Issuer and each Subordinated Loan Provider, each Subordinated Loan Provider has agreed to provide the Issuer within the Issue Date with an interest-bearing Subordinated Loan which will be applied by the Issuer to fund the Liquidity Reserve.

Under an International Swaps and Derivatives Association, Inc. 1992 Master Agreement (Multicurrency-Cross Border) (the "**Master Agreement**") together with a Schedule thereto (the "**Schedule**") and supplemented by a confirmation (the "**Cap Confirmation**") documenting a cap transaction (the "**Cap Transaction**") thereunder and, together with the Master Agreement and the Schedule the "**Cap Agreement**") entered into on or about the Signing Date between the Issuer and J.P. Morgan SE as interest rate cap provider (the "**Cap Counterparty**"), the Issuer hedged against the potential interest rate exposure in relation to its floating rate interest obligations under the Rated Notes.

The principal source of payment of amounts due under the Notes will be the Collections. Issuer Available Funds will be applied by the Issuer in accordance with the applicable Order of Priority.

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 to Noteholders at all reasonable times during normal business hours at the Specified Office of the Paying Agent.

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

In these Conditions: (a) references to the "**Class A Noteholders**" and the "**Rated Noteholders** are to persons who for the time being are holders of the Class A Notes; (b) references to the "**Class B Noteholders**" are to persons who for the time being are holders of the Class B Notes; (c) references to the "**Class B1 Noteholders**" are to persons who for the time being are holders of the Class B1 Notes; (d) references to the "**Class B2 Noteholders**" are to persons who for the time being are holders of the Class B2 Notes; (e) references to the "**Class B3 Noteholders**" are to persons who for the time being are holders of the Class B3 Notes; (f) references to the "**Class B4 Noteholders**" are to persons who for the time being are holders of the Class B4 Notes; (g) references to the "**Class B5 Noteholders**" are to persons who for the time being are holders of the Class B5 Notes; (h) references to the "**Class B6 Noteholders**" are to persons who for the time being are holders of the Class B6 Notes; (i) references to the "**Class J Noteholders**" are to persons who for the time being are holders of the Class J Notes; (j) references to the "**Class J1 Noteholders**" are to persons who for the time being are holders of the Class J1 Notes; (k) references to the "**Class J2 Noteholders**" are to persons who for the time being are holders of the Class J2 Notes; (l) references to the "**Class J3 Noteholders**" are to persons who for the time being are holders of the Class J3 Notes; (m) references to the "**Class J4 Noteholders**" are to persons who for the time being are holders of the Class J4 Notes; (n) references to the "**Class J5 Noteholders**" are to persons who for the time being are holders of the Class J5 Notes; (o) references to the "**Class J6 Noteholders**" are to persons who for the time being are holders of the Class J6 Notes; and (p) references to the "**Noteholders**" are to the holders of the Notes.

Any reference to a "**Class**" of Notes shall be construed as a reference to a class of the Notes, being the Class A Notes, the Class B Notes and the Class J Notes, and "**Classes**" shall be construed accordingly.

Any reference to a "**Series**" of Notes shall be construed as a reference to a series of the applicable Class of Notes, being, in respect of the Class B Notes, the Class B1 Notes, Class B2 Notes, the Class B3 Notes,

Class B4 Notes, Class B5 Notes and the Class B6 Notes and in respect of the Class J Notes, the Class J1 Notes, Class J2 Notes, the Class J3 Notes, Class J4 Notes, Class J5 Notes and the Class J6 Notes and "**Series**" shall be construed accordingly.

All capitalised words and expressions used and not defined herein shall have the same meaning as set out in the master definitions agreement entered into between, among others, the Issuer, the Sellers and the Trustee and dated on or about the Signing Date (the "**Master Definitions Agreement**").

**1. Form, Denomination and Title**

1.1 The Senior Notes are in registered form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Mezzanine Notes and the Junior Notes are in registered form in the denominations of €100,000 and integral multiples of €1 in excess thereof.

1.2 The Notes of each Class and Series will be represented on issue by beneficial interests in one or more Global Notes in fully registered form, without interest or principal receipts.

1.3 For so long as any Notes of any Class or Series are represented by a Global Note, transfers and exchanges of beneficial interests in Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear or Clearstream, Luxembourg as appropriate.

1.4 Definitive Notes will be issued in registered form and in the circumstances referred to below. Definitive Notes in respect of the Senior Notes, if issued, will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. Definitive Notes in respect of the Mezzanine Notes and Junior Notes, if issued, will be issued in the denomination of €100,000 and integral multiples of €1 in excess thereof. No Definitive Notes of any Class will be issued with a denomination above €199,000.

1.5 If, while the Notes are represented by a Global Note:

1.5.1 both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; or

1.5.2 as a result of any amendment to, or change in, the laws or regulations of the Republic of San Marino or of any political subdivision therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Issue Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form,

the holders of Book-Entry Interests in the Global Notes will be entitled to receive Definitive Notes in exchange for their respective holdings of Book-Entry Interests.

**2. Title and Transfer**

2.1. The person registered in the Register maintained by the Registrar as the holder of any Note will (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any

writing thereon or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Note.

2.2. The Issuer shall cause to be kept at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes.

2.3. No transfer of a Note will be valid unless and until entered on the Register.

2.4. Transfers and exchanges of beneficial interests in the Global Notes and any Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Paying Agency Agreement and the Note Trust Deed. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Paying Agent in the UK or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the Specified Office of the Registrar or the Paying Agent.

2.5. A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Paying Agent. In the case of a transfer of part only of a Definitive Note, a new Definitive Note, in respect of the balance remaining, will be issued to the transferor by or by order of the Registrar.

2.6. Each new Definitive Note, to be issued upon transfer of Definitive Notes will, within 5 Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note, to such address as may be specified in such request.

2.7. Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

2.8. No holder of a Definitive Note may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

2.9. All transfers of Notes and entities on the Register are subject to detailed regulations concerning the transfer of Notes scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

**3. Status**

3.1. The Notes constitute direct, secured and unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 12 (*Enforcement, Limited Recourse and*

*Non-Petition*).

3.2. In respect of the obligation of the Issuer to pay interest on the Notes under the Pre-Acceleration Order of Priority and the Acceleration Order of Priority:

3.2.1. payment of interest on the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal of the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal of the Class B Notes, the repayment of principal of the Class J Notes and the payment of the Class J Notes Variable Return; and

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

3.3. In respect of the obligation of the Issuer to repay principal on the Notes under the Pre-Acceleration Order of Priority and the Acceleration Order of Priority:

3.3.1. 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 B Notes, to the repayment of principal of the Class B Notes, the repayment of principal of the Class J Notes and the payment of the Class J Notes Variable Return, but subordinated to the payment of interest on the Class A Notes;

3.3.2. the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal of the Class J Notes and the payment of the Class J Notes Variable Return, but subordinated to the payment of interest on the Class A Notes and the Class B Notes and to the repayment of principal of the Class A Notes; and

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

## 4. Segregation, Security and Guarantees

### 4.1. Segregation

The Notes will have the benefit of the provisions of article 5 of the San Marino Securitisation Law, pursuant to which the Issuer's Rights are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Issuer's Rights will be available exclusively for the purpose of satisfying the Issuer's obligations to the Noteholders, the Secured Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolio and to the corporate existence and good standing of the Issuer. The Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Secured Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations

to the Secured Creditors and any such third party. The Issuer's Rights are any monetary right arising out in favour of the Issuer against the debtor and any other monetary right arising out in favour of the Issuer in the context of the Transaction, including the Collections and the Eligible Investments (if any) acquired with the Collections.

4.2. **Security and Class A Notes Guarantees**

4.2.1. The Notes are secured by the Security created pursuant to the Security Documents.

4.2.2. In addition, the Class A Notes only are secured by: (a) the RSM Guarantee; and (b) the Escrow Account Pledge.

4.3. **Class A Notes Shortfall Event and Enforcement of Class A Notes Guarantees**

4.3.1. In case of occurrence of the following events (each a "**Class A Notes Shortfall Event**"):

(a) on any Calculation Date, prior to the Class A Final Maturity Date, the Issuer Available Funds are not sufficient to allow the Issuer to make on the relevant Payment Date the payments under item (*Sixth*) of the Pre-Acceleration Order of Priority or item (*Sixth*) of Acceleration Order of Priority; or

(b) on the Class A Final Maturity Date, the Issuer Available Funds are not sufficient to allow the Issuer to make the payments under item (*Eighth*) of the Pre-Acceleration Order of Priority or item (*Seventh*) of the Acceleration Order of Priority,

the Issuer acting through the Master Servicer shall enforce the Class A Notes Guarantees (in any case by following the order of priority set out under Condition 4.4. (*Order of Priority in case of Enforcement of Class A Notes Guarantees*) below) by sending, as the case may be, an Escrow Account Pledge Enforcement Notice or an RSM Enforcement Notice as applicable (each a "**Class A Notes Enforcement Notice**") in accordance with the provisions of the Note Trust Deed and the Escrow Account and Pledge Agreement (as applicable) and the San Marino Securitisation Law.

4.3.2. In case of successful enforcement of any Class A Notes Guarantees by no more than 30 Business Days following the relevant payment default, the occurrence of a Class A Notes Shortfall Event will not constitute an Event of Default pursuant to Condition 11 (*Events of Default*).

4.3.3. In case of failure to enforce the Class A Notes Guarantees for an amount at least equal to the applicable shortfall by no more than 30 Business Days following the relevant payment default or in case the Class A Notes Guarantees are not valid or enforceable, an Event of Default will occur and Condition 11 (*Events of Default*) and Condition 12 (*Enforcement, Limited Recourse and Non-Petition*) will apply.

4.4. **Order of Priority in case of Enforcement of Class A Notes Guarantees**

The Class A Notes Guarantees may only be enforced in the following order:

4.4.1. *firstly,* the Escrow Account Pledge; and

4.4.2. *secondly*, only to the extent the proceeds deriving from the enforcement of the Escrow Account Pledge are not sufficient to meet the relevant shortfall, the RSM Guarantee,

in any case in accordance with article 21 of the San Marino Securitisation Law.

4.5. **Enforcement of the Escrow Account Pledge and release of Excess Surplus Amount**

Pursuant to the provisions of the Escrow Account and Pledge Agreement, in case of occurrence of a Class A Notes Shortfall Event in accordance with Condition 4.4 (*Order of Priority in case of Enforcement of Class A Notes Guarantees*), the Issuer - acting through the Master Servicer - shall enforce the Escrow Account Pledge by sending an Escrow Account Pledge Enforcement Notice.

In the context of the Escrow Account and Pledge Agreement, the Sellers have agreed (i) to authorize the Issuer to use the Escrow Surplus Amount as Issuer Available Funds as described below and (ii) to be reimbursed for the amount equal to the Escrow Surplus Amount used by the Issuer only after the repayments in full of the Senior Notes and in any case in accordance with the applicable Order of Priority.

In particular, provided that on a Calculation Date the Calculation Agent has verified that the Issuer Available Funds on such date are sufficient to pay, on the relevant following Payment Date, the Senior Costs (the "**Escrow Amortisation Event**") the Issuer is authorised to use as Issuer Available Funds the following amounts:

(a) on the first following Payment Date the difference between: (1) the total amount credited on the Escrow Account on the immediately preceding Calculation Date; and (2) an amount equal to 8% of the Principal Amount Outstanding of the Senior Notes calculated on the previous Calculation Date; and

(b) on the second following Payment Date and on any Payment Date thereafter, an amount in excess of the Target Escrow Amount,

(the amounts under letter (a) or (b) above, the "**Escrow Surplus Amount**").

4.6. **Enforcement of the RSM Guarantee**

4.6.1. The RSM Guarantee secures:

(a) the payment by the Issuer of any amount of interest due on the Class A Notes on any Payment Date; and

(b) the payment by the Issuer of the principal on the Class A Notes on the Class A Final Maturity Date.

Therefore, in case of the Issuer Available Funds and the amount deriving from the enforcement of the Escrow Account Pledge are not sufficient to cure a Class A Notes Shortfall Event, the Issuer acting through the Master Servicer shall enforce the RSM Guarantee (on behalf of the holders of the Class A Notes) by sending a notice (the "**RSM Enforcement Notice**") to the *Segreteria di Stato per le Finanze ed il Bilancio* of the Republic of San Marino.

4.6.2. Upon receiving the RSM Enforcement Notice, the RSM Guarantor will pay to the Issuer the relevant amount so that the Issuer itself may proceed with the relevant payments due

on the Class A Notes and, therefore, cure the Class A Notes Shortfall Event.

4.6.3. The Issuer shall pay to the RSM Guarantor the RSM Fee, in accordance with item (*Third*) of the applicable Order of Priority.

4.6.4. Pursuant to the San Marino Securitisation Law, the RSM Guarantee shall not apply to the Class B Notes and the Class J Notes. Neither the Issuer nor the Sellers nor the Arranger nor any other person takes responsibility for the Class A Notes being ultimately guaranteed pursuant to the RSM Guarantee.

## 5. Covenants

The Issuer covenants with the Trustee (on behalf of the Noteholders) that, for so long as any Secured Amount remains outstanding, save as otherwise provided by the Transaction Documents or with the prior consent of the Trustee, it shall not:

### 5.1. Negative pledge and disposal of assets

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or undertaking or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets or undertaking; or

### 5.2. Restrictions on activities

5.2.1. engage in any activity whatsoever which is not incidental to or necessary in connection with any of its obligations under the Transaction Documents;

5.2.2. have any employees, subsidiaries, any subsidiary undertaking or premises;

5.2.3. become resident, including without limitation for tax purposes, in any country outside the Republic of San Marino or cease to be managed and administered in the Republic of San Marino or cease to have its centre of main interest in the Republic of San Marino; or

### 5.3. Dividends, Distributions and Capital Increases

pay any dividend or make any other distribution or return or repay any equity capital to the Issuer Quotaholder (or successor quotaholders), or issue any further quota or shares; or

### 5.4. Borrowings

incur any indebtedness in respect of any borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than as permitted under the Transaction Documents; or

### 5.5. Merger

consolidate or merge with any person or convey or transfer any of its properties or assets to any person; or

### 5.6. No variation or waiver

permit any of the Transaction Documents to which it is a party or the priority of the Security Interests created thereby to be amended, invalidated, rendered ineffective, terminated or discharged, or consent to any variation thereof, or exercise of any powers of consent or waiver in relation thereto, or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations save as envisaged in the Transaction Documents; or

5.7. **Bank Accounts**

have an interest in any bank account other than the Issuer Accounts and the Escrow Account, or such other accounts that are immediately charged in favour of the Trustee so as to form part of the Security;

5.8. **Withdrawal of the rating of the Senior Notes**

ask for the withdrawal of any rating (whether public or private) assigned to the Senior Notes, so long as such Class of Notes is outstanding unless such withdrawal is approved by the Class A Noteholders by Extraordinary Resolution; or

5.9. **Statutory documents**

amend, supplement or otherwise modify its by-laws or deed of incorporation, except where such amendment, supplement or modification is required by any compulsory provision of law or by the competent regulatory authorities; or

5.10. **RSM Guarantee**

take any action, which could jeopardise the effectiveness of the RSM Guarantee. In case of invalidity of the RSM Guarantee, the Issuer shall notify such event to the Trustee, the Calculation Agent, the Master Servicer, the Special Servicer and the Rating Agencies.

None of the covenants in this Condition 5 (*Covenants*) shall prohibit the Issuer from carrying out any activity, which is incidental to maintaining its corporate existence, or are necessary for it to comply with applicable laws and regulations.

**6. Orders of Priority**

6.1. **Pre-Acceleration Order of Priority**

Prior to the service of an Enforcement Notice pursuant to Condition 11 (*Events of Default*) or a redemption of the Notes pursuant to Condition 8.2 (*Redemption for Taxation*) or Condition 8.4 (*Optional Redemption*), on each Payment Date, an amount equal to the Issuer Available Funds, as at the immediately preceding Calculation Date, shall be applied 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) (the "**Pre-Acceleration Order of Priority**"):

(i) *First*, to pay *pari passu* and *pro rata* to the extent of the respective amounts thereof):

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment

obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) into the Issuer Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

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

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to pay the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the positive difference between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts due and payable in respect of interest on the Class A Notes on such Payment Date;

(vii) *Seventh*, to credit the Liquidity Reserve Account up to an amount equal to the Target Liquidity Reserve Amount;

(viii) *Eighth*, to pay *pari passu* and *pro rata* the Principal Amount Outstanding of the Class A Notes in full;

(ix) *Ninth*, to pay any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under item (*Third*);

(x) *Tenth*, to pay to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(xi) *Eleventh*, to pay *pari passu* and *pro rata*:

(a) the interest and principal, in each case, that is due and payable under the relevant Subordinated Loan to each Subordinated Loan Provider;

(b) the relevant Deferred Purchase Price to the DPP Sellers; and

(c) the reimbursement of the Escrow Surplus Amount to each Seller.

(xii) *Twelfth*, to pay *pari passu* and *pro rata*:

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xiii) *Thirteenth*, to pay to each Class B Noteholder *pari passu* and *pro rata* , interest due and payable on the relevant Series of Class B Notes;

(xiv) *Fourteenth* , to pay to each Class B Noteholder *pari passu* and *pro rata* , the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xv) *Fifteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

(xvi) *Sixteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

*provided, however, that* before the delivery of an Enforcement Notice, should the Calculation Agent not receive the Semi-Annual Servicing Report within 2 (two) Business Days prior to a Calculation Date, it shall prepare the Payments Report in respect of the immediately following Payment Date by applying the Issuer Available Funds towards payment only of items from (*First*) to (*Sixth*), but excluding the fees due to the Master Servicer, the Special Servicer and the Special Servicer Adviser under item (*Second*) of the Pre-Acceleration Order of Priority (the "**Provisional Payments Report**"), it being understood that any amount in excess shall be credited to the Issuer Transaction Account, and any amount that would otherwise have been payable under items from (*Seventh*) to (*Sixteenth*) of the Pre-Acceleration Order of Priority will not be included in the

relevant Provisional Payments Report and shall not be payable on the relevant Payment Date but shall be payable (together with the relevant fees due to the Master Servicer, the Special Servicer and the Special Servicer Adviser) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations have been timely provided to the Calculation Agent.

It remains understood that the Calculation Agent (i) shall not be liable in case one or more Payments Reports and/or Investors Reports are not delivered or are delivered after the due date to any of their recipients, in case this non delivery or delay is due to the other Parties not providing or not providing on time to the Calculation Agent the necessary information pursuant to this Agreement, (ii) shall not be bound to investigate on the correctness of the information received by the other Parties pursuant to this Agreement and (iii) shall not be liable for preparing the Provisional Payments Report instead of the Payments Report and for making calculations in accordance with the Provisional Payments Report instead of the Payments Report.

6.2. **Acceleration Order of Priority**

Following delivery of an Enforcement Notice pursuant to Condition 11 (*Events of Default*) and in the event of redemption of the Notes pursuant to Condition 8.2 (*Redemption for Taxation*) or Condition 8.4 (*Optional Redemption*), an amount equal to 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) (the "**Acceleration Order of Priority**"):

(i) *First, to* pay *pari passu* and *pro rata* to the extent of the respective amounts thereof):

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) into the Issuer Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

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

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to pay the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the positive *difference* between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to pay any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts due and payable in respect of *interest* on the Class A Notes on such Payment Date;

(vii) *Seventh*, to pay *pari passu* and *pro rata* the Principal Amount Outstanding of the Class A Notes in full;

(viii) *Eighth*, to pay any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under item (*Third*);

(ix) *Ninth*, to pay to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(x) *Tenth*, to pay *pari passu* and *pro rata*:

(a) the interest and principal, in each case, that is due and payable under the relevant Subordinated Loan to each Subordinated Loan Provider;

(b) the relevant Deferred Purchase Price to the DPP Sellers; and

(c) the reimbursement of the Escrow Surplus Amount to each Seller.

(xi) *Eleventh*, to pay *pari passu* and *pro rata*:

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and the Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xii) *Twelfth*, to pay to each Class B Noteholder *pari passu* and *pro rata*, interest due and payable on the relevant Series of Class B Notes;

(xiii) *Thirteenth*, to pay to each Class B Noteholder *pari passu* and *pro rata*, the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xiv) *Fourteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes in accordance with Condition 6.3 (*Single Portfolio Order of Priority*);

(xv) *Fifteenth*, to pay to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return in accordance with Condition 6.3 (*Single Portfolio Order of Priority*).

6.3. **Single Portfolio Order of Priority**

The Single Portfolio Available Funds shall be applied on each Payment Date by the Calculation Agent in order to register for accounting purposes only the following payments, in the following order of priority (the "**Single Portfolio 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 register *pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Seller's Collection Ratio of:

(a) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (other than the Secured Creditors and the Noteholders) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Issuer Expenses Account, and (ii) the Issuer Recovery Expenses, to the extent not payable through the amounts standing to the credit of the Issuer Recovery Expenses Reserve Account;

(b) all costs and taxes required to be paid to maintain the ratings of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; and

(c) the amount (if any) necessary to ensure that the balance standing to the credit of the Issuer Expenses Account as at such Payment Date is equal to the Issuer Retention Amount;

(ii) *Second*, to register *pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Seller's Collection Ratio of:

(a) fees, expenses and all other amounts due and payable to the Trustee;

(b) fees, expenses and all other amounts due and payable to the Calculation Agent, the Monitoring Agent, the Account Banks, the Paying Agent, the Registrar, the Issuer Corporate Services Provider, the Master Servicer,

(c) fees, expenses and all other amounts due and payable to the Master Servicer Adviser, the Special Servicer Adviser and the Special Servicer, within the Relevant Limit; and

(d) the part not subordinated of the Variable Advisory Fee due to the Special Servicer Adviser and the Fixed Advisory Fee due to the Special Servicer Adviser, both within the Relevant Limit;

(iii) *Third*, to register the relevant Seller's Collection Ratio of the RMS Fee due and payable in relation to the RSM Guarantee;

(iv) *Fourth*, to credit *pari passu* and *pro rata* to the extent of the respective amounts thereof) the Issuer Recovery Expenses Reserve Account with the relevant Seller's Collection Ratio of the positive difference between the Issuer Recovery Expenses Reserve Amount due on such Payment Date and the balance of the Issuer Recovery Expenses Reserve Account;

(v) *Fifth*, to register the relevant Seller's Collection Ratio of any Replacement Cap Premium due and payable by the Issuer to the replacement cap counterparty and any residual amounts payable to the Cap Counterparty pursuant to the Cap Agreement, other than Cap Tax Credit Amounts (if any);

(vi) *Sixth*, to register, *pari passu* and *pro rata*, the relevant Seller's Collection Ratio of all amounts due and payable in respect of interest on the Class A Notes on such Payment Date;

(viii) *Seventh*, to credit the Liquidity Reserve Account up to an amount equal to the relevant Seller's Collection Ratio of the Target Liquidity Reserve Amount;

(viii) *Eighth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio of the Principal Amount Outstanding of the Class A Notes in full;

(ix) *Ninth*, to register the relevant Seller's Collection Ratio of any amount (if any) due and payable to the RSM Guarantor in relation to the RSM Guarantee other than the amounts payable under item (*Third*);

(x) *Tenth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof the part subordinated of the Variable Advisory Fee due to the Special Servicer Adviser within the Relevant Limit;

(xi) *Eleventh*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof*:*

(a) the interest and principal, in each case, that is due and payable under the Subordinated Loan to each Subordinated Loan Provider;

(d) the relevant Deferred Purchase Price to the DPP Sellers; and

(c) the reimbursement of the Escrow Surplus Amount to each Seller.

(xii) *Twelfth*, to register *pari passu* and *pro rata* the relevant Seller's Collection Ratio to the extent of the respective amounts thereof*:*

(a) to each Seller any amounts due and payable under the relevant Transfer Agreement (excluding, for avoidance of doubt the payment of the relevant Purchase Price and the Deferred Purchase Price);

(b) the reimbursement to S3 and the Master Servicer of the relevant Mezzanine Cost within the Relevant Limit;

(xiii) *Thirteenth*, following redemption in full of the Class A Notes, to register to each Class B Noteholder, interest due and payable on the relevant Series of Class B Notes;

(xiii) *Fourteenth*, following redemption in full of the Class A Notes to register to each Class B Noteholder, the Principal Amount Outstanding of the relevant Series of Class B Notes;

(xiv) *Fifteenth*, following redemption in full of the Class A Notes to register to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event the Principal Amount Outstanding of the relevant Series of Class J Notes until the relevant Principal Amount Outstanding is equal to Euro 10,000 and on the Cancellation Date the remaining Principal Amount Outstanding on the relevant Series of Class J Notes;

(xv) *Sixteenth*, following redemption in full of the Class A Notes to register to each Class J Noteholder to the extent that the relevant Class J Note is not subject to a Stop Event, the relevant Class J Notes Variable Return.

For the avoidance of doubt:

(a) prior to and following redemption in full of the Class A Notes and Class B Notes (i) the Issuer Available Funds shall be distributed in accordance with the Order of Priority on each Payment Date and (ii) the Single Portfolio Available Funds shall be applied in accordance with the Single Portfolio Order of Priority only in order to register, for accounting purposes, the actual contribution of the relevant Sub-Portfolio to the Transaction; and

(b) following redemption in full of the Class A Notes and Class B Notes, the Issuer Available Funds shall be applied to make payments under items from (*Fifteenth*) to (*Sixteenth*) of the Pre-Acceleration Order of Priority on the basis of the amounts registered under such items of the Single Portfolio Order of Priority in order to settle credits and debts resulting from the different contribution (if any) of each of the Sub-Portfolios to the Transaction.

6.4. **Single Portfolio Available Funds**

Pursuant to the provisions of the San Marino Securitisation Law and these Conditions, following the Payment Date on which the Class A Notes and the Class B Notes have been repaid in full, the Single Portfolio Available Funds in respect of a Sub-Portfolio will be applied in accordance with the Cash Allocation, Management and Payments Agreement and the applicable Order of Priority to make payments in accordance with the applicable Order of Priority of principal and Class J Notes Variable Return with respect to a relevant Series of Class J Notes so that:

(a) the Single Portfolio Available Funds deriving from the BSM Portfolio will be used to pay principal and Class J Notes Variable Return on the Class J1 Notes;

(b) the Single Portfolio Available Funds deriving from the CRSS Portfolio will be used to pay principal and Class J Notes Variable Return on the Class J2 Notes;

(c) the Single Portfolio Available Funds deriving from the BAC IBS Portfolio will be used to pay principal and Class J Notes Variable Return on the Class J3 Notes;

(d) the Single Portfolio Available Funds deriving from the SGA Portfolio will be used to pay principal and Class J Notes Variable Return on the Class J4 Notes;

(e) the Single Portfolio Available Funds deriving from the 739 Portfolio will be used to pay principal and Class J Notes Variable Return on the Class J5 Notes; and

(f) the Single Portfolio Available Funds deriving from the VPSFP Portfolio will be used to pay principal and the Class J Notes Variable Return on the Class J6 Notes.

6.5. **Stop Events and Reallocation of Single Portfolio Available Funds**

For as long as Stop Event is subsisting, no payments of principal and Class J Notes Variable Return (as applicable) on the relevant Series of Class J Notes may be made in accordance with the applicable Order of Priority. A Stop Event may be cured and such Sub-Portfolio will cease to be an Underperforming Portfolio once the amount registered on the SP Ledger in respect of such Sub-Portfolio will be equal to (or lower than) 0 (zero) by the reallocation of Single Portfolio Available Funds prior to their distribution in accordance with the Single Portfolio Order of Priority in an amount calculated by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

Any Single Portfolio Available Funds remaining on a Calculation Date following reallocation to another Sub-Portfolio may be used on the immediately following Payment Date to the extent that the relevant Sub-Portfolio is not subject to a Stop Event following such re-allocation.

## 7. Interest

7.1. **Payment Dates, Interest Periods and Variable Return**

Each of the Class A Notes and the Class B Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at a rate per annum equal to, respectively, the Class A Notes Interest Rate and the Class B Notes Interest Rate in accordance with Condition 7.2 (*Class A Notes Interest Rate and Class B Notes Interest Rate*).

Each Series of Class J Notes will be entitled to the payment of the Class J Notes Variable Return subject to the applicable Order of Priority and in accordance with Condition 7.3 (*Calculation of Interest Amounts and Class J Notes Variable Return*).

Save as provided for in Condition 7.7 (*Unpaid Interest on the Class A Notes*), the Notes will accrue on a daily basis and will be payable semi-annually in arrear in Euro on each Payment Date.

The Class A Notes Interest Amount in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

The Class B Notes Interest Amount in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year. Class J Notes

Variable Return will only be payable on each Payment Date on a Series of Class J Notes to the extent that (i) such Series of Class J Notes is not subject to a Stop Event and (ii) there are available Issuer Available Funds to be applied to such Series of Class J Notes in accordance with the applicable Order of Priority.

Each of the Class A Notes and the Class B Notes shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition 7 (*Interest*) (after as before any judgment) up to (but excluding) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, or (if earlier) the day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 17 (*Notices*)) that it has received all sums due in respect of each such Note (except to the extent that there is any subsequent default in payment).

7.2. **Class A Notes Interest Rate and Class B Notes Interest Rate**

7.2.1. The floating rate of interest applicable to the Class A Notes shall be:

(i) the rate of interest will be equal to the sum of:

(a) 4.3% *per annum* (the "**Class A Notes Margin**"); and

(b) the Reference Rate,

(the "**Class A Notes Interest Rate**") ***provided that*** the Class A Notes Interest Rate may not be less than zero.

7.2.2. The fixed rate of interest applicable to the Class B Notes shall be equal to 6% *per annum* (the "**Class B Notes Interest Rate**" and, together with the Class A Notes Interest Rate, the "**Interest Rates**").

7.3. **Calculation of Interest Amounts and Class J Notes Variable Return**

7.3.1. The Paying Agent shall, on each Interest Determination Date, calculate the interest amount accrued on the Class A Notes and the Class B Notes in respect of each Interest Period (respectively, the "**Class A Notes Interest Amount**" and the "**Class B Notes Interest Amount**", collectively the "**Interest Amount**"). The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of each relevant Class of Notes on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) or, in the case of the Initial Interest Period, on the Issue Date, and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.3.2. In addition, the Calculation Agent shall following redemption in full of the Class A Notes, on each Calculation Date, calculate the Class J Notes Variable Return (if any) payable to any Class J Noteholder.

7.4. **Publication of Interest Amounts**

The Paying Agent will cause the Interest Amounts (if any) and the Calculation Agent will cause the Class J Notes Variable Return (if any) applicable to each Interest Period and the Payment Dates in respect of such Interest Amounts to be notified promptly after their determination to the Issuer, the Trustee, the Paying Agent (for further distribution to Euroclear and Clearstream, Luxembourg for so long as the Notes are in global form), the Master Servicer, the Special Servicer, the Master Servicer Adviser, the Special Servicer Adviser, the Account Banks, and the Issuer will cause notice thereof to be given to the Noteholders in accordance with Condition 17 (*Notices*) as soon as possible after the relevant Interest Determination Date or Calculation Date as applicable, but (in the case of the Interest Amounts) in no event later than the first Business Day of the Interest Period which commences on the relevant Interest Determination Date.

7.5. **Determination and Calculation by an Expert**

If the Issuer does not at any time for any reason determine (or cause the Paying Agent or the Calculation Agent, as applicable, to determine) the Interest Amounts or Class J Notes Variable Return in accordance with the above provisions, the Trustee, may (but shall not be obliged to and in any event without any liability occurring to the Trustee as a result) appoint an expert, at the expense of the Issuer, to make such determinations and calculations. Such expert will be deemed to be an agent of the Issuer and such determinations shall be deemed to be determinations by the Issuer.

7.6. **Notification to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*) by the Paying Agent or Calculation Agent (as applicable), or the Issuer (as the case may be) shall (in the absence of manifest error, wilful default or gross negligence) be binding on the Calculation Agent, the Trustee, the Paying Agent, the Master Servicer, the Special Servicer, the Master Servicer Adviser, the Special Servicer Adviser, the Account Banks and all the Noteholders and (in the absence of gross negligence, fraud or wilful default in the case of the determining party) no liability to the Issuer, the Trustee, the Paying Agent, the Master Servicer, the Special Servicer, the Master Servicer Adviser, the Special Servicer Adviser, the Account Banks or the Noteholders (as applicable) shall attach to the Calculation Agent, the Paying Agent or the Issuer (as applicable) in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 7 (*Interest*).

7.7. **Unpaid Interest on the Class A Notes**

Without prejudice to right of the Trustee to serve to the Issuer an Enforcement Notice in accordance with Condition 11 (*Events of Default*) and the right to enforce the Class A Notes Guarantees, in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable) for the payment of interest on the Class A Notes on such Payment Date are not sufficient to pay in full the relevant interest amount on the Class A Notes, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the interest amount on the Class A Notes which would otherwise be due on the Class A Notes, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, interest amount accrued on the Class A Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Calculation Agent, through the Payments Report, shall give notice to the Noteholders and the

Trustee of any unpaid Class A Notes Interest Amount no later than three Business Days prior to any Payment Date on which the Class A Interest Amount will not be paid in full.

### 7.8. Publication on Reporting Website

Inclusion of information in the Payments Report or otherwise on the Reporting Website shall satisfy any obligation in these Conditions of the Calculation Agent to publish such information.

### 7.9. Alternative Benchmark Rate

The Class A Interest Amount will be determined on the condition that, if there has been a public announcement of the permanent or indefinite discontinuation of the Screen Rate or the relevant benchmark rate that applies to the Class A Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Issuer shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 18 (*Benchmark Rate Modification*) (the "**Relevant Condition**"). For the avoidance of doubt, if an Alternative Benchmark Rate proposed by or on behalf of the Issuer (including any Alternative Benchmark Rate which was proposed prior to the Relevant Time in accordance with the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Benchmark Rate under this Condition 7.9. The Issuer may appoint a third party, which has the necessary skills and expertise, to assist the Issuer in proposing an Alternative Benchmark Rate in accordance with Condition 18 (*Benchmark Rate Modification*).

## 8. Redemption and Purchase

### 8.1. Final Redemption and Cancellation

Unless previously redeemed in full as provided for in this Condition 8 (*Redemption and Purchase*) or purchased and cancelled, the Issuer shall redeem in whole the Notes at their Principal Amount Outstanding on the relevant Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the relevant Final Maturity Date except as provided for in Conditions 8.2 (*Redemption for Taxation*), 8.3 (*Mandatory Redemption*) or 8.4 (*Optional Redemption*) and without prejudice to Condition 11 (*Events of Default*).

If the Notes cannot be redeemed in full on the relevant Final Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid will remain outstanding and these Conditions will continue to apply in full in respect of the Notes until the earlier of: (i) the date on which the Notes are redeemed in full; and (ii) the Cancellation Date, at which date, in the absence of fraud, wilful default, gross negligence or manifest error on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, will be finally and definitively cancelled ***provided that***, if a Class A Notes Guarantee is in place, the Senior Notes will not be cancelled on the Class A Final Maturity Date since unpaid amounts due in respect of the Senior Notes can be recovered through the enforcement of the relevant Class A Notes Guarantee after that date. Cancellation should occur only once there are no further payments that can be made on the Notes after application of all Issuer Available Funds and all proceeds deriving from the enforcement of the Class A Guarantees in respect of the Senior Notes.

### 8.2. Redemption for Taxation

If the Issuer:

8.2.1. has provided the Trustee with: (i) a legal opinion in form and substance satisfactory to the Trustee from a firm of lawyers (approved in writing by the Trustee); and (ii) a certificate from the legal representative of the Issuer; and

8.2.2. has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days prior written notice to the Sellers, the Trustee, the Cap Counterparty and the Noteholders, in accordance with Condition 17 (*Notices*) and the Rating Agencies,

(in each case) to the effect that, following the occurrence of certain legislative or regulatory changes, or the application of the official interpretations thereof by competent authorities, the Issuer (or any of the Issuer's agents):

(i) would be required on the next Payment Date to deduct or withhold from any payment of principal or interest on the Rated Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of San Marino or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable authority having jurisdiction; or

(ii) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Transaction (including for this purpose in the event that any amount in respect of tax is required to be deducted or withheld from amounts payable to the Issuer under the Portfolio); and

8.2.3. in each case the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer (upon which the Trustee shall be entitled to rely without enquiry or Liability) confirming that the Issuer has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect to the Rated Notes and any amounts required to be paid in priority to, or *pari passu* therewith (such certificate to be conclusive and binding on the Issuer, the Trustee and the Noteholders),

the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Rated Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Rated Notes and amounts ranking prior thereto or *pari passu* therewith pursuant to the Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes and the Class J Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes and the Class J Notes.

In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer is entitled to dispose of the Portfolios subject to the provisions of the Deed of Charge and Condition 8.5 (*Sale of the Portfolio*).

8.3. **Mandatory Redemption**

The Notes of each Class and Series will be subject to mandatory redemption in full or in part on each Payment Date in a maximum amount equal to their Principal Amount Outstanding, in each case with respect to such Payment Date in accordance with the applicable Order of Priority if it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Order of Priority.

In particular, with respect to the repayment of principal of the Class B Notes and Class J Notes pursuant to the provisions of the San Marino Securitisation Law, following the Payment Date on which the Class A Notes have been repaid in full, the Single Portfolio Available Funds in respect of a Sub-Portfolio will be allocated (in accordance with the Conditions, the Cash Allocation, Management and Payments Agreement and the applicable Order of Priority) so that:

(a) the Single Portfolio Available Funds deriving from the BSM Portfolio will be used to repay the principal of the Class B1 Notes and the Class J1 Notes in accordance with relevant Order of Priority;

(b) the Single Portfolio Available Funds deriving from the CRSS Portfolio will be used to repay the principal of the Class B2 Notes and the Class J2 Notes in accordance with relevant Order of Priority;

(c) the Single Portfolio Available Funds deriving from the BAC IBS Portfolio will be used to repay the principal of the Class B3 Notes and the Class J3 Notes in accordance with relevant Order of Priority;

(d) the Single Portfolio Available Funds deriving from the SGA Portfolio will be used to repay the principal of the Class B4 Notes and the Class J4 Notes in accordance with relevant Order of Priority;

(e) the Single Portfolio Available Funds deriving from the 739 Portfolio will be used to repay the principal of the Class B5 Notes and the Class J5 Notes in accordance with relevant Order of Priority; and

(f) the Single Portfolio Available Funds deriving from the VPSFP Portfolio will be used to repay the principal of the Class B6 Notes and the Class J6 Notes in accordance with relevant Order of Priority.

8.4. **Optional Redemption**

Provided that no Enforcement Notice has been served on the Issuer, the Issuer shall, on any Payment Date following the occurrence of a Sunset Call Event in each case, if so instructed by an Extraordinary Resolution of the holders of the Class B Notes and the Class J Notes, redeem the Rated Notes (in whole but not in part) and the Class B Notes and the Class J Notes (in whole or in part) at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Acceleration Order of Priority, subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Trustee and to the Noteholders, with copy to the Master Servicer, the RSM Guarantor, the Cap Counterparty and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes; and

(b) on or prior to the notice referred to in paragraph (a) above being given, delivering to the

Trustee, with copy to the Master Servicer, the Cap Counterparty, the RSM Guarantor and the Rating Agencies, a certificate duly signed by a director of the Issuer confirming that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to redeem at least the Rated Notes and pay any amount required to be paid under the Acceleration Order of Priority in priority thereto.

In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer is entitled to dispose of the Portfolio pursuant to the Seller Call Option ***provided that*** the aggregate purchase price is sufficient to redeem at least the Rated Notes and pay any amount required to be paid under the Acceleration Order of Priority in priority thereto and such disposal does not prejudice the derecognition analysis in relation not the relevant Seller's Banking Assets.

"**Sunset Call Event**" means the earlier of:

(a) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to, or less than, 10 per cent. of the Principal Amount Outstanding of the Senior Notes at the Issue Date; and

(b) the Payment Date falling in December 2030.

8.5. **Sale of the Portfolio**

In the following circumstances:

8.5.1. early redemption of the Notes pursuant to Condition 8.2 (*Redemption for Taxation*); and

8.5.2. if, after an Enforcement Notice has been served on the Issuer (with a copy to the Transaction Parties) pursuant to Condition 11 (*Events of Default*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolves to request the Issuer to sell all (or part only) of the Portfolio to one or more third parties,

the Issuer (in connection with a redemption pursuant to Condition 8.2 (*Redemption for Taxation*)) or the Trustee (after an Enforcement Notice has been served on the Issuer and subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), shall be entitled to sell the Portfolio (together with the connected legal relationships) and shall organise a competitive bid process through external advisers for such purpose (the "**Bid Process**") in accordance with the Deed of Charge. The proceeds deriving from the sale of the Portfolio shall be applied in accordance with the applicable Order of Priority.

In all cases, the Bid Process procedure shall be carried out in compliance with the best practices of the industry and in line with transparency standards, in order to maximise the purchase price of the Portfolio (together with the connected legal relationships) it being understood that each Seller may participate in the Bid Process ***provided that*** the relevant purchase does not prejudice the derecognition analysis in relation not the relevant Seller's Banking Assets.

8.6. **Notice of Redemption**

Any notices to be provided pursuant to Condition 8.2 (*Redemption for Taxation*) or 8.4 (Optional *Redemption*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be obliged to redeem the Notes in accordance with this Condition 8 (*Redemption and Purchase*).

8.7. **Principal Payments and Principal Amount Outstanding**

On each Calculation Date, the Issuer shall cause the Calculation Agent to calculate (and the Calculation Agent will calculate on behalf of the Issuer) *inter alia*:

8.7.1. the amount of any principal payment due to be made on the relevant Class of Notes on the next following Payment Date; and

8.7.2. the Principal Amount Outstanding of the relevant Class of Notes on the next following Payment Date (after deducting any principal payment due to be made and payable on that Payment Date).

The determination by or on behalf of the Issuer of the amount of any principal payment to be made in respect of the relevant Class of Notes and of the Principal Amount Outstanding of the relevant Class of Notes shall in each case (in the absence of fraud, wilful default, gross negligence or manifest error) be final and binding on all persons.

The Issuer shall, no later than three Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Calculation Agent, through the Payments Report, to the Trustee, the Master Servicer, the Special Servicer, the Account Banks, the Master Servicer Adviser, the Special Servicer Adviser and the Paying Agent and the Paying Agent shall give notice of each determination of a principal payment and Principal Amount Outstanding of the relevant Class of Notes to be given to the Noteholders in accordance with Condition 17 (*Notices*) by not later than two Business Days prior to each Payment Date. As long as the Notes are not redeemed in full, if no principal payment is due to be made on the Notes on a Payment Date, notice to this effect shall also be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.7 (*Principal Payments and Principal Amount Outstanding*), whether by the Calculation Agent or the Issuer shall (in the absence of fraud, wilful default, gross negligence or manifest error) be binding on the Calculation Agent, the Trustee, the Paying Agent, the Master Servicer, the Special Servicer, the Master Servicer Adviser, the Special Servicer Adviser, the Account Banks and all the Noteholders and (in such absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent or the Issuer in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

8.8. **No purchase by Issuer**

The Issuer shall not purchase any of the Notes.

8.9. **Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

**9. Payments**

9.1. **Principal and Interest**

Payments of principal and interest shall be made by transfer to an account denominated in euro,

maintained by the payee with a bank in the European Union or the United Kingdom in accordance with the terms of the Paying Agency Agreement.

9.2. **Record Date**

For as long as the Notes are in definitive form, each payment in respect of a Note will be made to the person shown as the Noteholder in the relevant Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth Business Day before the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a Definitive Note Certificate shall be the only person entitled to receive payments in respect of any Note represented by such Definitive Note Certificate and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

9.3. **Payments Subject to Laws**

All payments are subject in all cases to any applicable laws, regulations and directives. No commission or expenses shall be charged to the Noteholders in respect of such payments.

9.4. **Paying Agent and Registrar**

The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Paying Agent or the Registrar and to appoint additional or other agents, ***provided that*** the Issuer shall at all times maintain (a) a Paying Agent and (b) a Registrar. Notice of any such change or any change of any Specified Office shall promptly be given to the Noteholders.

**10. Taxation**

Payments under the Notes may be subject to withholding for or on account of tax. In such circumstances, a Noteholder of any Class will receive interest payments amounts (if any) payable on the Notes of such Class, net of such withholding tax.

Upon the occurrence of any withholding for or on account of tax from any payments under the Notes, neither the Issuer nor any other Person shall have any obligation to pay any additional amount(s) to any Noteholder of any Class.

**11. Events of Default**

Subject to Condition 4 (*Segregation, Security and Class A Notes Guarantees*), if any of the following events (each an "**Event of Default**") occurs:

(a) **Non-payment:**

(i) the Issuer defaults in the payment of principal of the Notes on the relevant Final Maturity Date or the Final Redemption Date and such default remains unremedied for 3 (three) days; or

(ii) on any Payment Date, the Issuer defaults in the payment in full of the Interest Amount on the Senior Notes; or

(iii) the Issuer defaults in the payment of principal due and payable on the Most Senior

Class of Notes on any Payment Date prior to the relevant Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds (or Single Portfolio Available Funds, as applicable) to make such repayment of principal in accordance with the applicable Order of Priority), and such default remains unremedied for 3 (three) days,

***provided that*** (the events listed under points (i) and (ii) above shall not constitute an Event of Default (1) in respect of the Class A Notes only, in case of successful enforcement by the Issuer of the RSM Guarantee in accordance with Condition 4 (*Segregation, Security and Class A Notes Guarantees*) and the default is remedied within 30 (thirty) Business Days or (2) in respect of the Class J Notes, if the Notes of the relevant Series are subject to a Stop Event.

(b) **Breach of other obligations**:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than the obligations under paragraph (a) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Trustee, such default is incapable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer, certifying that such default is, the sole opinion of the Trustee, materially detrimental to the interests of the Most Senior Class of the Noteholders and requiring the same to be remedied (*provided however that*, for the avoidance of doubt, non-payment of principal on the Notes, due to the Master Servicer not having provided the Semi-Annual Servicing Report (as described in Condition 6 (*Pre-Acceleration Order of Priority*) shall not constitute an Event of Default)); or

(c) **Insolvency**:

the Issuer becomes subject to any Insolvency Proceedings; or

(d) **Unlawfulness**:

it is or will become unlawful (in any respect deemed by the Trustee to be material in its all discretion) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party,

then, the Trustee:

(a) shall, in the case of the Event of Default set out under paragraph (a) and (c) above;

(b) shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Event of Default set out under paragraph (b) above; or

(c) may at its sole and absolute discretion but shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in case of any other Event of Default,

give written notice (an "**Enforcement Notice**") to the Issuer (with copy to the Master Servicer, the Cap Counterparty, the Special Servicer, the RSM Guarantor and the Rating

Agencies) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued thereon and that the Acceleration Order of Priority shall apply.

## 12. Enforcement, Limited Recourse and Non-Petition

### 12.1. Enforcement of Security

At any time after an Enforcement Notice has been delivered, the Trustee may and shall, if so requested in writing by holders of at least 25 (twenty-five) per cent. of the aggregate in Principal Amount Outstanding of the Most Senior Class of Notes or so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, take such steps, actions or proceedings, exercise its rights and/or to take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security and/or lodging an appeal in any proceedings) as it may think fit (subject in all cases to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction). No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails and/or is unable to do so within 60 days and such failure and/or inability is continuing.

### 12.2. Limited Recourse

Notwithstanding any other provision of the Conditions or any other Transaction Document, the Noteholders will receive payment in respect of principal, interest and other amounts on the Notes and the other Secured Creditors with receive payments under the Transaction Documents only if and to the extent that the Issuer has sufficient Issuer Available Funds (or Single Portfolio Available Funds, as applicable), to make such payments in accordance with the applicable Order of Priority. If, upon the delivery of an Enforcement Notice or, if no Enforcement Notice has been delivered, on the relevant Final Redemption Date, the Issuer Available Funds (or Single Portfolio Available Funds, as applicable), are not sufficient to pay such obligations in full, the relevant Secured Creditor shall be entitled to receive payments in respect of such obligations to the extent of the available funds (if any) and any shortfall will not be due and payable, will be deemed to be waived by the relevant Secured Creditors and will be cancelled, ***provided that***, if either of the Class A Notes Guarantees is in place, the Class A Notes will not be cancelled on the Class A Notes Final Maturity Date since unpaid amounts due in respect of the Class A Notes can be recovered through the enforcement of the relevant Class A Notes Guarantees after that date. Cancellation should occur only once there are no further payments that can be made on the Notes after application of all Issuer Available Funds (or Single Portfolio Available Funds, as applicable), and all proceeds deriving from the enforcement of the Class A Notes Guarantees in respect of the Senior Notes.

### 12.3. Non-Petition

The Noteholders shall not be entitled to proceed directly against the Issuer or any other party to any other Transaction Document to enforce the performance of any of the provisions of the Note Trust Deed or any other Transaction Document and/or to take any other proceedings against the Issuer or any such other party unless the Trustee having become bound to do so, fails and/or is unable to do so within 60 days and such failure and/or inability is continuing, provided that no Noteholder shall be entitled to take any corporate action or other steps or legal proceedings to procure the winding-up, examinership, dissolution, arrangement, reconstruction or reorganisation of the Issuer, without prejudice to the Trustee's right to enforce and/or realise the Security pursuant to the Security Documents and the Class A Notes Guarantees.

12.4. **No recourse**

No recourse under any obligation, covenant, or agreement of the Issuer contained in any Transaction Document and/or these Conditions shall be had against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the Transaction Documents and/or these Conditions are corporate obligations of the Issuer. No personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in the Transaction Documents and/or these Conditions, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby deemed expressly waived by each of the Noteholders, Secured Creditors and Transaction Parties.

12.5. **Notifications binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11 (*Events of Default*) above or this Condition 12 (*Enforcement, Limited Recourse and Non-Petition*) by the Trustee shall (in the absence of fraud, wilful default or gross negligence) be binding on the Issuer, the Secured Creditors, the other Transaction Parties and all Noteholders and (in the absence of fraud, wilful default or gross negligence) the Trustee will have no liability to the Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

12.6. **Survival**

The provisions of Conditions 12.2 (*Limited Recourse*) to 12.4 (*No Recourse*) (inclusive) shall survive the termination of the Transaction Documents and the redemption of the Notes.

**13. Meetings of Noteholders; Modifications; Consents; Waiver**

13.1. The Note Trust Deed contains provisions for convening separate or combined meetings of the Noteholders (including the holding of meetings by audio or video conference call) of any Class to consider matters relating to the Notes, including subject to Condition 13.4 (*Modification and Waiver*) the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the other Transaction Documents.

The Note Trust Deed provides that a resolution in writing signed by all of the holders of at least the relevant percentage set out in the definition of Extraordinary Resolution shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders of such Class or Classes duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Noteholders of such Class or Classes.

13.2. The Note Trust Deed provides that, subject as provided therein, any Extraordinary Resolution duly passed by a meeting of the Noteholders of a particular Class or Classes shall be binding on all Noteholders of such Class or Classes (whether or not they were present at the meeting at which such resolution was passed and whether or not voting).

The Note Trust Deed further provides that, subject as provided therein, an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class of Notes shall be binding on the holders of all other Classes of Notes irrespective of the effect on them, except (a) an Extraordinary Resolution of the holders of the Most Senior Class of Notes to sanction a Basic Terms Modification, which shall not take effect unless it has also been sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes affected (economically or otherwise) and (b) an Extraordinary Resolution of the holders of the Class B Notes and the Class J Noteholders to sanction a Class B Reserved Matter shall be binding on the Class A Noteholders .

No Extraordinary Resolution of any Class to approve any matter other than a Basic Terms Modification or Class B Reserved Matter shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class in the Acceleration Order of Priority (to the extent that there are Notes ranking senior to such Class of Notes) unless, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the holders of each such more senior Class or it is sanctioned by an Extraordinary Resolution of the holders of each such more senior Class. Except in certain circumstances the Note Trust Deed imposes no such limitations on the powers of the holders of the Most Senior Class of Notes the exercise of which will be binding on themselves and any junior Class of Notes, irrespective of the effect on their interests.

The Note Trust Deed provides that:

13.2.1. meetings of Noteholders of separate Classes may be held at the same time;

13.2.2. meetings of Class B Noteholders and Class J Noteholders shall be held as a single Class without consideration of Series;

13.2.3. meetings of Noteholders of separate Classes will normally be held separately, but (with the exception of meetings whose subject matter is a Basic Terms Modification, which shall always be held as separate meetings of each Class then outstanding) the Trustee may from time to time determine that meetings of Noteholders of separate Classes shall be held together;

13.2.4. an Extraordinary Resolution that in the opinion of the Trustee affects one Class alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Class concerned;

13.2.5. an Extraordinary Resolution that in the opinion of the Trustee affects the Noteholders of more than one Class but does not give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed if passed at a single meeting of the Noteholders of the relevant Classes; and

13.2.6. an Extraordinary Resolution that in the opinion of the Trustee affects the Noteholders of more than one Class and gives or may give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Noteholders of each of the relevant Classes.

If a poll is called at a meeting of a Class of Noteholders, the number of votes which can be cast by each person present or represented shall be proportionate to the Principal Amount Outstanding of the Notes of such Class that such person holds or represents at that meeting.

13.3. **Quorum**

The quorum to held and for passing at any meeting of Noteholders of a particular Class:

13.3.1. an Extraordinary Resolution to approve a Basic Terms Modification, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 66 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 66 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting;

13.3.2. an Extraordinary Resolution to approve a Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 30 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting ***provided that*** in case there is a failure to reach such quorum for both the initial meeting and adjourned meeting, the Reserved Matter will be resolved in accordance with the content of the Non-Binding Opinion;

13.3.3. an Extraordinary Resolution to approve a Class B Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting and (b) more than 30 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting; and

13.3.4. an Extraordinary Resolution to approve any matter other than a Basic Terms Modification or Reserved Matter, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (a) more than 51 per cent. of the Principal Amount Outstanding of the Notes of such Class(es) for the initial meeting and (b) more than 45 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting.

Subject to the provisions of the Note Trust Deed, the holder specified on the relevant Register shall be treated as a Noteholder for the purposes of constituting a quorum for the purposes of meeting the quorum requirements of a meeting of Noteholders.

13.4. **Modification and Waiver**

The Note Trust Deed provides that, the Trustee may agree, without the consent or sanction of any of, or any liability to, the Noteholders, to:

13.4.1. any modification of any of the provisions of the Note Trust Deed, the Conditions or any of the other Transaction Documents which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, or (b) any other modification (excluding any, Basic Terms Modification) to the provisions of the Note Trust Deed, the Conditions or any of the other Transaction Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the holders of the Most Senior Class of Notes, or (c) any waiver or authorisation (excluding a, Basic Terms Modification) of any breach or proposed breach of the Notes, of any of the provisions of the Note Trust Deed, the Conditions or any of the other Transaction Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the holders of the Most Senior

Class of Notes, or (d) a change to the base rate in respect of the Class A Notes from EURIBOR to an alternative base rate and make such other amendments as are necessary or advisable in the reasonable commercial judgment of the Issuer or the Rate Determination Agent (if any) to facilitate such change in accordance with the provisions detailed in Condition 18 (*Benchmark Rate Modification*); or

13.4.2. determine that an Event of Default will not be treated as such where in the opinion of the Trustee such Event of Default is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes,

***provided that*** the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution of holders of the Most Senior Class of Notes.

Any such modifications, waivers, authorisations or determinations permitted by this Condition 13.4 (*Modification and Waiver*) shall be binding on the Noteholders and other Secured Creditors and, unless the Trustee otherwise agrees, the Issuer shall cause such modification, waiver, authorisation or determination to be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notices*). If any Class of Notes is rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Condition 13.4 (*Modification and Waiver*) as soon as reasonably practicable thereafter.

The Trustee shall not be obliged to agree to any modification, waiver, authorisation or determination of the Note Trust Deed, these Conditions or any other Transaction Document which (in the sole opinion of the Trustee) would have the effect of: (x) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the rights or protections of the Trustee in the Transaction Documents, the Note Trust Deed and/or these Conditions.

13.5. **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in Condition 13 (*Meetings of Noteholders; Modifications; Consents; Waiver*)) the Trustee:

13.5.1. shall have regard to the interests of the Noteholders (or, as applicable, the Noteholders of a particular Class) as a class and shall not have regard to the consequences of such exercise for individual Noteholders or holders of a Series of Notes and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or holders of a Series of Notes;

13.5.2. shall have regard only to the interests of the holders of the outstanding Notes of the Most Senior Class of Notes where, in the opinion of the Trustee, there is a conflict between the interests of the holders of the Most Senior Class of Notes and the interests of any other Noteholders;

13.5.3. so long as any Class of Notes remain outstanding, shall have regard only to the interests of the Noteholders where, in the opinion of the Trustee, there is a conflict between the interests of any Noteholders and the interests of any of the other Secured Creditors; and

13.5.4. may, in determining whether or not a proposed action will be materially prejudicial to the Noteholders (or, as applicable, the Noteholders of a particular Class), have regard

to, among other things, a Rating Agency Confirmation (if applicable).

## 14. Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

In this Condition 14 (*Prescription*), the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Paying Agent or the Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 17 (*Notices*).

## 15. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar, subject in each case to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or (as applicable) the Registrar may require (***provided that*** the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

## 16. The Trustee

The Note Trust Deed and the Security Documents contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances,.

## 17. Notices

### 17.1. Validity of Notices

17.1.1. All notices to Noteholders shall be deemed to have been validly given:

(i) for so long as the Notes of any Class are listed on a stock exchange, and the rules of such stock exchange so require, or at the option of the Issuer in respect of such Notes, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange;

(ii) for so long as the Notes are represented by Global Notes (and if, for so long as the Notes are listed on a stock exchange, the rules of such stock exchange so allow) if delivered:

(a) to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders;

(b) to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other

medium for the electronic display of data as may be previously approved in writing by the Trustee; or

(iii) if the Notes are in definitive form, if published in a leading daily newspaper printed in the English language and with general circulation in England or, if that is not practicable, in such English language newspaper or newspapers as the Trustee shall approve having a general circulation in England and the rest of Europe.

17.1.2. Any such notice shall be deemed to have been given on:

(i) in the case of a notice delivered to the regulated information service of a stock exchange, the day on which it is delivered to such stock exchange;

(ii) in the case of a notice delivered to Euroclear and/or Clearstream, Luxembourg, the day on which it is delivered to Euroclear and/or Clearstream, Luxembourg;

(iii) in the case of a notice delivered to Bloomberg L.P., the day on which it is delivered to Bloomberg L.P.; and

(iv) in the case of a notice published in a newspaper, the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required.

If it is impossible or impractical to give notice in accordance with paragraphs (i), (ii) or (iii) of this Condition 17.1 (*Forms of Notice*) then notice of the relevant matters shall be given in accordance with paragraph (iv) of this Condition 17.1 (*Forms of Notice*).

17.2. **Other Methods**

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and ***provided that*** notice of such other method is given to the Noteholders in such manner as the Trustee shall require. The Issuer shall give notice to the Noteholders in accordance with this Condition 17 (*Notices*) of any additions to, deletions from or alterations to such methods from time to time.

**18. Benchmark Rate Modification**

18.1.1. Notwithstanding the provisions of Condition 13.4 (*Modification and Waiver*), or anything to the contrary, the following provisions will apply if the Issuer determines that a Benchmark Rate Modification Event has occurred.

18.1.2. Following the occurrence of a Benchmark Rate Modification Event, the Issuer or the Rate Determination Agent (if any) on its behalf shall determine (acting in good faith and in a commercially reasonable manner) an Alternative Benchmark Rate and the Note Rate Maintenance Adjustment (if required) and any additional Benchmark Rate Modifications, ***provided that*** the Rate Determination Agent (if any) shall make any determination in consultation with the Issuer.

18.1.3. The Trustee shall, subject to the provisions of this Condition 18, be obliged to concur with the Issuer in making any Benchmark Rate Modification, ***provided that*** the Issuer and/or the Rate Determination Agent (if any) deliver a Benchmark Rate Modification Certificate to the Trustee (copied to the Agents), upon which the Trustee and Agents shall rely absolutely without further investigation.

18.1.4. It is a condition to any such Benchmark Rate Modification that:

(i) either:

(a) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the Benchmark Rate Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that the proposed Benchmark Rate Modification would not result in a Negative Ratings Action and, if relevant, it has provided a copy of any written confirmation to the Trustee appended to the Benchmark Rate Modification Certificate; or

(b) the Issuer certifies in the Benchmark Rate Modification Certificate that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed Benchmark Rate Modification and no Rating Agency has indicated that such modification would result in a Negative Ratings Action;

(ii) the Issuer has given at least 10 (ten) Business Days' prior written notice of the proposed Benchmark Rate Modification to the Trustee and the Agents before publishing a Benchmark Rate Modification Noteholder Notice;

(iii) the Issuer has provided to the Senior Noteholders a Benchmark Rate Modification Noteholder Notice, at least 40 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect (such date being no less than 10 (ten) Business Days prior to the next Interest Determination Date), in accordance with Condition 17 (*Notices*);

(iv) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on the Benchmark Rate Modification Record Date have not directed the Trustee in writing (or otherwise not directed the Trustee in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period that such Noteholders do not consent to the Benchmark Rate Modification; and

(v) the Benchmark Rate Modification Costs shall be paid out of item (*First*) of the Pre-Acceleration Order of Priority.

18.1.5. The Issuer or the Rate Determination Agent (if any) on its behalf shall use reasonable endeavours to propose a Note Rate Maintenance Adjustment as reasonably determined by the Issuer or the Rate Determination Agent (if any) on its behalf, taking into account any note rate maintenance adjustment mechanisms endorsed by the ECB or ESMA or their sponsored committees or bodies, or mechanisms that have become generally accepted market practice (the "**Market Standard Adjustments**"). The rationale for the proposed Note Rate Maintenance Adjustment and, where relevant, any deviation from the Market Standard Adjustments, shall be set out in the Benchmark Rate Modification

Certificate and the Benchmark Rate Modification Noteholder Notice.

18.1.6. If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes have directed the Issuer or the Trustee in writing (or otherwise directed the Trustee in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the proposed Benchmark Rate Modification, then the proposed Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such proposed Benchmark Rate Modification in accordance with Condition 13 (*Meetings of Noteholders; Modifications; Consents; Waiver*).

18.1.7. The Issuer shall use reasonable endeavours to agree modifications to the Cap Agreement where commercially appropriate so that the Issuer's obligations under the Class A Notes are hedged following the Benchmark Rate Modification to a similar extent as prior to the Benchmark Rate Modification.

18.1.8. Other than where specifically provided in this Condition 18:

(i) when concurring in making any modification pursuant to this Condition 18, the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation, on any Benchmark Rate Modification Certificate (and any evidence appended to such Benchmark Rate Modification Certificate) provided to it by the Rate Determination Agent (if any) or the Issuer pursuant to this Condition 18 and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person;

(ii) the Trustee shall not be obliged to concur in making any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee 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 Trustee in the Transaction Documents and/or these Conditions; and

(iii) the Agents shall not be obliged to consent to or perform any modification which, in the sole opinion of the Agents would have the effect of (i) exposing the Agents 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 Agents in the Transaction Documents and/or these Conditions.

18.1.9. Any Benchmark Rate Modification shall be binding on all Class A Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(i) each Rating Agency;

(ii) the Secured Creditors; and

(iii) the Class A Noteholders in accordance with Condition 17 (*Notices*).

18.1.10. Following the making of a Benchmark Rate Modification, if the Issuer determines that

it has become generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Class A Notes pursuant to a Benchmark Rate Modification, the Issuer (or the Rate Determination Agent (if any) acting on behalf of the Issuer) is entitled to propose a further Benchmark Rate Modification pursuant to the terms of this Condition 18.

18.1.11. Notwithstanding any provision of the Conditions, if in the Paying Agent's sole opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation provided for by the terms of a Benchmark Rate Modification, the Paying Agent shall promptly notify the Issuer thereof and the Issuer shall following consultation with the Rate Determination Agent (where such Rate Determination Agent has been appointed) direct the Paying Agent in writing as to which alternative course of action to adopt. If the Paying Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own fraud, gross negligence or wilful default) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Paying Agent shall be under no obligation to make such calculation or determination and (in the absence of such fraud, gross negligence or wilful default) shall not incur any liability for not doing so.

## 19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 20. Governing Law and Jurisdiction

### 20.1. Governing Law

The Note Trust Deed, these Conditions, the Notes and the other Transaction Documents (other than the San Marino Law Transaction Documents and the Italian Law Transaction Documents) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### 20.2. Jurisdiction

The courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. Pursuant to the Note Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

## PROVISIONS FOR MEETINGS OF NOTEHOLDERS

### 1) Interpretation

**In this section:**

"**Block Voting Instruction**" means an English language document issued by the Paying Agent in which:

(i) it is certified that on the date thereof the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:

1. the conclusion of the meeting specified in such Block Voting Instruction; and

2. the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(ii) it is certified that each holder of such Notes has instructed the Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 Hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

(iii) the aggregate principal amount or aggregate total amount of the Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(iv) one or more persons named in such Block Voting Instruction (each hereinafter called a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:

1. whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and

2. originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed;

"**Clearing System**" means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Note any clearing system on behalf of which such Note is held or which is the holder or (directly or through a nominee) registered owner of the Notes, in either case whether alone or jointly with any other Clearing System(s).

"**Electronic Consent**" has the meaning given to it in paragraph 14 (*Electronic Consents*);

"**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

(i) a bearer of any Voting Certificate; and

(ii) a proxy specified in any Block Voting Instruction;

"**Voting Certificate**" means an English language certificate issued by the Paying Agent in which it is stated:

(i) that on the date thereof the Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:

1. the conclusion of the meeting specified in such Voting Certificate; and

2. the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(ii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

"**24 Hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agent has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid;

"**48 Hours**" means a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agent has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid;

unless the context otherwise requires, references to a "**meeting**" are to a meeting of Noteholders of a particular Class and include any adjournment;

references to "**Notes**" and "**Noteholders**" are only to the Notes of the Class in respect of which a meeting has been, or is to be, called and to the holders of these Notes respectively;

references to "**paragraph**" shall be to paragraphs of this Section.

"**agent**" means a proxy for or a representative of a Noteholder.

**2) Powers of Meetings**

A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this Deed, have power by Extraordinary Resolution:

a) to sanction any Basic Terms Modification or Reserved Matter;

b) in the case of the Class B Notes and Class J Notes only, to sanction (1) an early redemption of the Notes (or some of them) pursuant to Condition 8.4 (*Optional redemption*) or (2) a decision regarding Eligible Investments (a "**Class B Reserved Matter**");

c) to agree to any modification of any Transaction Document;

d) to agree to any modification of the Conditions;

e) to authorise or direct anyone to concur in and do anything necessary to carry out or give effect to an Extraordinary Resolution;

f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent Noteholders' interests and to confer on them powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

g) to waive any breach or authorise any proposed breach by the Issuer or any other person of its obligations under or in respect of this Deed, the Notes or the other Transaction Documents or any act or omission which might otherwise constitute an Event of Default under the Notes;

h) to approve a proposed new Trustee and to remove a Trustee;

i) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under this Deed or the Security Documents; and

j) to discharge and exonerate the Trustee or any Receiver or other Appointee of any of them from Liability in respect of any act or omission for which it may become responsible under this Deed, the Notes or the other Transaction Documents,

***provided that*** the quorum provisions in paragraph (ii) (*Quorum and Adjournment*) below shall apply.

**3) Convening a Meeting**

(i) The Issuer or the Trustee may at any time convene a meeting of the Noteholders (at the cost of the Issuer) as single or at separate duly convened meeting(s) of the Noteholders of the relevant Class or Classes, and propose to resolve by Extraordinary Resolution on any matter including in relation to a Basic Terms Modification, Class B Reserved Matter and Reserved Matter (in case of a Basic Terms Modification always at separate meetings of each Class then outstanding). In addition, if the Trustee receives a written request by Noteholders holding or representing at least 10 (ten) per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding of a particular Class or Classes and is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses, the Trustee shall

convene a meeting of the Noteholders of such Class or Classes. Every meeting shall be held on a date and at a time and place approved by the Trustee (which need not be a physical place and instead may be held by way of audio or video conference call).

(ii) The Issuer or the Trustee may alternatively propose an Extraordinary Resolution (including in relation to a Basic Terms Modification, Class B Reserved Matter or Reserved Matter) to be passed as a Written Resolution.

(iii) At least 15 (fifteen) Business Days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Noteholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and the resolutions to be proposed. Such notice shall include statements as to the manner in which Noteholders may arrange for Voting Certificates or Block Voting Instructions to be issued and, if applicable, appoint proxies, and the details of the time limits applicable. A copy of the notice shall be sent to the Trustee (unless the meeting is convened by the Trustee), to the Issuer (unless the meeting is convened by the Issuer) and the Agents.

(iv) A meeting that has been validly convened in accordance with this paragraph 3) (*Convening a Meeting*), may be cancelled by the person who convened such meeting by giving at least 10 (ten) Business Days' notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the meeting) to the Noteholders (with a copy to the Trustee and the Agents where such meeting was convened by the Issuer or to the Issuer and the Agents where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph (iv) shall be deemed not to have been convened.

**4) Arrangements for Voting**

(i) *Voting Certificate*

A holder of a Note (not being a Note in respect of which instructions have been given to the Paying Agent in accordance with paragraph (b) below) may procure the delivery of a Voting Certificate in respect of such Note by giving notice to the Clearing System through which such holder's interest in the Note is held specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting. The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Clearing System. The Clearing System may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes. Subject to receipt by the Paying Agent from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the aggregate Principal Amount Outstanding of the Notes to be represented by any such Voting Certificate and the form of

identification against presentation of which such Voting Certificate should be released, the Paying Agent shall, without any obligation to make further enquiry, make available a Voting Certificate against presentation of the form of identification corresponding to that notified.

So long as any Note is held by or on behalf of Euroclear or Clearstream, Luxembourg, in considering the interests of Noteholders, the Trustee may consider the interests (either individual or by category) of its accountholders or participants with entitlements to any such Note as if such accountholders or participants were the holder(s) thereof.

(ii) *Block Voting Instruction*

A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) may require the Paying Agent to issue a Block Voting Instruction in respect of such Note by first instructing the Clearing System through which such holder's interest in the Note is held to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Paying Agent of instructions from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to attend the meeting and cast votes in accordance with such instructions.

Each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the Paying Agent, and each form of proxy shall be deposited by the Paying Agent or (as the case may be) by the Registrar at such place as the Trustee shall approve not less than 24 Hours before the time appointed for holding the meeting at which the proxy or proxies named in the Block Voting Instruction or form of proxy proposes to vote and, in default, the Block Voting Instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each Block Voting Instruction and form of proxy shall be deposited with the Trustee before the commencement of the meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such Block Voting Instruction or form of proxy.

Any vote given in accordance with the terms of a Block Voting Instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or form of proxy or of any of the instructions of the relevant holder or the relevant Clearing System (as the case may be) pursuant to which it was executed ***provided that*** no intimation in writing of such revocation or amendment has been received from the Paying Agent (in the case of a Block Voting Instruction) or from the holder thereof (in the case of a proxy) by the Issuer at its registered office (or such

other place as may have been required or approved by the Trustee for the purpose) by the time being 24 Hours (in the case of a Block Voting Instruction) or 48 Hours (in the case of a proxy) before the time appointed for holding the meeting at which the Block Voting Instruction or form of proxy is to be used.

**5) Chairman**

(i) The chairman of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman.

(ii) The chairman may, but need not, be a Noteholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

**6) Attendance**

The following may attend and speak at a meeting:

a) Eligible Persons, and any of their agents;

b) the chairman; and

c) the Issuer, the Trustee (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak without the prior written approval of the Trustee.

**7) Quorum and Adjournment**

(i) No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders or if the Issuer and the Trustee agree, be dissolved and in any other case it shall be adjourned until such date, not less than ten Business Days nor more than 35 (thirty-five) Business Days later, at a time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved ***provided that*** in respect of a Reserved Matter only, if both the initial meeting and adjourned meeting are dissolved for failure to reach a quorum, the relevant Reserved Matter will be resolved in accordance with the content of the Non-Binding Opinion.

(ii) One or more Noteholders or agents present in person shall be a quorum only if they represent the proportion of the Principal Amount Outstanding of the Notes then outstanding shown by the table below.

| | Purpose of meeting | Any meeting except one previously adjourned through want of a quorum | Meeting previously adjourned through want of a quorum |
|---|---|---|---|
| | To pass a Basic Terms Modification | More than 66 per cent. | More than 66 per cent. |
| | To pass a Reserved Matter | More than 51 per cent. | More than 30 per cent. |
| | To pass a Class B Reserved Matter | More than 51 per cent. | More than 30 per cent. |
| | To pass any other resolution (other than a Basic Terms Modification, Class B Reserved Matter or a Reserved Matter) | More than 51 per cent. | More than 45 per cent. |
| | | | |

(iii) The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been lawfully transacted (but for lack of required quorum) at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph (iii) or paragraph (i).

(iv) At least 10 (ten) Business Days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting.

**8) Voting**

(i) Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Trustee or one or more persons representing at least 2 per cent. of the Notes. This paragraph (i) shall not apply where there is only one voter.

(ii) Unless a poll is demanded a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

(iii) If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

(iv) A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

(v) On a show of hands every Eligible Person has one vote. On a poll every such person has one vote for each €1 (one euro) in Principal Amount Outstanding of Notes of the relevant Class so produced or represented by the proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

(vi) To pass an Extraordinary Resolution, a majority consisting of not less than the percentage of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than the percentage of the votes cast on such poll is required, in each case as specified in the definition of Extraordinary Resolution.

**9) Effect and Publication of a Resolution**

(i) An Extraordinary Resolution passed at any meeting or duly signed by the required majority of Noteholders (or any Class thereof) shall be binding on all Noteholders (or, as the case may be, all Noteholders of such Class), whether or not they are present at such meeting or signed such resolution, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Noteholders within ten Business Days in accordance with Condition 17 (*Notices*) but failure to do so shall not invalidate the resolution.

(ii) Subject to paragraph 9.1 (i) , an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class of Notes shall be binding on the holders of all other Classes of Notes irrespective of the effect on them, except that (1) an Extraordinary Resolution of the holders of any class of Notes (including, for the avoidance of doubt, the Most Senior Class of Notes) to sanction a Basic Terms Modification, shall not take effect unless it has also been sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes affected (economically or otherwise) and (2) in relation to a Class B Reserved Matter, an Extraordinary Resolution of the holders of the Class B Noteholders and Class J Noteholders is binding on all Noteholders.

(iii) Subject to paragraphs 9 (i) and 9 (ii), an Extraordinary Resolution passed at a meeting of the Class B Noteholders or the Class J Noteholders shall not be

effective for any purpose while any Class A Notes are outstanding unless either (a) in the opinion of the Trustee, it would not be materially prejudicial to the interests of the Class A Noteholders or (b) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

(iv) Subject to paragraphs 9 (i) and 9 (ii) and 9 (iii) an Extraordinary Resolution passed at a meeting of the Class J Noteholders shall not be effective for any purpose while any Class B Notes are outstanding unless either (a) in the opinion of the Trustee, it would not be materially prejudicial to the interests of the Class B Noteholders or (b) it is sanctioned by an Extraordinary Resolution of the Class B Noteholders.

(v) In order to avoid conflict of interest that may arise as a result of any Seller having multiple roles in the Transaction, prior to the redemption in full of the Class A Noteholders, those Notes which are for the time being held by a Seller shall (unless and until ceasing to be so held) be deemed not to remain "outstanding" for the purposes of the right to vote at any meeting of Noteholders that is duly convened in accordance with the Conditions and these presents to transact on:

a) the delivery of an Enforcement Notice upon the occurrence of an Event of Default in accordance with Condition 11 (*Events of Default*);

b) without prejudice to paragraph 12(f), the direction of the sale of its Sub-Portfolio after the delivery of an Enforcement Notice upon occurrence of an Event of Default in accordance with Condition 11 (*Events of Default*);

c) the enforcement of any of the Issuer's Rights against such Seller in any role under the Transaction;

d) any waiver of any breach or authorisation of any proposed breach by such Seller (in any of its capacities under the Transaction Documents) of their obligations under or in respect of the Transaction Documents to which it is a party; and

e) any other matter in relation to which, in the reasonable opinion of the Trustee, may exist a conflict of interest between, on the one hand, the Class A Noteholders or the Class B Noteholders or Class J Noteholders of a different Series and such Seller in any role under the Transaction.

**10) Minutes**

Minutes shall be made of all resolutions and proceedings at every meeting and, if purported to be signed by the chairman of that meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

**11) Trustee's Power to Prescribe Regulations**

(i) Subject to all other provisions in this Deed, the Trustee may without the consent of the Noteholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including the holding of meetings by audio or video conference call in circumstances where it may be impractical or inadvisable to hold physical meetings.

(ii) Such regulations may, without prejudice to the generality of the foregoing, reflect the practices and facilities of any relevant Clearing System. Notice of any such further or alternative regulations may, at the sole discretion of the Trustee, be given to Noteholders in accordance with the Conditions at the time of service of any notice convening a meeting or at such other time as the Trustee may decide.

**12) Relationship between the Classes**

The foregoing provisions of this Section (*Provisions for Meetings of Noteholders*) shall have effect subject to the following provisions:

a) meetings of Noteholders of separate Classes may be held at the same time;

b) an Extraordinary Resolution that in the opinion of the Trustee affects one Class alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Class concerned;

c) an Extraordinary Resolution that in the opinion of the Trustee affects the Noteholders of more than one Class but does not give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed if duly passed at a single meeting of the Noteholders of the relevant Classes;

d) an Extraordinary Resolution that in the opinion of the Trustee affects the Noteholders of more than one Class and gives or may give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Noteholders of the relevant Classes; and

e) to all such meetings as aforesaid all the preceding provisions of this Section (*Provisions for Meetings of Noteholders*) shall *mutatis mutandis* apply as though references therein to Notes and to Noteholders were references to the Notes and Noteholders of the Class or Classes concerned;

f) the Class B1 Notes, Class B2 Notes, Class B3 Notes, Class B4 Notes, Class B5 Notes and Class B6 Notes shall be regarded as a single Class and the Class J1 Notes, Class J2 Notes, Class J3 Notes, Class J4 Notes, Class J5 Notes and Class J6 Notes shall be regarded as a single Class and, accordingly, all business in relation to such Class shall be resolved upon and transacted at a single Meeting of Noteholders ***provided that*** following repayment of the Class A Notes in full, any decisions regarding a Sub-Portfolio may be resolved by the holders of the related Series of Class B Notes and any such

resolution shall be binding on the holders of the other Series of Class B Notes and the Class J Noteholders.

**13) Written Resolutions**

(i) A Written Resolution signed by holders of at least 95 per cent. by Principal Amount Outstanding of a Class of Notes who for the time being are entitled to receive notice of a meeting in accordance with the provisions herein contained shall be valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders of such Class duly convened and held in respect of any Extraordinary Resolution including with respect to a Basic Terms Modification. Such Written Resolution may be contained in one document or in several documents in the same form, each signed by or on behalf of one or more of the Noteholders of such Class.

(ii) An Extraordinary Resolution duly signed by the required majority of the Noteholders (of any Class thereof) shall be binding on all Noteholders (or, as the case may be, all Noteholders of such Class) whether or not they signed such resolution.

**14) Electronic Consents**

(i) Where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Noteholders through the relevant Clearing System(s) as provided in paragraphs 14.2 and/or 14.3 below, each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 51 per cent. (or in relation to a Reserved Matter, Class B Reserved Matter, not less than 51 per cent. in relation to a Basic Terms Modification, not less than 66 per cent) in Principal Amount Outstanding of the relevant Class of Notes (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the relevant time and date for the blocking of their accounts in the relevant Clearing System(s) (the Consent Date). Any resolution passed in such manner shall be binding on all Noteholders of the relevant Class, even if the relevant consent or instruction proves to be defective. Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance.

(ii) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 (ten) days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant Clearing System(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given including, where applicable the Consent Date by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant Clearing System(s).

(iii) If, on the relevant day on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion of votes, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Note Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders of the relevant Class that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders of the relevant Class that insufficient consents were received in relation to the original resolution and the information specified in paragraph 14.2 above. For the purpose of such further notice, references to Consent Date shall be construed accordingly.

(iv) For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Trustee (i) which is not then the subject of a meeting that has been validly convened in accordance with these presents, unless that meeting is or shall be cancelled or dissolved or (ii) provided that a written request to convene a meeting in respect of the proposed resolution is not made pursuant to these presents before the Consent Date.

## TAXATION IN THE REPUBLIC OF SAN MARINO

*The following is a summary of certain tax aspects under San Marino law concerning Notes issued by the Issuer as of the date of this Offering Circular and does not purport to be a comprehensive description of all tax aspects relating to the Notes. Prospective investors should consult their tax and other professional advisers as to the specific consequences of acquiring, holding and disposing of any Notes.*

*Prospective noteholders should in any event seek their own professional advice regarding the San Marino or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of San Marino or other jurisdictions' tax rules on residence of individuals and entities.*

### Direct Taxes and related regulatory framework

The regulation of direct taxation in San Marino is contained in Law no. 166 of 16 December 2013 'General Income Tax' ("**Law no. 166/2013**"), which introduced into the San Marino legal system a set of detailed, clear and effective rules for the calculation of the taxable amount, the resulting tax and the controls and assessment procedures to be carried out by the Tax Office of the Republic of San Marino (the "**Tax Office**").

The reform of direct taxes, adopted with Law no. 166/2013, which came into force starting from the 2014 tax period, marked a step forward in the process of alignment of San Marino with European rules, thus allowing the application in San Marino of a certain taxation and its comprehensible survey aimed at drawing up a comparison analysis with the tax systems of other countries.

In general terms, the current tax system provides for the application of the principle of taxation of income wherever produced (Worldwide Taxation principle) for all taxpayers, both natural and legal persons, resident in San Marino territory for most of the reference tax period. Pursuant to Article 10 of Law no. 166/2013, a natural person is considered to be resident for tax purposes, in the reference tax period, when at least one of the following conditions is fulfilled:

- residence in the State of San Marino (for the purposes of this section, the "**State**") for most of the tax period;
- dwelling in the territory of the State for the greater part of the tax period;
- centre of vital interests in the territory of the State.

Pursuant to the combined provisions of Articles 1 and 5 of Law no. 166/2013, non-residents are subject to San Marino's taxation only in respect of income produced in the territory of San Marino.

The following are considered to be produced in the territory of the State:

(a) income from land and buildings within the boundaries of the State;

(b) capital income paid by the State, by persons resident within the territory of the State or by permanent establishments within the territory of the State of non-residents; such income shall not be regarded as income produced within the territory of the State when the person liable to pay is not resident;

(c) income from employment paid in the State or abroad by residents of the State;

(d) income from self-employment derived from activities carried out within the territory of the State, or on behalf of persons resident or having a permanent establishment in the State;

(e) business income derived from activities carried on in the territory of the State through a permanent establishment or on behalf of residents;

(f) any other income derived from activities carried on within the territory of the State and from property situated within the territory of the State. For this purpose, capital gains deriving from the transfer of shareholdings in resident subjects are always presumed to be realised in the territory of the Republic of San Marino, while capital gains deriving from the transfer of financial instruments issued by non-resident subjects are always presumed not to be realised in the territory of the State.

The taxation of business income produced by non-residents takes place through the isolated taxation of individual income, pursuant to article 5 of Law no.166/2013.

An initial goal achieved following the entry into force of the 2013 tax reform became concrete in 2014 with the elimination of San Marino from the blacklist of the Italian Republic, which identifies jurisdictions with privileged tax regimes. The elimination took place pursuant to the Ministerial Decree of 12 February 2014 issued by the Italian Ministry of Economy and Finance, which updates the list introduced by the Decree of 4 May 1999. Among the reasons that led to the exclusion of the Republic of San Marino from the list of countries with privileged tax regimes is the following: "*In view of Law no. No. 166 of 16 December 2013, by which the Republic of San Marino established a new general income tax, in order to pursue the objective of a recovery of efficiency in the tax collection through, inter alia, the reduction or cancellation of flat-rate deductions, the abolition of the systems of flat-rate income determination, the introduction of a single system of progressive taxation by income brackets, the transition from the system of exemption to that of taxation on a worldwide basis with recognition of the tax credit for income produced abroad*". In this consideration emerges the substantial difference between the pre-reform legislation and the current discipline.

A second important differentiation between the previous system and the current one is represented by the endowment of legal instruments available to the Tax Office in order to allow the carrying out of controls and assessments in an effective and targeted manner. These regulations, which have undergone changes and additions over the years, guarantee adequate means of control and dissuasive instruments, providing for the separation of control and assessment functions and granting the Tax Office adequate powers in the exercise of these functions. The current legal framework attributes to the Tax Office appropriate powers and instruments to effectively ascertain compliance with tax duties by taxpayers, to whom Title IX "Assessment" is dedicated, which regulates tax controls, assessments and finally the rights and guarantees of the taxpayer.

In the last period, in line with the objectives set out in the 2013 reform, the IT systems for collecting data contained in the tax returns of individuals and legal entities have been improved. It is now possible to obtain extremely detailed data that also take into account, with a view to examining their goodness and their evolution over time, the variability to which some indicators are subject, such as the value "Taxable" and the value "Tax", as a result of adjustments to tax returns submitted by the taxpayer following tax assessments or on a voluntary basis.

San Marino provides fiscal incentives for investments in high innovative enterprises, a tax regime introduced by Delegated Decree no. 101/2019 of 13 June 2019, which is in line with the latest international developments on the taxation of non-IP income and recommendations under Action 5 of the OECD's Base Erosion Profit Shifting ("**BEPS**") Action Plan. Tax incentives are offered to individuals who invest in innovative enterprises, which will be considered innovative when it receives a specific certification from an external auditor. Start-ups will be assessed based on their business plan.

San Marino's national tax framework is compliant with the EU Code of Conduct Group on Business Taxation, especially thanks to the work done to bring San Marino up to the minimum standards of the BEPS project mentioned above, especially on the positive peer reviews obtained in 2018 (Action 5) and 2019 (Action 13).

**Financial instruments fiscal framework**

Under the current provisions of the San Marino tax system, income resulting from financial instruments received by natural and legal persons is subject to a withholding tax which varies according to the financial instrument, the place where the income is produced and whether or not double taxation agreements ("**DTAs**") are in place for non-residents. In particular, the "ABS bond (or titles)" to be placed on the international market, will be exempt from interest, capital gains and registration tax.

Therefore, the Notes and any income received by the Noteholders thereon (including but not limited to payments of principal and interest by the Issuer) are exempt from any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature (including income, registration, transfer or turnover taxes and customs or other duties) levied, collected, withheld or assessed by or within the Republic of San Marino or by any subdivision of or authority therein or thereof having power to tax.

**Transparency and International Exchange of Information**

Since November 2010, significant amendments have been made to the legislation of San Marino in order to ensure an effective exchange of information and to bring its laws in line with international standards. This includes the abolition of banking secrecy provisions and establishment of anonymous companies, the granting of greater powers to the competent authority (the Central Liaison Office) and the strengthening of mechanisms to combat fraud and tax offences. San Marino's efforts on improving its regulatory and legal framework has been acknowledged at the OECD's Global Forum on Transparency and Information Exchange, which has confirmed San Marino's compliance with international standard on tax transparency and exchange of information, with San Marino being assigned an overall rating of "*Compliant*". In particular, with regard to the opinion of the Global Forum of the OECD, in July 2018 San Marino was considered compliant by the peer assessment group as for the exchange of information for tax purposes upon request, thus further improving the previous 2013 rating as "largely compliant".

The Central Liaison Office (CLO) was designated as the Competent Authority for the implementation and management of administrative collaboration and exchange of information in tax matters. The CLO was established by Law No. 95 of June 18, 2008. This law regulates the services of supervision and monitoring of economic activities to prevent and combat tax fraud, "similar behaviour," and distortions in interchange, as well as administrative cooperation with other states in compliance with international agreements signed by the Republic of San Marino. This law was then partially amended by Decree-Law No. 36 of February 24, 2011 and finally merged, and supplemented by other measures, into Law No. 174 of November 27, 2015 (International Tax Cooperation) as subsequent amended.

In order to implement its commitments on transparency and international cooperation, San Marino adopted Law no. 174 of 25 November 2015 – "International Tax Cooperation", which established the principles and procedures for the various types of information exchange, thus providing the legal basis for the implementation of the aforementioned international instruments (including the Convention on Mutual Administrative Assistance in Tax Matters, the various DTAs and agreements on the exchange of information ("**TIEAs**"), Agreement between the European Union and the Republic of San Marino on the Automatic Exchange of Financial Information to Improve International Tax Compliance and FATCA).

With regard to international cooperation in tax matters, the Government points out that San Marino started to comply with OECD standards from the very beginning with respect to automatic exchange of information

(the so-called Common Reporting Standard); San Marino was indeed in the group of the so-called "early adopters" and, in October 2014, it signed the "OECD Multilateral Competent Authority Agreement ".

The OECD published a report in 2020 and 2021 to present updated results of the peer reviews conducted by the Global Forum with respect to the domestic and international legal frameworks put in place by the first 105 jurisdictions to implement the AEOI Standard. It also includes, for the first time, the results of the initial reviews in relation to the effectiveness of the implementation of the AEOI Standard in practice. San Marino has been assigned an overall rating of "On track" that means compliant to the standard.

San Marino is committed to maintaining transparency and international cooperation. Over the years, a number of actions and measures have been put in place to enhance the exchange of information on taxation matters. Since April 2009, the Republic of San Marino has signed a number of TIEAs and the elimination of double taxation ("DTA") with several countries and jurisdictions, which were all prepared in accordance with the standards of the Organisation for Economic Cooperation and Development ("**OECD**"). San Marino has also been on the OECD white list since 23 September 2009.
San Marino is a signatory to many international conventions promoting transparency and information exchange, including:

- The Convention on Mutual Administrative Assistance in Tax Matters (in force in San Marino since 1 December 2015);
- The Multilateral Agreement between Competent Authorities in the Exchange of Financial Information;
- The Multilateral Competent Authority Agreement for Country-by-Country Reporting (Implementing Delegated Decree adopted in San Marino in January 2019);
- The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (in force in San Marino since 1 July 2020). This agreement leads to the simultaneous amendment of more than 3,000 existing DTAs in order to align them with the BEPS principles.

As at the date of this Offering Circular, San Marino has signed 25 DTAs, 11 of which are with EU member states (including signing, in certain cases, Protocols of Amendment to adapt the relevant agreement to conform with OECD standards on the exchange of information); and 31 TIEAs, 11 of which are with EU member states. 53 of these agreements are currently in force and all other agreements signed but not yet in force have been ratified by the Great and General Council. The San Marino authorities are continuously working to expand the network of DTA and TIEA agreements, with three DTAs recently being initialled and negotiations underway for the same agreement with another country.

In addition, considering the enforcement of the DTA entered by the Italian Republic and the Republic of San Marino that came into force on 3 October 2013, the same states signed an Economic Cooperation Agreement and a Financial Cooperation Agreement on 26 January 2015.

San Marino concluded negotiations with the EU in October 2015 on the *Agreement between the European Union and the Republic of San Marino on the Automatic Exchange of Financial Information to Improve International Tax Compliance*, which amended the 2004 "'*Agreement between the Republic of San Marino and the European Community establishing measures equivalent to those defined in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments*". This new agreement implemented the *Global Standard on Automatic Exchange of Financial Information,* adopted by the OECD and entered into force on 1 January 2016.

In terms of application of FATCA, San Marino signed the Agreement for Cooperation to facilitate the application of FATCA regulations with the United States of America on 28 October 2015, and which entered into force on 30 August 2016. San Marino exchanges information with the United States of America pursuant to an intergovernmental agreement implementing FATCA.

San Marino has negotiated Model 2 Intergovernmental Agreement ("**IGA**"), i.e. the model agreement whereby the partner jurisdiction enables all FFIs (foreign financial institutions) located in its jurisdiction (San Marino) to report the specified information on US citizens' accounts directly to the IRS, considering however that FFIs must identify US citizens' accounts in accordance with the Due Diligence Regulation contained in Annex 1 to the IGA.

At the same time, with the negotiations for the conclusion of FATCA and also in the following years, San Marino has established a dialogue with its counterpart in order to start further processes aimed at concluding new important agreements between the two countries for a more complete regulation of relations and positions of citizens with interests in the two jurisdictions: San Marino and the United States of America.

**U.S. foreign account tax compliance act withholding**

Pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of San Marino) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Further, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Under the Subscription Agreement entered into on or prior to the Issue Date among, *inter alios*, (i) JPM in its capacity as International Placement Agent and Arranger, (ii) the Sellers in their capacities as Seller and Mezzanine Notes Subscriber and Junior Notes Subscriber; and (iii) the Seller Banks in their quality of Local Placement Agents:

(i) the Sellers have agreed to subscribe and pay for the Mezzanine Notes and Junior Notes and retain such Notes for the entire life of the Transaction;

(ii) the International Placement Agent has agreed to use its best efforts to procure purchasers to subscribe for the Senior Notes outside the Republic of San Marino; and

(iii) the Local Placement Agents have agreed to use their best efforts to procure purchasers to subscribe for the Senior Notes inside the Republic of San Marino

The Subscription Agreement is subject to a number of conditions.

In the context of the Subscription Agreement, each of the Sellers has agreed to retain from the Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% (five per cent.) in accordance with paragraph (d) of Article 6(3) of the Securitisation Regulations (or any permitted alternative method thereafter).

Any sale of the Notes shall comply in all material respects with the restrictions below and all applicable laws and regulations in each jurisdiction in or which the Notes may be offered or sold.

### UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.

Each of the Issuer and each Notes Subscriber has represented and has agreed under the Subscription Agreement that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. None of the Issuer each Notes Subscriber, nor their respective Affiliates nor any persons acting respectively on behalf of the Issuer, each Notes Subscriber, or their respective Affiliates, have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect.

***The Notes covered hereby have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Notes Subscribers, except in either case in accordance with Regulation S under the Securities Act.***

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

In no event shall any Notes be sold or transferred to or for the account or benefit of a U.S. person except to a "qualified purchaser" within the meaning of Section 3(c)(7) under the Investment Company Act.

Notwithstanding anything herein to the contrary, in no event shall any Notes be sold, directly or indirectly, to or for the account of a Risk Retention U.S. person (as that term is defined in the U.S. Risk Retention Rule (defined herein)) (a "**Risk Retention U.S. Person**") nor otherwise in a manner intended to evade the requirements of the U.S. Risk Retention Rules. 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 limitation on Risk Retention U.S. Persons in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Terms used in this paragraph and not otherwise defined herein shall have the meaning given to them by Regulation S under the Securities Act.

**REPUBLIC OF ITALY**

Each of the Issuer and each Notes Subscriber has acknowledged that no action has been or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Pursuant to the Subscription Agreement, each of the Issuer and each Notes Subscriber has acknowledged that no application has been made by the Issuer to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and each Notes Subscriber has represented and agreed 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 the Notes, this Prospectus nor any other offering material relating to Notes other than to "professional investors" (*investitori qualificati*), pursuant to article 100 paragraph 1, letter (a) of Italian legislative decree No. 58 of 24 February 1998 (the "**Consolidated Financial Act**") or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act or CONSOB regulation No. 11971/1999, and in accordance with the applicable Italian laws and regulations.

In any case the Junior Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally, the Junior Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB Regulation 20307/2018, as amended and replaced from time to time.

Each of the Issuer and each Notes Subscriber has represented and agreed that any offer by it of the Notes of the relevant Class or Classes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, the Consolidated Financial Act, CONSOB Regulation No. 20307/2018 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules

and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

**FRANCE**

Each of the Issuer and each Notes Subscriber has represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of article L. 411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général de l'Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer and each Notes Subscriber has also represented and agreed in connection with the initial distribution of the Notes by it that:

(a) there has been and there will be no offer or sale, directly or indirectly, of the Notes by it to the public in the Republic of France (an *offre au public de titres financiers* as defined in article L. 411-1 of the French *Code monétaire et financier*);

(b) offers and sales of the Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with articles L.411-2 and D.411-1 of the French *Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 of the French *Code monétaire et financier* acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) as mentioned in article L. 411-2, L. 533-16 and L. 533-20 of the French *Code monétaire et financier* (together the "**Investors**");

(c) offers and sales of the Notes in the Republic of France will be made on the condition that:

  (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors; and

  (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

**UNITED KINGDOM**

***Prohibition of sales to UK Retail Investors***

Each of the Issuer and each Notes 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 in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

  (ii) a customer within the meaning of the provisions of the 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

(b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

***Other regulatory restrictions***

Each of the Issuer and each Notes Subscriber has represented and agreed will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**PROHIBITION OF SALES TO 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 EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

**REPUBLIC OF SAN MARINO**

In accordance with Article 106, paragraph 2(d) of the Law 17 November 2005, No. 165 of the Republic of San Marino (the "**LISF**"), any offer, invitation, promotional message, in any form addressed to the public, aimed at the sale or subscription of Notes does not constitute a solicitation of investments under the LISF, as the Notes are issued by the Republic of San Marino.

Nevertheless, each of the Issuer and each of the Notes Subscribers has represented, warranted and agreed that it will make offers, invitations or promotional communications, in any form, aimed at the sale or the subscription of the Notes in the Republic of San Marino only to professional clients pursuant to Article 106, paragraph 2(a) of the LISF, as defined in Article 1, paragraph 1, letter f) of Regulation No. 2006-03 (Agg. XV) on collective investment services issued by the Central Bank.

Professional clients under Article 1, paragraph 1, letter f) of Regulation No. 2006-03 are:

(a) persons authorised to carry out reserved activities under Title II of the LISF;

(b) foreign persons that carry out reserved activities equivalent to those set out in Title II of the LISF in the jurisdiction in which they are established, in accordance with the applicable authorisations in such jurisdiction;

(c) companies which have issued financial instruments listed in regulated markets;

(d) companies meeting at least two of the following criteria:

(i) balance sheet exceeding €20 million;

(ii) revenues exceeding €40 million;

(iii) net worth exceeding €2 million;

(e) States, central banks, international and supranational institutions;

(f) natural persons that explicitly require to be treated as professional clients and which have explicitly accepted the lower level of protection due to such qualification, subject to the following conditions being met:

(i) persons holding liquidity and financial instruments freely disposable for a nominal amount exceeding €500,000;

(ii) persons having a specific competence in markets and financial instruments, gained through professional, teaching or operational experience exceeding one year;

(g) legal persons that explicitly require to be treated as professional clients, to the extent its legal representative meets the criteria set out above for natural persons.

Any offer, sell or delivery of the Notes, or distribution of copies of this Prospectus or of any other documents relating to the Notes in the Republic of San Marino, shall be made exclusively by Authorised Persons (pursuant to Article 75 and 76 of the LISF and pursuant to the Annex I paragraph (D) of the LISF).

**GENERAL RESTRICTIONS**

Pursuant to the Subscription Agreement, the Issuer, and the Noteholders (including the Notes Subscribers) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, prospectus (including the 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, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

Persons into whose hands this Prospectus comes are required by the Issuer and the Notes Subscribers 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.

## GENERAL INFORMATION

### Listing and admission to trading

Application has been made for the Senior Notes to be admitted to trading on Euronext Access Milan, 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 the Mezzanine Notes and the Junior Notes on any stock exchange.

### Authorisation

Since the date of its incorporation, the Issuer has not entered into any agreement or effected any transaction other than those related to the purchase of the Banking Assets or which are instrumentals to the Transaction. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a resolution of the Sole Director of the Issuer passed on 28 November 2023.

### Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections made in respect of the Banking Assets thereunder.

### Clearing systems

The Notes have been accepted for clearance by Euroclear and Clearstream, Luxembourg. The ISIN and Common Codes for the Notes are as follows:

| Class | ISIN | Common Code |
|---|---|---|
| Class A Notes | XS2728633186 | 272863318 |
| Class B1 Notes | XS2728633269 | 272863326 |
| Class B2 Notes | XS2730788861 | 273078886 |
| Class B3 Notes | XS2730788945 | 273078894 |
| Class B4 Notes | XS2730789083 | 273078908 |
| Class B5 Notes | XS2730789166 | 273078916 |
| Class B6 Notes | XS2730789240 | 273078924 |
| Class J1 Notes | XS2728633343 | 273078983 |
| Class J2 Notes | XS2730789323 | 273078932 |
| Class J3 Notes | XS2730789596 | 273078959 |
| Class J4 Notes | XS2730789679 | 273078967 |
| Class J5 Notes | XS2730789752 | 273078975 |

| | | |
|---|---|---|
| Class J6 Notes | XS2730789836 | 273078983 |

**No material adverse change**

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its last published audited financial statements.

**Litigation**

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had, since the date of its incorporation, a significant effect on the financial position of the Issuer.

**Post Issuance Reporting**

Under the terms of the Cash Allocation, Management and Payments Agreement, the Calculation Agent has undertaken to (i) prepare not later than 5 (five) Business Days after each Payment Date (the "**Semi-Annual Investor Report Date**"), and (ii) deliver, via electronic mail, to the Trustee, the Paying Agent, the Rating Agencies, the Reporting Entity, the Servicer, the Sellers and the Cap Counterparty an investors report, substantially in the form attached thereto as Schedule 2 (*Form of Semi-Annual Investor Report*) (the "**Semi-Annual Investors Report**") which shall be based on the information provided by the Sellers upon Calculation Agent's request and on the data contained in the relevant Semi-Annual Servicing Report, in the relevant Quarterly Servicing Report (as the case may be) and in the relevant Payments Report. Such report will be available for inspection on the Reporting Website or on such other website as will be notified by the Issuer (or its agent) in accordance with Clause 15 (*Communications*) of the Cash Allocation, Management and Payments Agreement.

**Documents available for inspection**

As long as the Notes are outstanding, copies of the following documents in electronic form may be inspected during usual office hours on any weekday at the registered office of the Issuer and of the Trustee, and on the Reporting Website, at any time after the Issue Date:

a) the by-laws ("*statuto*") and the deed of incorporation ("*atto costitutivo*") of the Issuer;

b) the financial statements of the Issuer and the relevant auditors'reports;

c) the Monthly Servicing Report, which has a monthly frequency, setting forth the performance of the Banking Assets and the Collections made in respect of the Banking Assets prepared by the Special Servicer;

d) the Quarterly Servicing Report, which has a quarterly frequency, setting forth the performance of the Banking Assets and the Collections made in respect of the Banking Assets prepared by the Special Servicer;

e) the Semi-Annual Servicing Report, which has a semi-annual frequency, setting forth the performance of the Banking Assets and the Collections made in respect of the Banking Assets prepared by the Special Servicer;

f) the Loan by Loan Information, which has a quarterly frequency, setting forth also certain information required pursuant to point (a) of the first subparagraph of article 7(1) of the Securitisation Regulations, prepared by the Special Servicer;

g) the SR Investor Report setting forth certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii) of the first sub-paragraph of article 7(1) of the Securitisation Regulations, prepared by the Calculation

Agent; each SR Investor Report will be also made available on each SR Investor Report Date on the Reporting Website.

h) the Semi-Annual Investors Report;

i) copies of the following documents:

i. Servicing Agreement;

ii. Advisory Master Servicing Agreement;

iii. Advisory Special Servicing Agreement;

iv. BP Developer Services Agreement;

v. Cash Allocation, Management and Payments Agreement;

vi. Transfer Agreements;

vii. Servicing Agreement;

viii. Interim Servicing Agreement;

ix. RSM Guarantee Agreement;

x. Escrow Account and Pledge Agreement;

xi. Italian Account Pledge;

xii. English Account Bank Agreement;

xiii. Paying Agency Agreement;

xiv. Subscription Agreement;

xv. Deed of Charge;

xvi. Notes Trust Deed;

xvii. Quotaholder Agreement;

xviii. Cap Agreement;

xix. Subordinated Loan Agreements; and

xx. this Prospectus.

**Information available in the internet**

As long as the Senior Notes are admitted to trading on the Euronext Access Milan, the Prospectus, the financial statements of the Issuer (if available) and the Semi-Annual Investor Report shall also be published on website of the Issuer being, as at the date of this Prospectus, www.securitisation-services.com.

The websites referred to in this Prospectus and the information contained in such web-sites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

**Annual fees**

The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 135,000 *per annum*.

The total expenses payable in connection with the admission of the Senior Notes to trading on Euronext Access Milan, amount approximately to Euro 3,000.

**LEI code**

The legal entity identifier (LEI) of the Issuer is 9845005AACV451MDYD84.

## GLOSSARY

"**739**" means 739 SG S.p.A..

"**739 Banking Assets**" means the portfolio of banking assets as identified in the 739 Transfer Agreement in accordance with the San Marino Securitisation Law.

"**739 Collection Account**" means a Euro denominated account (with account number 7617579780 and IBAN IT55R0335101600007617579780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections of from the 739 Banking Assets, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**739 Portfolio**" means the portfolio of banking assets as identified in the 739 Transfer Agreement in accordance with the San Marino Securitisation Law.

"**739 Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and 739.

"**Acceding Secured Creditor**" has the meaning given to such term in the Deed of Charge.

"**Accession Undertaking**" means an undertaking made by a new Secured Creditor substantially in the form set out in Schedule 1 (*Form of Accession Undertaking*) of the Deed of Charge.

"**Acceleration Order of Priority**" means the Acceleration Order of Priority set out in Condition 6.2 (*Acceleration Order of Priority*).

"**Account Banks**" means together, the English Account Bank, the Italian Account Bank and the SM Account Bank and "**Account Bank**" means any of them.

"**Acquired Real Estate Assets**" means non-instrumental real estate assets, previously acquired for debt collection or aggregation operations pursuant to articles 1, 7 and 14(1)(c) of the San Marino Securitization Law and pursuant to article 52 of the LISF.

"**Acquired Movable Assets**" means non-instrumental movable property, previously acquired for debt collection or aggregation operations pursuant to articles 1, 7 and 14(1)(c) of the San Marino Securitization Law and pursuant to article 52 of the LISF.

"**Administrative Closing of the Debt Position**" write-off (*stralcio*) of the Debt Position in the Special Servicer's computer system

"**Advisory Master Servicing Agreement**" means the advisory master servicing agreement entered into on 29 November 2023 between the Issuer, the Master Servicer and Master Servicer Adviser.

"**Advisory Special Servicing Agreement**" means the advisory special servicing agreement entered into on 29 November 2023 between the Issuer, the Special Servicer and the Special Servicer Adviser.

"**Affiliates**" means a Subsidiary of a Holding Company of a person or any other Subsidiary of that Holding Company.

"**Agents**" means the Account Banks, the Calculation Agent, the Paying Agent and the Registrar collectively, and "**Agent**" means any of them.

"**Aggregate Repurchase Cap**" means the maximum aggregate limit, equal to a percentage of the Purchase Price, applicable cumulatively to the repurchase assumptions in clauses 7.11, 9.1(m) and 9.2(a) and (c) of the relevant Transfer Agreement.

"**Alternative Benchmark Rate**" means an alternative reference rate to be substituted for EURIBOR in respect of the Class A Notes, being any of the following:

a) a reference rate which has been recognised or endorsed as a rate which should or could be used, subject to adjustments (if any), to replace EURIBOR by either (x) the ECB, ESMA, or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Euro Risk-Free Rates or (y) an industry body recognised nationally or internationally as representing participants in the asset backed securitisation market generally; or

b) a reference rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes in the 6 months prior to the proposed effective date of such Benchmark Rate Modification; or

c) such other reference rate as the Issuer or the Rate Determination Agent reasonably determines ***provided that*** this option may only be used if the Issuer certifies to the Trustee that, in its reasonable opinion, neither paragraphs (a) or (b) above are applicable and/or practicable in the context of the Class A Notes and that the Issuer has received from the Rate Determination Agent (where such Rate Determination Agent has been appointed) reasonable justification of such determination.

"**Ancillary Rights**" means in relation to any asset, agreement, property or right (each a "**Right**" for the purpose of this definition), all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities as well as termination and any other formative rights in respect of such Right.

"**Ancillary Guarantees**" means any personal or collateral guarantee, other than a Mortgage, given by a Guarantor to guarantee specific Banking Assets (including, for the avoidance of doubt, so-called *fideiussioni omnibus*) identified in the relevant Banking Asset Identification Document.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Issuer or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"**Applicable Law**" mean all applicable statutes, statutory instruments, orders, rules, regulations, common law or law of equity, court orders, judgments or decrees, codes of practice, including but not limited to the San Marino Securitisation Regulation, the Code of Conduct and any data protection laws and regulations, regulatory policies and guidelines (having the force of law) in force from time to time.

"**Appointee**" means any delegate, agent, nominee, custodian, attorney, manager or co-trustee appointed by the Trustee pursuant to the provisions of the Trust Documents.

"**Approval**" means the approval of the Program pursuant to and for the purposes of Article 14, Paragraph 2(f) of the San Marino Securitisation Law by the BCRS's Supervisory Coordination, requested by the Issuer and filed on 27 November 2023.

"**ARC Rating**" means ARC Ratings S.A..

"**Arranger**" means J.P. Morgan Securities PLC.

"**Assigned Debtor**" means the principal obligor for the payment of the relevant Banking Asset (meaning, in the case of Loans, each party to the relevant Loan Agreements (as obligor or joint obligor) and/or any assignee, successor or assignee obligated to pay the relevant Banking Assets.

"**Authorised Person**" means any person who is designated in writing by the Issuer from time to time to give Instruction to the Italian Agents under the terms of the Cash Allocation, Management and Payments Agreement.

"**Authorised Signatory**" means, in relation to any Transaction Party, any person who is duly authorised and, in the case of the Issuer and the Sellers, in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act.

"**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign.

"**BAC IBS Banking Assets**" means the portfolio of banking assets as identified in the BAC Transfer Agreement in accordance with the San Marino Securitisation Law

"**BAC IBS**" means Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A..

"**BAC IBS Collection Account**" means a Euro denominated account (with account number 7617529780 and IBAN IT86M0335101600007617529780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections from the BAC IBS Portfolio, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**BAC IBS Portfolio**" means the portfolio of banking assets as identified in the BAC Transfer Agreement in accordance with the San Marino Securitisation Law.

"**BAC IBS Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and BAC IBS.

"**Bail-in Powers**" means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation.

"**Bail-In Legislation**" means in relation to any member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time and in relation to the Republic of San Marino, the relevant implementing law, regulation, rule or requirement implementing any provisions similar or analogous to the BRRD from time to time.

"**Banca Finint**" means Banca Finint S.p.A..

"**Banking Assets**" means, together, the BSM Banking Assets, 739 Banking Assets, SGA Banking Assets, BAC IBS Banking Assets, CRSS Banking Assets and VPSFP Banking Assets.

"**Banking Asset Identification Document**" (*Documento di Identificazione degli Attivi Bancari*) means the receivables identification document in annex A (*Banking Asset Identification Document*) of the Transfer Agreements, as subsequently replaced pursuant to clause 3.1. of the relevant Transfer Agreement.

"**Basic Terms Modification**" means:

(a) any modification to the date of maturity of the Notes;

(b) any modification to the date of any payment of interest, principal or other amounts on the Notes;

(c) any modification which would have the effect of altering the amount of principal, the amount or rate of interest or any other amount (including variable return) payable in respect of a Class or Series of Notes;

(d) any modification to the priority of payment of interest or principal or any other amount (including variable return) on the Notes;

(e) any modification to the currency of payment of the Notes;

(f) the appointment or removal of the Trustee;

(g) any modification to the definitions of Basic Terms Modification, Class B Reserved Matter and Reserved Matter;

(h) any modification to the provisions concerning the quorum required at any meeting of Noteholders or the majority required to effect a Basic Terms Modification or to pass an Extraordinary Resolution.

"**BCRS**" means Banca Centrale della Repubblica di San Marino.

"**Benchmark Rate Modification**" means any modification to the Conditions or any other Transaction Document or entering into any new, supplemental or additional document that the Issuer or the Rate Determination Agent considers necessary or advisable for the purpose of changing the benchmark rate from EURIBOR in respect of the Notes to the Alternative Benchmark Rate and making such other amendments to the Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer and/or the Rate Determination Agent to facilitate the changes envisaged pursuant to Condition 18 (*Benchmark Rate Modification*).

"**Benchmark Rate Modification Certificate**" means a certificate signed by the Issuer and the Rate Determination Agent (where such Rate Determination Agent has been appointed) and addressed to the Trustee and copied to the Agents and the Paying Agent certifying that:

a) the Benchmark Rate Modification is being undertaken as a result of the occurrence of a Benchmark Rate Modification Event and such modification is required solely for such purpose and has been drafted solely to such effect; and

b) the Alternative Benchmark Rate proposed falls within limb (a), (b) or (c) of the definition of Alternative Benchmark Rate and where limb (c) applies, the Issuer shall certify that, in its opinion, none of paragraphs (a) or (b) of the definition of Alternative Benchmark Rate is applicable and/or practicable in the context of the Class A Notes and sets out the justification for such determination (as provided by the Rate Determination Agent (where such Rate Determination Agent has been appointed)); and

c) either (i) it has obtained written confirmation from each of the Rating Agencies that the proposed Benchmark Rate Modification would not result in a Negative Ratings Action; or (ii) it has been unable to obtain written confirmation from each of the Rating Agencies that the proposed Benchmark Rate Modification would not result in a Negative Ratings Action but it has received oral confirmation from an appropriately authorised person at such Rating Agency; or (iii) it has given the Rating Agencies at least 10 (ten) Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such Benchmark Rate

Modification would result in a Negative Ratings Action; and

d) the details of and the rationale for the Note Rate Maintenance Adjustment (or absence of any Note Rate Maintenance Adjustment) are as set out in the Benchmark Rate Modification Noteholder Notice;

e) the consent of each Secured Creditor (other than the Noteholders and the Trustee) whose consent is required to effect the proposed Benchmark Rate Modification pursuant to the provisions of the Transaction Documents and any Agent whose responsibility it is to calculate the interest rate has been obtained and no other consents are required to be obtained in relation to the Benchmark Rate Modification; and

f) the Benchmark Rate Modification Costs will be paid by the Issuer under item (*First*) of the applicable Order of Priority.

"**Benchmark Rate Modification Costs**" means all fees, costs and expenses (including legal fees or any initial or ongoing costs associated with the Benchmark Rate Modification) properly incurred by the Issuer and the Trustee or any other Transaction Party in connection with the Benchmark Rate Modification.

"**Benchmark Rate Modification Event**" means the occurrence of any of the following:

a) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Class A Notes and/or under the Cap Agreement, or pursuant to which any such use is subject to material restrictions or adverse consequences;

b) a material disruption to EURIBOR, or EURIBOR ceasing to exist or to be published, or the administrator of EURIBOR having used fallback methodology for calculating EURIBOR for a period of at least 30 (thirty) calendar days;

c) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);

d) a public statement by the EURIBOR administrator that, upon a specified future date (the "specified date"), it will cease publishing EURIBOR or EURIBOR will not be included in the register under Article 36 of the EU Benchmarks Regulation permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR or where there is no mandatory administration), provided that if the specified date is more than 6 months in the future, the Benchmark Rate Modification Event will occur upon the date falling 6 months prior to the specified date;

e) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be, upon a specified future date (the specified date), permanently or indefinitely discontinued, or which means that EURIBOR may no longer be used or that it is no longer a representative benchmark rate or that its use is subject to restrictions for issuers of asset backed floating rate notes, provided that if the specified date is more than 6 months in the future, the Benchmark Rate Modification Event will occur upon the date falling 6 months prior to the specified date;

f) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the ECB, ESMA, or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Euro Risk-Free Rates, despite the continued existence of EURIBOR; or

g) it being the reasonable expectation of the Issuer (or the Rate Determination Agent acting on

behalf of the Issuer) that any of the events specified in sub-paragraphs (a), (b) or (c) will occur or exist within six (6) months.

"**Benchmark Rate Modification Noteholder Notice**" means a written notice from the Issuer to notify Noteholders of a proposed Benchmark Rate Modification confirming the following:

a) the date on which it is proposed that the Benchmark Rate Modification shall take effect;

b) the period during which Noteholders of the Most Senior Class of Notes who are Noteholders on the Benchmark Rate Modification Record Date may object to the proposed Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect and continue for a period of not less than 30 calendar days) and the method by which they may object;

c) the Benchmark Rate Modification Event or Benchmark Rate Modification Events which has or have occurred;

d) the Alternative Benchmark Rate which is proposed to be adopted pursuant to Condition 18.2 (*Benchmark Rate Modification*) and the rationale for choosing the proposed Alternative Benchmark Rate;

e) details of any Note Rate Maintenance Adjustment;

f) details of any modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging agreement with the proposed Benchmark Rate Modification or, where it has not been possible to agree such modifications with hedging counterparties, why such agreement has not been possible and the effect that this may have on the Transaction (in the view of the Issuer or the Rate Determination Agent); and

g) details of (i) any amendments which the Issuer proposes to make to the Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Condition 18 (*Benchmark Rate Modification*).

"**Benchmark Rate Modification Record Date**" means the date specified as such in the Benchmark Rate Modification Noteholder Notice.

"**Benefit**" in respect of any asset, agreement, property or right (each a "**Right**" for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

(a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;

(b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;

(c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;

(d) the benefit of all powers of the remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

(e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.

"**Bid Process**" has the meaning given to it in Condition 8.5 (*Sale of the Portfolio*).

"**BNYM Parties**" means The Bank of New York Mellon SA/NV – Milan Branch, The Bank of New York Mellon SA/NV – London Branch, The Bank of New York Mellon SA/NV – Dublin Branch and BNY Mellon Corporate Trustee Services Limited in their respective roles pursuant to the Transaction Documents.

"**Book-Entry Interests**" means record book-entry interests representing beneficial interests in the Global Notes.

"**BP Developer Services Agreement**" means the business plan developer services agreement entered into on 29 November 2023 between the Issuer and the BP Developer.

"**BP Developer**" means Guber Banca S.p.A..

"**Breach of Duty**" means in relation to a person, a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person.

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**BRRD Liability**" means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised.

"**BRRD Party**" means any Party with any BRRD Liability under any of the Transaction Documents.

"**BRRD Stay Entity**" means any Party that is an institution or entity as referred to in Article 1(1), point (b), (c) or (d), of the BRRD and, to the extent any similar or analogous provisions apply under San Marino law, the Seller Banks.

"**BRRD Stay Powers**" means the powers of a relevant resolution authority to suspend or restrict rights and obligations under:

(a) Article 33a (Power to suspend payment or delivery obligations);

(b) Article 69 (Power to suspend payment or delivery obligations);

(c) Article 70 (Power to restrict the enforcement of any security interest); and

(d) Article 71 (Power to temporarily suspend any termination right,

of the BRRD and any relevant implementing measures in any EEA Member Country and, with respect to the Republic of San Marino, any similar or analogous powers under San Marino law.

"**BRRD Undertaking**" means an entity within the scope of Article 71a of the BRRD and any relevant implementing measures in any EEA Member Country.

"**BSM**" means Banca di San Marino S.p.A..

"**BSM Banking Assets**" means the banking assets as identified in the BSM Transfer Agreement in accordance with the San Marino Securitisation Law.

"**BSM Collection Account**" means a Euro denominated account (with account number 7617289780 and IBAN IT90K0335101600007617289780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections of the BSM Portfolio, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**BSM Portfolio**" means the portfolio of banking assets as identified in the BSM Transfer Agreement in accordance with the San Marino Securitisation Law.

"**BSM Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and BSM.

"**Business Day**" means a day on which banks are open for business in Rome, Frankfurt, San Marino and London and which is a TARGET Settlement Day.

"**Business Plan**" means the initial business plan of the Transaction prepared by the Business Plan Developer in accordance with the provisions of San Marino Securitisation Law in which are estimated the costs for the management and recovery of the Banking Assets, the strategies for the valuation of such Banking Assets and the estimated expected cash flows to be consistent with the repayment of the Class A Notes.

"**Calculation Date**" means the date falling 4 (four) Business Days before each Payment Date.

"**Calculation Agent**" means Banca Finint S.p.A..

"**Call Option Notice**" means a prior written notice given to the Issuer by the relevant Seller to exercise its Sellers' Call Option pursuant to Clause 17 (*Seller Call Option*) of the Deed of Charge.

"**Cancellation Date**" means the Final Redemption Date.

"**CAP**" means the maximum amount payable, taking into account all amounts paid under the same title, to the Special Servicer, the Special Servicer Adviser and the Master Servicer Adviser which shall be equal to:

1. in relation to the amount and fees payable to the Special Servicer Adviser:

   (i) Euro 2,000,000.00, in respect of the Variable Advisory Fee;

   (ii) Euro 1,600,000.00, in respect of the Fixed Advisory Fee;

2. in relation to the amount and fees payable or to be reimbursed to the Special Servicer:

(i) Euro 2,500,000, in relation to the reimbursement of the maintenance costs (as detailed in the Servicing Agreement);

(ii) Euro 250,000, in relation to the property manager fee (as detailed in the Servicing Agreement);

(iii) Euro 1,100,000, in relation to the remarketing fee (as detailed in the Servicing Agreement); and

(iv) Euro 5,200,000, in relation to the Mezzanine Costs to be reimbursed to the Special Servicer in accordance with the provisions of the Servicing Agreement;

3. in relation to the Mezzanine Costs to be reimbursed to the Master Servicer in accordance with the provisions of the Servicing Agreement, Euro 2,200,000;

4. in relation the amount and fees payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement, Euro 600,000.

"**Cap Agreement**" means the ISDA 1992 Master Agreement together with the Schedule thereto and supplemented by a Confirmation documenting a cap transaction, each dated on or about the Signing Date.

"**Cap Confirmation**" means the confirmation evidencing the Cap Transaction made pursuant to the Cap Agreement.

"**Cap Counterparty**" means J.P. Morgan SE.

"**Cap Transaction**" means the interest rate cap transaction made pursuant to the Cap Agreement.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Signing Date between, *inter alios*, the Issuer, the Italian Account Bank, the Master Servicer and the Trustee.

"**Charged Property**" means the property of the Issuer which is subject to the Security.

"**Class**" means the Class A Notes, the Class B Notes and/or the Class J Notes, as the case may be and "**Classes**" shall be construed accordingly.

"**Class A Final Maturity Date**" means the Payment Date falling on 31 December 2036.

"**Class A Noteholders**" means persons who, for the time being, are holders of the Class A Notes.

"**Class A Notes Enforcement Notice**" means an Escrow Account Pledge Enforcement Notice or an RSM Enforcement Notice, as applicable.

"**Class A Notes Guarantees**" means the Escrow Account Pledge and the RSM Guarantee.

"**Class A Notes Interest Amount**" has the meaning given to such term in Condition 7.3 (*Calculation of Interest Amounts and Class J Notes Variable Return*).

"**Class A Notes Interest Rate**" has the meaning given to such term in Condition 7.2 (*Class A Notes Interest Rate and Class B Notes Interest Rate*).

"**Class A Notes Margin**" has the meaning given to such term in Condition 7.2 (*Class A Notes Interest Rate and Class B Notes Interest Rate*).

"**Class A Notes Shortfall Event**" has the meaning given to such term in Condition 4.3 (*Class A Notes Shortfall Event and Enforcement of Class A Notes Guarantees)*.

"**Class A Notes**" means the Euro 70,000,000 class A asset backed floating rate notes due 31 December 2036.

"**Class B Notes Interest Amount**" has the meaning given to such term in Condition 7.3 (*Calculation of Interest and Class J Notes Variable Return*).

"**Class B Notes Interest Rate**" has the meaning given to such term in Condition 7.2 (*Class A Notes Interest Rate and Class B Notes Interest Rate*).

"**Class B Noteholders**" means persons who, for the time being, are holders of the Class B Notes.

"**Class B Notes**" means, together, the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes and the Class B6 Notes.

"**Class B Reserved Matter**" means a resolution to (1) sanction an early redemption of the Notes (or some of them) pursuant to Condition 8.4 (*Optional redemption*) or (2) a decision regarding Eligible Investments.

"**Class B1 Noteholders**" means persons who, for the time being, are holders of the Class B1 Notes.

"**Class B1 Notes**" means the Euro 17,544,025 class B1 asset backed fixed rate notes due December 2046.

"**Class B2 Noteholders**" means persons who, for the time being, are holders of the Class B2 Notes.

"**Class B2 Notes**" means the Euro 8,175,776 class B2 asset backed fixed rate notes due December 2046.

"**Class B3 Noteholders**" means persons who, for the time being, are holders of the Class B3 Notes.

"**Class B3 Notes**" means the Euro 4,376,188 class B3 asset backed fixed rate notes due December 2046.

"**Class B4 Noteholders**" means persons who, for the time being, are holders of the Class B4 Notes.

"**Class B4 Notes**" means the Euro 4,706,191 class B4 asset backed fixed rate notes due December 2046.

"**Class B5 Noteholders**" means persons who, for the time being, are holders of the Class B5 Notes.

"**Class B5 Notes**" means the Euro 7,291,402 class B5 asset backed fixed rate notes due December 2046.

"**Class B6 Noteholders**" means persons who, for the time being, are holders of the Class B6 Notes.

"**Class B6 Notes**" means the Euro 155,302 class B6 asset backed fixed rate notes due December 2046.

"**Class J Noteholders**" means persons who, for the time being, are holders of the Class J Notes.

"**Class J Notes**" (or the "**Junior Notes**") means, together, the Class J1 Notes, the Class J2 Notes, Class J3 Notes, Class J4 Notes, Class J5 Notes and Class J6 Notes.

"**Class J1 Noteholders**" means persons who, for the time being, are holders of the Class J1 Notes.

"**Class J1 Notes**" means the Euro 24,538,088 class J1 asset backed variable return notes due December 2046.

"**Class J2 Noteholders**" means persons who, for the time being, are holders of the Class J2 Notes.

"**Class J2 Notes**" means the Euro 1,839,496 class J2 asset backed variable return notes due December 2046.

"**Class J3 Noteholders**" means persons who, for the time being, are holders of the Class J3 Notes.

"**Class J3 Notes**" means the Euro 7,034,980 class J3 asset backed variable return notes due December 2046.

"**Class J4 Noteholders**" means persons who, for the time being, are holders of the Class J4 Notes.

"**Class J4 Notes**" means the Euro 11,395,695 class J4 asset backed variable return notes due December 2046.

"**Class J5 Noteholders**" means persons who, for the time being, are holders of the Class J5 Notes.

"**Class J5 Notes**" means the Euro 5,140,545 class J5 asset backed variable return notes due December 2046.

"**Class J6 Noteholders**" means persons who, for the time being, are holders of the Class J6 Notes.

"**Class J6 Notes**" means the Euro 316,653 class J6 asset backed variable return notes due December 2046.

"**Class J Notes Variable Return**" means with respect to each Series of Class J Notes and each Payment Date, an amount equal to the relevant Issuer Available Funds available to be applied to such Series of Class J Notes on such Payment Date after payment of items (*First)* to (*Fifteenth*) (inclusive) of the Pre-Acceleration Order of Priority and items (*First*) to (*Fourteenth*) (inclusive) of the Acceleration Order of Priority, in each case has been made in full.

"**Clearing System Business Day**" means a day on which each clearing system for which the Notes are being held is open for business.

"**Clearing Systems**" means Euroclear and Clearstream, Luxembourg.

"**Clearstream, Luxembourg**" means Clearstream Banking S.A..

"**Code**" means the US Internal Revenue Code of 1986, as amended.

"**Collection Date**" means 31 May and 30 November in each year.

"**Collection Period**" means each six-month period beginning on (and excluding) a Collection Date and ending on (and including) the following Collection Date, with the exception of the First Collection Period.

"**Collections**" means any amount collected or received in respect of the Banking Assets as of the Effective Date, including, without limitation, principal and interest payments on the Banking Assets.

"**Common Depositary**" means The Bank of New York Mellon, London branch.

"**Common Terms**" means the terms under part A (*General Legal Terms*) of schedule 2 (*Common Terms*) of the Master Definitions Agreement.

"**Companies Acts**" has the meaning given to it in section 2 of the Companies Act 2006.

"**Companies Law**" means the Law of the Republic of San Marino No. 47 of February 23, 2006, as amended from time to time.

"**Conditions**" means the terms and conditions of the Notes as set out in schedule 2 (*Terms and Conditions of the Notes*) of the Note Trust Deed.

"**Counterclaim**" (*Pretesa Creditoria*) means, in relation to each Banking Asset, the total amount on which enforcement action can be commenced and, therefore, the algebraic sum of the gross book value, the expenses and the accrued default interest (*interessi moratori*) that may have been recognised in the order accounts, as well as of the partial or total write-offs where there has been no formal notice of waiver of the claim by the relevant Seller, all as reported for each Banking Asset in the Banking Assets Identification Document.

"**COR**" means, in respect of an entity, the Critical Obligations Rating given from time to time to such entity by DBRS.

"**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 amended.

"**CRSS**" means Cassa di Risparmio della Repubblica di San Marino S.p.A..

"**CRSS Banking Assets**" means the banking assets as identified in the CRSS Transfer Agreement in accordance with the San Marino Securitisation Law.

"**CRSS Collection Account**" means a Euro denominated account (with account number 7617319780 and IBAN IT20F0335101600007617319780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections of the CRSS Portfolio, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**CRSS Portfolio**" means the portfolio of banking assets as identified in the CRSS Transfer Agreement in accordance with the San Marino Securitisation Law.

"**CRSS Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and CRSS.

"**Current Account Agreement**" means the current account agreement, executed or to be executed by the Issuer and the Italian Account Bank in order to open the Issuer Collection Accounts.

"**Cut-Off Date**" means 11:59 p.m. on in respect of BAC, 31 December 2022, in respect of BSM and CRSS, 31 March 2023, in respect of 739, 13 April 2023 and in respect of VPSFP and SGA, 31 December 2022.

"**Data Base**" means the data base containing data and information in electronic format concerning the Banking Assets to be provided pursuant to Clause 9.1(b) of the relevant Transfer Agreement according to the template in annex D (*Data Base Template*) of the Transfer Agreements.

"**Data Protection Legislation**" means all applicable laws and regulations relating to data protection, privacy or personal data, including, without limitation, the GDPR, the UK Data Protection Act 2018, and any legislation or regulation implementing, supplementing, amending or replacing such laws and regulations, including all applicable data protection and privacy legislation in force from time to time.

"**DBRS**" means (i) for the purpose of identifying the DBRS entity that has assigned the credit rating to the Rated Notes and for the purpose of identifying the DBRS entity that is registered under the EU CRA Regulation, DBRS Ratings GmbH, and (iii) in any other case, any entity that is part of DBRS Morningstar, which may be registered or not under the CRA Regulation, as it appears from the latest list published by ESMA on its website.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

| Moody's | | S&P | | Fitch | | DBRS | |
|---|---|---|---|---|---|---|---|
| Long Term | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term |
| Aaa | | AAA | | AAA | | AAA | R–1(High) |
| Aa1 | | AA+ | | AA+ | | AA(high) | |
| Aa2 | P–1 | AA | A–1+ | AA | F1+ | AA | R–1(Middle) |
| Aa3 | | AA– | | AA– | | AA(low) | |
| A1 | | A+ | A–1 | A+ | F1 | A(high) | R–1(Low) |
| A2 | | A | | A | | A | |
| A3 | P–2 | A– | A–2 | A– | F2 | A(low) | |
| Baa1 | | BBB+ | | BBB+ | | BBB(high) | R–2(High) |
| Baa2 | P–3 | BBB | A–3 | BBB | F3 | BBB | R–2(Middle) |
| Baa3 | | BBB– | | BBB– | | BBB(low) | R–2 (Low) or R3 |
| Ba1 | | BB+ | | BB+ | B | BB(high) | R–4 |
| Ba2 | | BB | | BB | | BB | |
| Ba3 | | BB– | | BB– | | BB(low) | |
| B1 | | B+ | | B+ | | B(high) | |
| B2 | | B | | B | | B | R–5 |
| B3 | | B– | | B– | | B(low) | |
| Caa1 | | CCC+ | | CCC+ | C | CCC(high) | |
| Caa2 | | CCC | | CCC | | CCC | |
| Caa3 | | CCC– | | CCC– | | CCC(low) | |
| C | | D | | D | I | D | |

"**DBRS Minimum Rating**" means:

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (***provided that*** if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Rating (***provided that*** if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (***provided that*** if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**DD 126/2020**" means under San Marino law the Delegated Decree No. 126 of July 27, 2020, as amended from time to time.

"**Debt Position**" means the sum of all credit lines arising from the Loans granted to the same Assigned Debtor.

"**Deed of Charge**" means the deed of charge entered into on or about the Signing Date between, *inter alios*, the Issuer and the Trustee.

"**Deferred Purchase Price**" means the component of the Purchase Price due to the relevant Seller which will be paid under item (*Tenth*) of the Acceleration Order of Priority and item (*Eleventh*) of the Pre-Acceleration Order of Priority.

"**Definitive Note Certificates**" means certificates evidencing definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the Notes.

"**DPP**" means Deferred Purchase Price.

"**DPP Seller**" means 739, VPSFP and SGA.

"**Discount Factor**" means an annual rate of 5%.

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**Effective Date**" means the date of Approval.

"**Electronic Means**" shall mean the following communication methods: (a) non-secure methods of transmission or communication such as e-mail and facsimile transmission; and (b) secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by a BNYM Party, or another method or system specified by a BNYM Party as available for use in connection with its services hereunder.

"**Eligible Institution**" means a depository institution organised under the laws of any State which is a member of the European Union, the Republic of San Marino or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union, the Republic of San Marino or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:

(a) the higher of (i) the rating which is one notch below the relevant institution's COR (whether private or public); and (ii) its Senior Unsecured Debt Rating (private or public) is at least "BBB (low)"; or

(b) if a COR is not at the relevant time maintained on the entity by DBRS, the higher of (i) its Issuer Rating (private or public) and (ii) its Senior Unsecured Debt Rating (private or public), is at least "BBB (low)" by DBRS; or

(c) if there is no such public or private rating of such entity by DBRS, its DBRS Minimum Rating is at least "BBB (low)".

"**Eligible Investments**" means euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or euro-denominated senior debt deposit (excluding, for the avoidance of doubt, time deposits) or other debt instruments, provided that, in all cases (i) such Eligible Investments shall be “cash equivalents” for purposes of section 10(c)(8)(iii)(A) of the regulations adopted to implement section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; (ii) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the Eligible Investments Maturity Date; (iii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; (iv) in the case of bank account or deposit, such bank account or deposit are held in the name of the Issuer with an Eligible Institution in the Republic of San Marino and (v) the debt securities or other debt instruments are issued by, or guaranteed by a first demand, irrevocable and unconditional guarantee, on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least a long-term rating of at least  with respect to DBRS either:

(i) rated at least "BBB (low)" in respect of long-term debt or "R-2 (low)" in respect of short-term debt by DBRS, or in the absence of a DBRS rating, rated at least at the level equivalent to the DBRS Equivalent Rating, if the relevant maturity is up to the earlier of the next Eligible Investments Maturity Date and 30 calendar days, or

(ii) rated " BBB (low)" in respect of long-term debt or " R-2 (low)" in respect of short-term debt by DBRS, if the relevant maturity is up to mature the earlier of the next Eligible Investments Maturity Date and 365 calendar day or in the absence of a DBRS rating, rated at least at the level equivalent to the DBRS Equivalent Ratings; or in the case of deposits, to the extent that such deposits are held by an Eligible Institution, or

(iii) such other corresponding rating level applied by Standard & Poor's, or Moody's from time to time,

provided that, in no case shall such investment be made, in whole or in part, actually or potentially, in (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities.

"**Eligible Investments Maturity Date**" means any date falling 2 (two) Business Day prior to each Calculation Date.

"**Enforcement Notice**" has the meaning given to it in Condition 11 (*Events of Default*).

"**Enforcement Proceeding**" means any executive, judicial (including *procedimenti monitori e di cognizione*) or other proceedings aimed at recovering the Banking Assets, including by enforcement of a guarantee, or otherwise inherent in the same, the Loan Agreements, the Mortgage or an Ancillary Guarantee.

"**English Account Bank**" means The Bank of New York Mellon, London Branch.

"**English Account Bank Agreement**" means the account bank agreement entered into on or about the Signing Date between, *inter alios*, the Issuer, the Trustee and English Account Bank.

"**English Law Security**" means the security created in favour of the Trustee for the benefit of the Secured Creditors pursuant to the Deed of Charge.

"**English Law Transaction Documents**" means the Notes, the Deed of Charge, the Note Trust Deed, the English Account Bank Agreement, the Paying Agency Agreement, the Subscription Agreement, the Master Definitions Agreement and the Cap Agreement.

"**Escrow Account**" means a Euro-denominated account (with account number 000010017044 and IBAN SM57K0322509800000010017044) opened in the name of the Sellers with the SM Account Bank or such other account as shall replace such account pursuant to, and to be operated in accordance with the provisions of the Escrow Account and Pledge Agreement.

"**Escrow Account and Pledge Agreement**" means the San Marino law pledge agreement entered into on or about the Signing Date between *inter alios*, the Issuer and the Sellers.

"**Escrow Account Pledge Enforcement Notice**" means the written notice given by the Issuer (acting through the Master Servicer) to the Sellers and the SM Account Bank (copying the Rating Agencies) notifying that it intends to use the Escrow Amount to cure a Class A Notes Shortfall Event in accordance with the Escrow Account and Pledge Agreement.

"**Escrow Account Pledge**" means the pledge created on the amounts standing to the credit of the Escrow Account, entered into on or about the Signing Date between *inter ali*os, the Issuer and the Sellers.

"**Escrow Amount**" means the amount from time to time standing to the credit of the Escrow Account being, on the Issue Date an amount equal to Euro 13,757,366, being equal to 20% of the aggregate of cash proceeds from the sale of the Senior Notes.

"**Escrow Amortisation Event**" means the event occurring if, on a Calculation Date, the Calculation Agent has verified that the Issuer Available Funds on such date are sufficient to pay, on the relevant following Payment Date, the Senior Costs.

"**Escrow Redemption Event**" means the event occurring if on a Calculation Date the Escrow Amount (together with the Issuer Available Funds available on the following Payment Date) will be higher than or equal to the Principal Amount Outstanding of the Senior Notes (than outstanding).

"**Escrow Surplus Amount**" has the meaning ascribed to such term in Condition 4.5 (*Enforcement of the Escrow Account Pledge and release of Excess Surplus*).

"**EU Bail-In Legislation Schedule**" means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at http://www.lma.eu.com/pages.aspx?p=499.

"**EU Insolvency Regulation**" means Regulation (EU) No. 848/2015 on insolvency proceedings (recast) of 20th May 2015, as subsequently amended and supplemented.

"**EU Securitisation Laws**" means the EU Securitisation Regulation, together with any supplementary regulatory technical standards, implementing technical standards, any official guidance supplementing such Regulation published in relation thereto by the European Supervisory Authorities from time to time and any implementing measures in respect of such Regulation in the EU.

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402, as the same may be amended from time to time.

"**Euro**", "**EUR**" or "**€**" means the single currency of the Participating Member States.

"**Euroclear**" means Euroclear Bank S.A..

"**Eurozone**" means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March 1957) as amended.

"**EURIBOR**" means the Euro Interbank Offered Rate.

"**EUWA**" means the European Union (Withdrawal) Act 2018.

"**Event of Default**" has the meaning given to it in Condition 11 (*Events of Default*).

"**Expenses**" means any taxes due and payable on behalf of the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (other than the Noteholders and the Secured Creditors).

"**Extraordinary Resolution**" means:

(b) in respect of a Basic Terms Modification, a resolution passed at a duly convened meeting of each Class of Noteholders and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not more than 66 per cent. of the persons voting thereat upon a show of

hands, or if a poll is demanded, by a majority consisting of not more than 66 per cent. of the votes cast on such poll;

(c) in respect of a Reserved Matter, a resolution passed at a duly convened meeting of the Class A Noteholders and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not more than 51 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not more than 30 per cent. of the votes cast on such poll, ***provided that*** in case there is a failure to reach such quorum for both the initial meeting and adjourned meeting, the Reserved Matter will be resolved in accordance with the content of the Non-Binding Opinion;

(c) in respect of a Class B Reserved Matter, a resolution passed at a duly convened meeting of the Class B Noteholders and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not more than 51 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not more than 30 per cent. of the votes cast on such poll; or

(d) in respect of any other matter (other than a Basic Terms Modification, Class B Reserved Matter or a Reserved Matter), a resolution passed at a single or at separate duly convened meeting(s) of the Most Senior Class of Noteholders held in accordance with the provisions of the Note Trust Deed by a majority consisting of not more than 51 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not more than 45 per cent. of the votes cast on such poll.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code and any associated regulations;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph 0 above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. Government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding required by FATCA from a payment under the transaction.

"**FATCA Exempt Party**" means a party that is entitled to receive payments free from any FATCA Deduction.

"**FCA**" means the Financial Conduct Authority.

"**Final Maturity Date**" means, in respect of the Class A Notes, the Class A Final Maturity Date and in respect of the Class B Notes and Class J Notes, the Mezzanine and Junior Notes Final Maturity Date.

"**Final Redemption Date**" means the earlier to occur between: (i) the date when any amount payable on the Banking Assets will have been paid and the Special Servicer has confirmed that no further recoveries and amounts shall be realised thereunder, and (ii) the date when all the Banking Assets then outstanding will have been entirely written off or sold by the Issuer and (iii) the Payment Date falling on the first

anniversary of the relevant Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Order of Priority).

"**First Collection Date**" means 31 May 2024.

"**First Collection Period**" means the period starting on the Effective Date (included) and ending on the First Collection Date (included).

"**First Payment Date**" means the Payment Date falling in June 2024.

"**First Ranking Voluntary Mortgage**" means:

(a) any first-ranking voluntary mortgage; or

(b) any second-ranking voluntary mortgage or subsequent mortgages where all prior mortgages are either: (i) securing fully satisfied claims; or (ii) securing other Banking Assets.

"**Fitch**" means Fitch Ratings Ireland Limited *Sede Secondaria Italiana*..

"**Fixed Advisory Fee**" means the fee due to the Special Servicer Adviser, in accordance with the Advisory Special Servicing Agreement for the performance of the activities set out under article 3.2 of the Advisory Special Servicing Agreement, for each calendar year during the entire effectiveness of the Advisory Special Servicing Agreement, and equal to the greater of (i) Euro 200,000 and (ii) 0.05% of the GBV (gross book value) under management of the Master Servicer as evidenced in the Semi-annual Servicing Report produced in the month of June of each calendar year.

"**Force Majeure Event**" means any acts, events or circumstances not reasonably within its control, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including but not limited to, nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters, epidemics or acts of God; war, terrorism, insurrection or revolution; and strikes or industrial action (for the avoidance of doubt this excludes any event that has (or is reasonably known by the parties to have) commenced and/or is continuing on or prior to the Issue Date).

"**Foreign Transaction Party**" means all the Transaction Parties other than the Arranger, the Trustee, the Paying Agent and the English Account Bank.

"**Form of Transfer**" means, as applicable, the form of transfer endorsed on the form of Global Note Certificate contained in schedule 1 (*Form of Global Note*) and the form of transfer endorsed on the form of Definitive Note Certificate contained in schedule 2 (*Form of Definitive Note*) of the Note Trust Deed or any other written instrument in form satisfactory to the Registrar and duly executed by the holder of the relevant Notes (or its duly authorised attorney) to be transferred and the transferee thereof.

"**GDPR**" means Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

"**Global Note Certificate**" means a certificate evidencing the applicable Notes in the form contained in schedule 1 (*Form of Global Note*) of the Note Trust Deed.

"**Guarantee**" means, in relation to a Banking Asset, an agreement whereby a Person other than the Assigned Debtor guarantees the payments of, or otherwise acts as a surety for, an Assigned Debtor pursuant to that Banking Asset.

"**Guarantor**" means, in relation to a Banking Asset, the individual(s) or entity(ies) (other than the Assigned Debtor) assuming an obligation to guarantee repayment of such Banking Asset.

"**Guber**" means Guber Banca S.p.A..

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means the international financial reporting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**IGRC**" means Istituto per la Gestione e il Recupero dei Crediti S.p.A..

"**Indirect Participants**" means persons that hold interests in the Book-Entry Interests through Participants.

"**Initial Interest Period**" means the period which begins on (and includes) the Issue Date and ends on (but excludes) the First Payment Date.

"**Inside Information and Significant Event Report**" means a report prepared and delivered by the Calculation Agent to the Reporting Entity, setting out: (A) all the required information to be provided pursuant to point (f) of the first subparagraph of article 7(1) of the Securitisation Regulations that has been provided by the Issuer, the Special Servicer, the Master Servicer and/or the Sellers to the Calculation Agent; and/or (B) the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulations that has been notified by the Issuer, the Special Servicer, the Master Servicer and/or the Seller to the Calculation Agent for such purpose, in compliance with article 7 of the Securitisation Regulations and the applicable Regulatory Technical Standards.

"**Insolvency Act 1986**" means the Insolvency Act of 1986 of England and Wales, as amended.

"**Insolvency Act 2000**" means the Insolvency Act of 2000 of England and Wales, as amended.

"**Insolvency Event**" means, in relation to any person, if such person is subject to Insolvency Proceedings.

"**Insolvency Officer**" means any receiver, administrator, bankruptcy administrator, liquidator, provisional liquidator, administrative receiver, trustee, examiner, supervisor of a voluntary arrangement or similar officer appointed pursuant to a scheme of arrangement under any procedure under any Applicable Law applicable to, or any jurisdiction of, or having similar or analogous powers over, all or substantially all or any of the assets of, the relevant Person.

"**Insolvency Proceedings**" means, in respect of any person, any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it (other than under a solvent process);

(b) a composition, compromise, assignment or arrangement with any creditor of it for reasons of financial difficulty;

(c) commencing negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness (other than in connection with a solvent rescheduling of its indebtedness) or taking steps with a view to obtaining a moratorium in respect of any of its indebtedness;

(d) the appointment of a liquidator, an examiner, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets;

(e) enforcement of any Security Interest over any assets of it (unless contested in good faith);

(f) with respect to any party being an EU credit institution, any resolution or reorganisation or special winding-up proceedings within the meaning of EU Directive 2001/24/EC (as transposed by Applicable Law in the relevant jurisdiction); or

(g) any analogous procedure or step is taken in any jurisdiction.

"**Instruction**" means any written notices, written directions or written instructions received by the Italian Agents in accordance with the provisions of the Cash Allocation, Management and Payments Agreement from an Authorised Person or from a person reasonably believed by the Italian Agents to be an Authorised Person.

"**Interest Amount**" has the meaning given to it in Condition 7.3.1 (*Calculation of Interest Amounts and Class J Notes Variable Return*).

"**Interest Determination Date**" means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

"**Interest Period**" means each period from (and including) a Payment Date to (but excluding) the following Payment Date ***provided that*** the Initial Interest Period shall start on the Issue Date (included) an end on the First Payment Date (excluded).

"**Interest Rate**" means any of the Class A Notes Interest Rate and the Class B Notes Interest Rate.

"**Interim Collection Date**" means 31 August and 28 February of each year.

"**Interim Collection Period**" means the quarter commencing, as the case may be, on a Collection Date (excluded) or an Interim Collection Date (excluded) and ending on the next succeeding Interim Collection Date (included) or the next succeeding Collection Date (included), except for the first Interim Collection Period which shall commence on the First Collection Date (excluded) and end in September (included).

"**International Placement Agent**" means J.P. Morgan Securities plc.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Irrecoverable VAT**" means any amount in respect of VAT incurred by a party to the Transaction Documents as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Document to the extent that that party does not or will not receive and retain a credit or repayment of such VAT as input tax.

"**Issue Date**" means 14 December 2023 or such other date agreed in accordance with the Subscription Agreement.

"**Issuer**" means Veicolo di Sistema S.r.l..

"**Issuer Available Funds**" means, in respect of each Payment Date, the aggregate (without duplication) of:

(i) all the Collections and any other sums received by the Issuer from or in respect of the Portfolios, during the immediately preceding Collection Period;

(ii) all other amounts credited or transferred during the immediately preceding Collection Period into the Issuer Collections Accounts and in the Issuer Transaction Account;

(iii) all interest accrued on the amounts standing to the credit of each of the Issuer Accounts (except for the Issuer Expenses Account, the Issuer Recovery Expenses Reserve Account and the Issuer Quota Capital Account) and paid during the immediately preceding Collection Period on each Account;

(iv) any profit and accrued interest received (up to the third Business Day preceding each relevant Payment Date) under the Eligible Investments (if any) during the immediately preceding Collection Period in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(v) all amounts received by the Issuer from the Sellers pursuant to the relevant Transfer Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from the Sellers as indemnity in case of breach by the Sellers of any representation and warranties pursuant to the relevant Transfer Agreement, but excluding any amount credited on the Escrow Account);

(vi) any amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;

(vii) the proceeds deriving from the disposal in whole or in part (if any) of (a) the Portfolios pursuant to the Deed of Charge, and/or (b) of single Receivable(s) pursuant to the relevant Transfer Agreement or the Servicing Agreement;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period;

(ix) the amounts standing to the credit of the Escrow Account and transferred to the Payments Account as indicated below will form part of the Issuer Available Funds to be applied exclusively towards payments due to the Class A Noteholders:

1. on each Calculation Date on which an Escrow Amortisation Event has occurred, any relevant Escrow Surplus Amount; or

2. only to the extent a Pledge Enforcement Notice has been served, the relevant portion of the Escrow Amount indicated in the relevant Pledge Enforcement Notice; or

3. in case of occurrence of an Escrow Redemption Event, the Escrow Amount.

(x) on the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Cancellation Date:

(1) the amount transferred from the Issuer Expenses Account to the Payments Account on the immediately preceding Business Day net of any known Expenses yet to be paid and any Expenses forecasted by the Issuer Corporate Services Provider to fall due after the redemption in full or cancellation of the Notes (including each reasonable forecasted cost for the unwinding and liquidation of the Issuer), and

(2) the balance of the Issuer Recovery Expenses Reserve Account (net of any known Recovery Expenses related to the Debt Position yet to be paid and any Recovery Expenses related to the Debt Position forecasted by the Special Servicer to fall due after the redemption in full or cancellation of the Notes);

(xi) the amounts standing to the credit of the Liquidity Reserve Account on the preceding Calculation Date; and

(xii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than any Cap Tax Credit Amounts;

*but excluding*:

a) any amount paid out of the Issuer Collection Accounts during the immediately preceding Interest Period in accordance with the provisions of the Transaction Documents (including, for the avoidance of doubt, any amount applied to pay Issuer Recovery Expenses which was due and payable and whose payment could not be met with funds then available on the Issuer Recovery Expenses Reserve Account); and

b) any amount debited to the Issuer Accounts by the Account Banks (if applicable),

*and provided that:*

(I) only to the extent a RSM Enforcement Notice has been served, any amount indicated in the relevant RSM Enforcement Notice and credited - within the timing set forth under the RSM Guarantee - into the Payments Account under the RSM Guarantee will be applied exclusively towards payments due to the Class A Noteholders; and

(II) any sum collected in relation to a sale of a Leased Asset (net of any expense borne with respect to such collection) exceeding the amount due under the relevant receivable connected to such Leased Asset, which has to be returned to the relevant Assigned Debtor pursuant to the provisions of law, contract or a court judgement (even temporarily effective), shall not constitute Issuer Available Funds.

"**Issuer Accounts**" means the Issuer Collection Accounts, the Payments Account, the Issuer Expenses Account, the Issuer Recovery Expenses Account, the Liquidity Reserve Account, the Issuer Transaction Account and the Issuer Quota Capital Account.

"**Issuer Collection Account(s)**" means the BSM Collection Account, the CRSS Collection Account, the BAC IBS Collection Account, the SGA Collection Account, the 739 Collection Account and the VPSFP Collection Account

"**Issuer Corporate Services Provider**" means Istituto per la Gestione e il Recupero dei Crediti S.p.A..

**"Issuer Expenses Account"** means a Euro-denominated account with such name (with IBAN SM94F0322509800000010016988) opened in the name of the Issuer with the SM Account Bank or such other account as shall replace such account.

"**Issuer Quota Capital Account**" means a Euro-denominated account (with IBAN SM-10/S/08540/09802/000020190255) opened in the name of the Issuer with Banca di San Marino S.p.A. or such other account as shall replace such account pursuant to, and to be operated in accordance with a separate agreement entered into on or before the Issue Date.

"**Issuer Quotaholder**" means Trust Dominus.

"**Issuer Rating**" means, in respect of an entity, the Issuer Rating given from time to time to such entity by DBRS.

"**Issuer Recovery Expenses**" means the aggregate of all the Recovery Expenses related to the Debt Position included in the Portfolio.

"**Issuer Recovery Expenses Cash Reserve**" means the cash reserve established in the Issuer Recovery Expenses Reserve Account

"**Issuer Recovery Expenses Cash Reserve Replenishment Date**" means (i) the date of the occurrence of an Issuer Recovery Expenses Cash Reserve Replenishment Event, or (ii) if the day under (i) above falls in in the period between 2 (two) Business Days prior to a Calculation Date (included) and the immediately following Payment Date (included), the Payment Date immediately following the occurrence of an Issuer Recovery Expenses Cash Reserve Replenishment Event.

"**Issuer Recovery Expenses Cash Reserve Replenishment Event**" means the event on which the balance of the Issuer Recovery Expenses Reserve Account is lower than the Issuer Threshold.

"**Issuer Recovery Expenses Reserve Account**" means a Euro-denominated account (with IBAN SM62V0322509800000010016970) opened in the name of the Issuer with the SM Account Bank or such other account as shall replace such account.

"**Issuer Recovery Expenses Reserve Amount**" means, on any Payment Date, Euro 120,000.

**"Issuer Recovery Expenses Cash Reserve Replenishment**" means a sum sufficient to bring the Issuer Recovery Expenses Cash Reserve to an amount equal to (but not exceeding) the Issuer Recovery Expenses Reserve Amount.

**"Issuer Retention Amount"** means a cash reserve established by the Issuer on the Issuer Date in the Issuer Expenses Account equal to Euro 80,000.

**"Issuer Transaction Account"** means a Euro-denominated account (with IBAN SM84V0322509800000010016962) opened in the name of the Issuer with the SM Account Bank or such other account as shall replace such account.

"**Italian Account Bank**" means The Bank of New York Mellon SA/NV – Milan Branch or its successor pursuant to the Cash Management, Allocation and Payments Agreement.

"**Italian Account Pledge**" means the account pledge governed by Italian law entered into on or about the Signing Date between, *inter alios*, the Issuer and the Trustee.

"**Italian Agents**" means the Italian Account Bank, the Monitoring Agent and the Calculation Agent collectively, and "**Italian Agent**" means any of them.

"**Italian Law Transaction Documents**" means the Cash Allocation, Management and Payments Agreement, the Italian Account Pledge, the Advisory Master Servicing Agreement, the Advisory Special Servicing Agreement and the BP Developer Services Agreement.

"**Junior Noteholders**" means the Class J Noteholders.

"**Junior Notes**" means the Class J Notes.

"**JPM**" means J.P. Morgan Securities PLC.

"**Leased Asset**" means real estate assets or movable registered assets leased under the relevant terminated lease agreement from which the relevant Banking Asset arise.

"**Liability**" or "**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes or any Irrecoverable VAT) charged or chargeable in respect thereof.

"**Liquidity Reserve**" means the cash reserve established by the Issuer in the Liquidity Reserve Account.

"**Liquidity Reserve Account**" means a Euro-denominated account (with IBAN SM72F0322509800000010016996) opened in the name of the Issuer with the SM Account Bank or such other account as shall replace such account.

"**LISF**" means the Law of the Republic of San Marino of November 17, 2005 No. 165, as amended from time to time.

"**Loan Agreement(s)**" means any contractual document containing the terms and conditions pursuant to which a Loan is granted, as well as any deed, contract, agreement or document supplementing or amending the same or otherwise relating thereto (including, without limitation, any deed of assumption) and "Loan Agreement" means, indistinctly, any of the following depending on the context.

"**Loan by Loan Report**" means the loan by loan report to be prepared by the Special Servicer pursuant to and in accordance with the Servicing Agreement.

"**Loans**" means each of the loans (including in the form of financial lease (*locazione finanziaria*)) listed in the Banking Asset Identification Document attached to each Transfer Agreement.

"**Market Standard Adjustment**" has the meaning given to such term under Condition 18 (*Benchmark Rate Modification*).

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Signing Date between, *inter alia*, the Issuer, the Sellers and the Trustee.

"**Master Servicer Adviser**" means Banca Finint S.p.A..

"**Master Servicer**" means Istituto per la Gestione e il Recupero dei Crediti S.p.A., or any replacement servicer appointed pursuant to the Servicing Agreement.

"**Meeting**" means a meeting of the relevant Noteholders held in accordance with the Provisions for Meetings of Noteholders.

"**Mezzanine and Junior Notes Final Maturity Date**" means 31 December 2046.

"**Mezzanine Costs**" means the costs to be incurred by the Master Servicer and the Special Servicer (as the case may be) in accordance with the provisions of the Servicing Agreement, and which will be reimbursed to the Master Servicer and the Special Servicer (as the case may be) by the Issuer in accordance with the applicable Order of Priority and in any event subject to the redemption of the Senior Notes.
"**Mezzanine Notes**" means the Class B Notes.

"**Minimum Denomination**" means, in respect of the Notes of any Class, an amount equal to €100,000.

"**Moody's**" means Moody's Investors Service Inc.

"**Monitoring Agent**" means Banca Finint S.p.A..

"**Monthly Servicing Report Date**" means the 12th (twelfth) Business Day of each calendar month, ***provided that*** the first Monthly Servicing Report Date shall fall in the month of February 2024.

"**Mortgage**" means each First Ranking Voluntary Mortgage or first ranking judicial mortgage securing the Banking Assets.

"**Mortaged Real Estate Asset**" means the real estate asset on which Mortgages are constituted.

"**Most Senior Class of Notes**" means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes or, upon redemption in full of the Class A Notes and the Class B Notes, the Class J Notes.

"**Negative Ratings Action**" means, in relation to the current rating assigned to the Class A Notes by a Rating Agency, a downgrade, withdrawal or suspension of the rating or the Class A Notes being placed on rating watch negative (or equivalent).

"**Net Book Value**" means the book value of each securitised Banking Asset recorded in the last approved annual or semi-annual financial statements, whichever is later, net of amortisation and value adjustments.

"**Net Collections**" has the same meaning of "*Incassi Netti*" under the Servicing Agreement.

"**Non-Binding Opinion**" means a non-binding opinion of the Special Servicer Adviser specifically required (and to be issued) in accordance with the provisions of the Servicing Agreement and regarding the opportunity to carry out (or not) an activity.

"**Note Certificate**" means a Global Note Certificate and/or a Definitive Note Certificate, as applicable.

"**Noteholders**" means the Class A Noteholders, the Class B Noteholders and the Class J Noteholders.

"**Note Rate Maintenance Adjustment**" means the adjustment (which may be positive or negative) which the Issuer or the Rate Determination Agent proposes to make (if any) to the margin payable on the Class A Notes in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Note Rate applicable to the Class A Notes had no such Benchmark Rate Modification been effected.

"**Note Trust Deed**" means the note trust deed entered into on or about the Signing Date between the Issuer and the Trustee.

"**Notes**" means the Class A Notes, the Class B Notes and the Class J Notes.

"**Notes Subscribers**" means the Sellers.

"**Notices Details**" means the details set out in Paragraph named (*Notices*) of Part A (*General Legal Terms*) of schedule 2 (*Common Terms*) of the Master Definitions Agreement.

"**Obligor**" means an Assigned Debtor and/or a Guarantor.

"**OFAC**" means the Office of Foreign Assets Control of the US Department of the Treasury.

"**Order of Priority**" means the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable (together the "**Orders of Priority**").

"**Other Sellers**" means 739, SGA and VPSFP.

"**Outstanding**" or "**outstanding**" means, in relation to the Notes, all the Notes other than:

(a) those which have been redeemed in full and cancelled in accordance with the Conditions; and

(b) those which have become void under the Conditions.

"**Paying Agency Agreement**" means the paying agency agreement entered into on or about the Signing Date between, *inter alios*, the Issuer, the Registrar and the Paying Agent.

"**Paying Agent**" means The Bank of New York Mellon, London Branch as Paying Agent or any other person from time to time acting as Paying Agent under the Paying Agency Agreement.

"**Paying Transaction Party**" means where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party the Transaction Party who is to make such payment.

"**Payment Date**" means the last calendar day of June and December in each year or, if such day is not a Business Day, the immediately preceding Business Day.

"**Payments Account**" means a Euro-denominated account (with account number 7616949780 and IBAN GB54IRVT70022576169480) opened in the name of the Issuer with the English Account Bank or such other account as shall replace such account pursuant to, and to be operated in accordance with the terms and conditions of the English Account Bank Agreement.

"**Payments Report**" means the payments report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Participants**" means persons that have accounts with Euroclear or Clearstream, Luxembourg.

"**Participating Member State**" means at any time any member state of the European Union that has adopted and uses the euro as its lawful currency in accordance with the Treaty of the Functioning of the European Union.

"**Person**" means any person, firm, company or body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing.

"**PMO**" means the project manager officer appointed by the Special Servicer Adviser according to the provisions of the Advisory Special Servicing Agreement.

"**Portfolio**" means together, the VPSFP Portfolio, 739 Portfolio, SGA Portfolio, BAC IBS Portfolio, CRSS Portfolio and BSM Portfolio.

"**Potential Event of Default**" means any or circumstance which might (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an Event of Default.

"**PRA**" means the UK Prudential Regulation Authority.

"**Pre-Acceleration Order of Priority**" means the Pre-Acceleration Order of Priority set out in Condition 6.1 (*Pre-Acceleration Order of Priority*).

"**Principal Amount Outstanding**" means, on any date:

(a) in relation to a Note, the principal amount of that Note on the Issue Date less the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date; and

(b) in relation to the Notes outstanding at any time, the aggregate of the amount in paragraph (a) above in respect of all Notes outstanding.

"**Proceedings**" means any legal action or proceeding arising out of or in connection with a Transaction Document.

"**Process Service Agent**" means, in relation to each Foreign Transaction Party, the person specified for each such Foreign Transaction Party in the paragraph named (*Process Service Agent Address*) of Part A (*General Legal Terms*) of the Common Terms or any replacement process agent appointed by any such Transaction Party in relation to the Transaction Documents.

"**Process Service Agent Address**" means, in relation to each Foreign Transaction Party, the address of the Process Service Agent specified each such Foreign Transaction Party in the Process Service Agent details set out in paragraph named (*Process Service Agent Address*) of Part A (*General Legal Terms*) of the Common Terms.

"**Program**" means “programma” of the Transaction the content of which is described under article 3 of the San Marino Securitisation Law.

"**Provisions for Meetings of Noteholders**" means the rules for meetings of Noteholders contained in schedule 3 (*Provisions for Meetings of Noteholders*) of the Note Trust Deed.

"**Purchase Price**" means the amount paid by the Issuer for each Sub-Portfolio pursuant to the Transfer Agreements.

"**PV**" or "**Present Value**" means the amount calculated according to the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"i"= Discount Factor

"t" means the number of days passed between the date on which the "X" is collected or paid and the relevant Cut-off Date, assuming that all the collections/expenses are respectively received or paid on the last day of the Collection Period in which they occur.

"**Quarterly Servicing Report Date**" means the 12th (twelfth) Business Day following each Interim Collection Date, provided that the first Quarterly Servicing Report Date shall fall in the month of August 2024.

"**Quotaholder Agreement**" means the quotaholder agreement entered into on or about the Signing Date between, among others, the Issuer and the Issuer Quotaholder.

"**Rate Determination Agent**" means an independent financial institution of international repute or independent financial adviser with appropriate expertise appointed by the Issuer (or the Master Servicer on its behalf) at its own expense, whose identity, for the avoidance of doubt, shall not need to be approved by the Trustee or the Noteholders.

"**Rated Noteholders**" means persons who, for the time being, are holders of the Class A Notes.

"**Rated Notes**" means the Class A Notes.

"**Rating Agency**" means any credit rating agency appointed to assign a public rating to the Notes or any of them.

"**Rating Agency Confirmation**" means written confirmation from each Rating Agency (if any) (or certification (upon which the Trustee shall be entitled to rely without enquiry or liability) from the Issuer to the Trustee that the Issuer has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Senior Notes on rating watch negative (or equivalent) and, if relevant, the Issuer delivers a copy of each such confirmation to the Trustee.

"**Receiver**" means any receiver, manager, receiver or manager or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with the Deed of Charge.

"**Receiving Transaction Party**" means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment.

"**Record Date**" has the meaning given to such term under Condition 9.3 (*Record Date*).

"**Reference Banks**" means the principal London office of four (4) major banks in the London interbank market, selected by the Paying Agent at the relevant time.

"**Reference Rate**" means, on any Interest Determination Date, the floating rate determined by the Paying Agent by reference to the Screen Rate on such date or if, on such date, the Screen Rate is unavailable:

(a) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (London time) on that date of the Reference Banks to major banks for Euro deposits for the Relevant Period in the London interbank market in the amount that is representative for a single transaction in the relevant market at the relevant time ("**Representative Amount**") determined by the Paying Agent after request of each of the Reference Banks;

(b) if, on such date, two (2) or three (3) only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or

(c) if, on such date, one (1) only or none of the Reference Banks provide such a quotation, the Reserve Reference Rate.

"**Register**" means the register evidencing ownership of the Notes of each Class and Series maintained by the Registrar in accordance with the Paying Agency Agreement.

"**Registrar**" means The Bank of New York Mellon SA/NV, Dublin Branch, or any other person from time to time acting as Registrar under the Paying Agency Agreement.

"**Regulation 2022-04**" means under San Marino law the regulation No. 2022-04 of 28 November 2022, as amended from time to time.

"**Regulations**" means the regulations concerning the transfers and registration of Notes set out in schedule 1 (*Regulations Concerning the Transfers and Registration of Notes*) of the Paying Agency Agreement.

"**Regulatory Technical Standards**" means:

(i) the regulatory technical standards adopted by the European Commission on the basis of drafts prepared by the ESMA, the European Banking Authority and/or the European Insurance and Occupational Pensions Authority under the EU Securitisation Regulation; or

(ii) any transitional arrangements applicable pursuant to Article 43 of the EU Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above; or

(iii) any relevant regulatory technical standards and/or any relevant implementing measures or official guidance in relation thereto published by the PRA and/or the Financial Conduct Authority and any implementing measures in relation to the UK Securitisation Regulation, including any transitional or other provisions introduced pursuant to the EUWA.

"**Relevant Condition**" has the meaning given to such term under Condition 7.9 (*Alternative Benchmark Rate*).

"**Relevant Limit**" means:

1. in relation to the Variable Advisory Fee, the earlier of (i) the Payment Date (included) on which

the total amount paid by the Issuer to the Special Servicer as Variable Advisory Fee has reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030;

2. in relation to the Fixed Advisory Fee, the earlier of (i) the Payment Date (included) on which the total amount paid by the Issuer to the Special Servicer as Fixed Advisory Fee has reached the relevant CAP; and (ii) the Payment Date (included) falling in June 2030;

3. in relation to the maintenance costs, the property manager fee and the remarketing fee to be paid or reimbursed to the Special Servicer by the Issuer, the earlier of (i) the Payment Date (included) on which the total amount paid or reimbursed by the Issuer to the Special Servicer, as the case may be, as maintenance costs, the property manager fee and the remarketing fee have reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030;

4. in relation to the Mezzanine Costs to be reimbursed to the Master Servicer and the Special Servicer (as the case may be) by the Issuer, the Payment Date (included) on which the total amount reimbursed by the Issuer to the Special Servicer and the Master Servicer (as the case may be) as Mezzanine Costs has reached the relevant CAP;

5. in relation to the amount and fee payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement, the earlier of (i) the Payment Date (included) on which the total the amount and fee payable to the Master Servicer Adviser pursuant to the Advisory Master Servicing Agreement has reached the relevant CAP; and (ii) the Payment Date (included) falling in December 2030.

"**Relevant Period**" means the length in months of the related Interest Period.

"**Relevant Resolution Authority**" means the resolution authority entitled to exercise or to participate in the exercise of any Bail-in Powers in relation to any liability of any Party to any other Party under or in connection with any of the Transaction Documents.

"**Relevant Time**" has the meaning given to such term under Condition 7.9 (*Alternative Benchmark Rate*).

"**Renegotiations**" means any deferments involving repayment plans and/or settlements that the Special Servicer may enter into with the Assigned Debtors in accordance with the Servicing Agreement.

"**Reporting Entity**" means the Issuer.

"**Reporting Website**" means the web-site which will be communicated by the Issuer in accordance with the Conditions.

"**Representative Amount**" has the meaning given to such term within the definition of Reference Rate.

"**Reserve Reference Rate**" means on any Interest Determination Date:

(a) the Rounded Arithmetic Mean of the rates at which deposits in Euros are offered in the London interbank market at approximately 11:00am (London time) on the Interest Determination Date by the principal London office of each of four (4) major banks selected by the Paying Agent in its absolute discretion for Euros loans for the Relevant Period in the Representative Amount to major banks in the London interbank market; or

(b) if the Paying Agent certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the relevant Interest Determination Date.

"**Reserved Matter**" means a matter regarding Renegotiations, Assignment in Payment Request or any modification to the maximum amount of Recovery Expenses for which the delivery of a Non-Binding Opinion and approval of the Most Senior Class of Noteholders is required pursuant to the Servicing Agreement.

"**Requirement of Law**" in respect of any person shall mean:

(a) any law, treaty, rule, requirement or regulation;

(b) a notice by or an order of any court having jurisdiction;

(c) a mandatory requirement of any regulatory authority having jurisdiction; or

(d) a determination of an arbitrator or governmental authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply.

"**Risk Retention U.S. Person**" means any "U.S. Person" as defined in the U.S. Risk Retention Rules.

"**Rounded Arithmetic Mean**" means the arithmetic mean (rounded, if necessary, to the nearest 0.0001, 0.00005 being rounded upwards).

"**RSM Enforcement Notice**" has the meaning given to such term under Condition 4.6 (*Enforcement of the RSM Guarantee*).

"**RSM Guarantee**" means the state guarantee issued by the Republic of San Marino in favour of the Issuer pursuant to article 21 of the San Marino Securitisation Law.

"**RSM Guarantee Agreement**" means the agreement to be entered into on or about the Issue Date between the Issuer and the "*Eccellentissima Camera della Repubblica di San Marino*".

"**RSM Guarantor**" means the Republic of San Marino.

"**S&P**" means Standard and Poor's Rating Services.

"**San Marino Securitisation Law**" means the Law of Republic of San Marino no.157 of 30 August 2021 (*Misure e Strumenti per la Cartolarizzazione dei Crediti*) as the same may be amended or re-enacted from time to time.

"**San Marino Law Transaction Documents**" means the Transfer Agreements, the Quotaholder Agreement, the Subordinated Loan Agreements, the Servicing Agreement, the Interim Servicing Agreement, the Escrow Account and Pledge Agreement and the RSM Guarantee Agreement.

"**Screen**" means Reuters Screen EURIBOR06or Bloomberg Screen EUR0006M or:

(a) such other page as may replace Reuters Screen EURIBOR06 or Bloomberg Screen EUR0006M on that service for the purpose of displaying such information; or

(b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such screen.

"**Screen Rate**" means, in relation to (i) the first Interest Determination Date, the linear interpolation of the offered quotations for Euro deposits for the period of six months in the London interbank market displayed on the Screen, or (ii) any subsequent Interest Determination Date, if interpolation for first period the offered quotations for Euro deposits for the Relevant Period which appears on the Screen (in the case of (i) and (ii)) as at or about 11.00am (London time) on that date (rounded upwards if necessary, to five (5) decimal places).

"**Secured Amounts**" means all present and future obligations and liabilities of whatever nature of the Issuer to the Secured Creditors under the Notes and the other Transaction Documents (as each of them may be amended, restated, supplemented or otherwise modified or replaced and in effect from time to time).

"**Secured Creditors**" means the Noteholders, the Sellers, the Account Banks, the Registrar, the Paying Agent, the Monitoring Agent, the Calculation Agent, the Special Servicer, the Master Servicer, the Special Servicer Adviser, the Business Plan Developer, the Master Servicer Adviser, the Issuer Corporate Services Provider the Cap Counterparty, any receiver or Appointee appointed by the Trustee under the Deed of Charge and any other person which has acceded to the Deed of Charge in accordance with clause 20 (*Accession Undertaking and Miscellaneous Provisions*) thereof.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulations**" means the UK Securitisation Regulation and the EU Securitisation Regulation.

"**Security**" means the security created in favour of the Secured Creditors pursuant to the Security Documents.

"**Security Documents**" means the Deed of Charge and the Italian Account Pledge.

"**Security Interest**" means any mortgage, mortgage pre-notation, guarantee, pledge, (including any pledge operating by law) charge, sub security, lien, assignment or assignation by way of security or other encumbrance or security interest howsoever created or arising or arrangement having the effect of conferring security.

"**Seller**" means each of Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A., Cassa di Risparmio della Repubblica di San Marino S.p.A., Banca di San Marino S.p.A., Veicolo Pubblico di Segregazione Fondi Pensione, 739 SG S.p.A. and Società di Gestione degli Attivi ex BNS S.p.A.

"**Seller Banks**" means BAC IBS, BSM and CRSS.

"**Sellers' Call Option**" means the call option granted to each of the Sellers on its Banking Assets pursuant to Clause 17 (*Seller Call Option*) of the Deed of Charge.

"**Seller's Collection Ratio**" means the ratio at each Calculation Date between (i) the gross collections collected in relation to a Sub-Portfolio in the relevant Collection Period as indicated in the Semi-Annual Servicing Report and (ii) the aggregate gross collections collected in the relevant Collection Period as indicated in the Semi-Annual Servicing Report.

"**Seller's Ratio**" means the fixed ratio (expressed as a percentage) for the life of the Transaction of the following items:

(a) for as long as the Class A Notes are outstanding, (1) each Seller's virtual Class A Notes allocated on the Issue Date in accordance with the Cash Allocation, Management and Payments Agreement against (2) the Principal Amount Outstanding of the Senior Notes on the Issue Date; and

(b) once the Class A Notes have been fully redeemed and the class B Notes are outstanding, (1) each Class B Notes allocated to each Seller against (2) the Principal Amount Outstanding of the Mezzanine Notes on the Issue Date.

"**Semi-Annual Investors Report**" means semi-annual report prepared in accordance with the Cash Allocation, Management and Payments Agreement.

"**Semi-Annual Investors Report Date**" means the date falling 5 (five) Business Days after each Payment Date.

"**Semi-Annual Servicing Report**" means the semi-annual report prepared in accordance with the Servicing Agreement.

"**Semi-Annual Servicing Report Date**" means the 12th (twelfth) Business Day following each Collection Date, provided that the first Semi-annual Servicing Report Date shall fall in the month of June 2024.

"**Senior Costs**" means the costs and amounts to be paid by the Issuer under items (*First*), (*Second*) and (*Third*) of the Pre-Acceleration Order of Priority or items (*First*), (*Second*) and (*Third*) of Acceleration Order of Priority.

"**Senior Notes**" means the Class A Notes.

"**Senior Unsecured Debt Rating**" means, in respect of an entity, the rating given to its long-term, unsecured and unsubordinated debt or counterparty obligations by DBRS.

"**Series**" means each Series of Class B Notes (namely, the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes and the Class B6 Notes) and each Series of Class J Notes (namely, the Class J1 Notes, the Class J2 Notes, Class J3 Notes, Class J4 Notes, Class J5 Notes and Class J6 Notes).

"**Servicer**" means the Special Servicer and/or the Master Servicer as the context may require.

"**Servicing Agreement**" means the servicing agreement entered into on 29 November 2023 between, among others, the Issuer, the Master Servicer and Special Servicer.

"**Servicing Report Date**" means each Monthly Servicing Report Date as well as Quarterly Servicing Report Date as well as Semi-annual Servicing Report Date.

"**SGA**" means Società di Gestione degli Attivi ex BNS S.p.A..

"**SGA Banking Assets**" means banking assets as identified in the SGA Transfer Agreement in accordance with the San Marino Securitisation Law.

"**SGA Collection Account**" means a Euro denominated account (with account number 7617559780 and IBAN IT48P0335101600007617559780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections of the SGA, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**SGA Portfolio**" means the portfolio of banking assets as identified in the SGA Transfer Agreement in accordance with the San Marino Securitisation Law.

"**SGA Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and SGA.

"**Signing Date**" means 12 December 2023.

"**Single Portfolio Available Funds**" means, in respect of each Payment Date, with respect to each Sub-Portfolio and Seller, the aggregate (without duplication) of:

(i) all the Collections and any other sums received by the Issuer from or in respect of the relevant Sub-Portfolio, during the immediately preceding Collection Period;

(ii) all the amounts credited or transferred during the immediately preceding Collection Period into the relevant Seller's Issuer Collections Account;

(iii) all interest accrued on the relevant Seller's Issuer Collections Account and paid during the immediately preceding Collection Period into such account;

(iv) all amounts received by the Issuer from the relevant Seller pursuant to the relevant Transfer Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from the relevant Seller as indemnity in case of breach by such Seller of any representation and warranties pursuant to the relevant Transfer Agreement, but excluding any amount credited on the Escrow Account);

(v) the proceeds deriving from the disposal in whole or in part (if any) of (the relevant Sub-Portfolio pursuant to the Deed of Charge, and/or (b) of single Receivable(s) pursuant to the relevant Transfer Agreement or the Servicing Agreement;

(vi) following repayment in full of the ClassB Notes, any amount reallocated to such Sub-Portfolio pursuant to the Cash Allocation, Management and Payments Agreement, as calculated by the Calculation Agent in respect of such Payment Date;

(vii) the relevant Seller's Ratio of the amounts standing to the credit of the Liquidity Reserve Account on the preceding Calculation Date; and

(viii) on each Calculation Date from the Escrow Amortisation Date, the relevant Seller's Ratio of the amounts transferred from the Escrow Account to the Payments Account indicated below will form part of the Single Portfolio Available Funds to be applied exclusively towards payments due to the Class A Noteholders:

1. on each Calculation Date from the Escrow Amortisation Date, any Escrow Surplus Amounts; or

2. only to the extent a Pledge Enforcement Notice has been served, the relevant portion of Escrow Amount indicated in the relevant Pledge Enforcement Notice; or

3. in case of occurrence of an Escrow Redemption Event, the Escrow Amount;

(ix) the relevant Seller's Ratio of the aggregate Issuer Available Funds for such Payment Date under

items (iii), (iv), (vi), (viii), (x) and (xii) of such definition.

"**Single Portfolio Order of Priority**" means the order of priority set out in Condition 6.3 (*Single Portfolio Order of Priority*).

"**SM Account Bank**" means Banca Centrale della Repubblica di San Marino.

"**SP Ledger**" means the ledger held and maintained by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Special Servicer Adviser**" means Guber Banca S.p.A..

"**Special Servicer**" means at the Issue Date S3 – Special Servicer Sammarinese S.r.l or any replacement servicer appointed pursuant to the Servicing Agreement.

"**Specified Agreement**" means any agreement, arrangement or understanding that:

(a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof; and

(b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

"**Specified Office**" means, in relation to any Agent, the office specified against its name in the Notices Details.

"**SR Investor Report Date**" means the date falling no later than one month after each Payment Date.

"**SR Investor Report**" means an investors report prepared and delivered by the Calculation Agent, on each SR Investor Report Date, via electronic mail, to the Reporting Entity which shall be prepared in compliance with the provisions of the Securitisation Regulations and the applicable Regulatory Technical Standards and including all the required information to be provided pursuant to point (e) of the first subparagraph of article 7(1) of the Securitisation Regulations and shall be prepared in compliance with the Securitisation Regulations and the templates set out under the applicable Regulatory Technical Standards (including the Commission Delegated Regulation (EU) 2020/1224 and the Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019).

"**Stop Event**" means, in respect of a Class J Note or a Sub-Portfolio and a Calculation Date, the relevant Sub-Portfolio is an Underperforming Sub-Portfolio on such Calculation Date.
"**Subordinated Loan Providers**" means the Seller Banks.

"**Subordinated Loan Agreements**" means the three subordinated loan agreements to be entered into between the Issuer and the relevant Subordinated Loan Provider and each a "**Subordinated Loan Agreement**".

"**Subordinated Price**" means the Deferred Purchase Price.

"**Sub-Portfolio**" means each of the VPSFP Portfolio, 739 Portfolio, SGA Portfolio, BAC IBS Portfolio, CRSS Portfolio and BSM Portfolio.

"**Subscription Agreement**" means the subscription agreement entered into on or about the Signing Date between, *inter alios*, the Issuer and the Notes Subscribers.

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Successor**" means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed for any reason (included, but not limited to, assignment of the agreement (*cessione del contratto*), merger, transfer of the business (*cessione d'azienda*), or of an operative branch of the same (*cessione del ramo di azienda*), contribution in kind (*conferimento in natura*), and any other transaction having the effect of transfer the duties and obligations set out in the Cash Allocation, Management and Payments Agreement) the rights and obligations of such person under the Cash Allocation, Management and Payments Agreement or to which under such laws the same have been transferred.

"**Sunset Call Event**" has the meaning given to such term under Condition 8.4 (*Optional Redemption*).

"**S3**" means S3 – Special Servicer Sammarinese S.r.l..

"**T-Notice**" means the notice sent by certified electronic mail.

"**TARGET Day**" means any day on which T2 is open for the settlement of payments in Euro.

"**Target Escrow Amount**" means on each Calculation Date on which an Escrow Amortisation Event has occurred, an amount equal to 8% per cent. of the Principal Amount Outstanding of Class A Notes on such date, and ***provided that*** on the Calculation Date on which the Escrow Amount (together with the Issuer Available Funds available on the following Payment Date to redeem the Senior Notes in accordance with the applicable Order of Priority) will be higher than or equal to the Principal Amount Outstanding of the Senior Notes (than outstanding), (the "**Escrow Redemption Event**") the Issuer has been authorised by the Sellers to use the Escrow Amount to redeem in full on the immediately succeeding Payment Date the Senior Notes (than outstanding).

"**Target Liquidity Reserve Amount**" means on each Calculation Date, an amount equal to 3.7% of the Principal Amount Outstanding of Class A Notes on such date, ***provided that*** on the Calculation Date preceding the earliest of (i) the Payment Date on which the Class A Notes are redeemed in full, (ii) the Class A Note Final Maturity Date, and (iii) the Final Redemption Date, the Target Liquidity Reserve Amount will be zero.

"**Target Price**" means in relation to each Debt Position, the PV of the Net Collections of the Debt Position determined pursuant to a rate equal to the Discount Factor and on the basis of the Business Plan as indicated before the Issue Date and as indicated in the Business Plan.

"**Tax**" or "**Taxes**" means all present and future taxes, levies, imports, duties, fees, charges, withholdings or deductions in the nature of tax wherever levied, charged or assessed, together with any interest thereon and any penalties in respect thereof.

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function in the Republic of San Marino.

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

"**Transfer Agreement(s)**" means the BSM Transfer Agreement, the CRSS Transfer Agreement, the BAC IBS Transfer Agreement, the SGA Transfer Agreement, the 739 Transfer Agreement and the VPSFP Transfer Agreement .

"**Transfer Agreement Execution Date**" means the date on which the relevant Transfer Agreement is executed.

"**Transaction**" means the securitisation transaction entered into by the Issuer as contemplated by the Transaction Documents.

"**Transaction Documents**" means the English Law Transaction Documents, the Italian Law Transaction Documents, the San Marino Law Transaction Documents and any other document agreed between the Issuer and the Trustee to be a Transaction Document.

"**Transaction Party**" means each party to the Transaction Documents.

"**Transaction Summary**" means the transaction summary dated on or about the Issue Date prepared by the Issuer in connection with the issue of the Notes as supplemented from time to time.

"**Trust Corporation**" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian or trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation.

"**Trust Documents**" means the Deed of Charge and the Note Trust Deed.

"**Trustee**" means BNY Mellon Corporate Trustee Services Limited acting as Trustee or any other person from time to time acting as trustee under the Trust Documents.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**UK Bail-In Legislation**" means Part I of the United Kingdom Banking Act 2009 (as amended) and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**UK Securitisation Regulation**" means Regulation (EU) 2017/2402 as it forms part of UK domestic law by virtue of the EUWA and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019, including any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto, as amended, varied or substituted from time to time.

"**Underperforming Sub-Portfolio**" means in respect of a Sub-Portfolio and a Calculation Date, where the amount registered in the SP Ledger in relation to such Sub-Portfolio on such Calculation Date is a positive amount as recorded by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**U.S. Risk Retention Rules**" means the Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act of 1934 (as amended), as added by section 941 of the Dodd-Frank Act.

"**Variable Advisory Fee**" means the fee due to the Special Servicer Adviser, in accordance with the Advisory Special Servicing Agreement for the performance of the activities set out under article 3.3 of the Advisory Special Servicing Agreement, for each calendar year during the entire effectiveness of the Advisory Special Servicing Agreement, and equal to 1.6% per annum of the aggregate of Gross Collections related to the Assigned Position as set out in the relevant Semi-annually Servicing Report produced in the month of December.

"**Value Added Tax**" or "**VAT**" means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"**VPSFP**" means Veicolo Pubblico di Segregazione Fondi Pensione.

"**VPSFP Banking Assets**" means the banking assets as identified in the VPSFP Transfer Agreement in accordance with the San Marino Securitisation Law.

"**VPSFP Collection Account**" means a Euro denominated account (with account number 7617949780 and IBAN IT08W0335101600007617949780) opened in the name of the Issuer with the Italian Account Bank in respect of the Collections of the VPSFP, or such other account as shall replace such account pursuant to, and to be operated in accordance with, the Cash Allocation, Management and Payments Agreement.

"**VPSFP Portfolio**" means the portfolio of banking assets as identified in the VPSFP Transfer Agreement in accordance with the San Marino Securitisation Law.

"**VPSFP Transfer Agreement**" means the transfer agreement dated 29 November between the Issuer and VPSFP.

"**Write-down and Conversion Powers**" means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to any UK Bail-In Legislation:

(i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation.

**ISSUER**
**VEICOLO DI SISTEMA S.r.l.**
Via Rocca della Guardia, No. 13
Serravalle
Republic of San Marino

**BANK SELLERS AND LOCAL PLACEMENT AGENTS**
**Banca di San Marino S.p.A.**
Faetano – Strada della Croce, No.39
Republic of San Marino

**Cassa di Risparmio della Repubblica di San Marino S.p.A.**
Piazzetta del Titano, No.2
Republic of San Marino

**Banca Agricola Commerciale Istituto Bancario Sanmarinese S.p.A.**
Via Tre Settembre, No.316
Republic of San Marino

**SELLERS**
**Società di Gestione degli Attivi ex BNS S.p.A.**
Piazza G. Bertoldi, No. 8
47899 Serravalle
Republic of San Marino

**739 SG S.p.A.**
Piazza Tini, No. 2
Dogana
Republic of San Marino

**Veicolo Pubblico Di Segregazione Fondi Pensione**
Via Delle Mimose, No. 50
Domagnano
Republic of San Marino

**ITALIAN ACCOUNT BANK**
**Bank of New York Mellon SA/NV, Milan Branch**
Via Mike Bongiorno 13
20124 Milan, Italy

**ENGLISH ACCOUNT BANK AND PAYING AGENT**
**Bank of New York Mellon, London Branch**
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

**TRUSTEE**
**BNY Mellon Corporate Trustee Services Limited**
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

**MASTER SERVICER ADVISER AND CALCULATION AGENT**
**Banca Finanziaria Internazionale S.p.A.**
Via Vittorio Alfieri, 1
31015 Conegliano (TV)
Italy

**MASTER SERVICER AND ISSUER CORPORATE SERVICES PROVIDER**
**Istituto per la Gestione e il Recupero dei Crediti S.p.A**.
Piazza Bertoldi, 8
Republic of San Marino

**SPECIAL SERVICER**
**S3 – Special Servicer Sammarinese S.r.l.**
Piazza Bertoldi, 8
Republic of San Marino

**SPECIAL SERVICER ADVISER AND BUSINESS PLAN DEVELOPER**
**Guber Banca S.p.A.**
Via Corfù No. 102
25124 Brescia
Italy

**SM ACCOUNT BANK**
**Banca Centrale della Repubblica di San Marino**
Via del Voltone, 120,
47890
Republic of San Marino

**ISSUER QUOTAHOLDER**
**Trust Dominus**
Via Consiglio dei Sessanta, 99,
47891 Dogana,
San Marino

**ARRANGER AND INTERNATIONAL PLACEMENT AGENT**
**J.P. Morgan Securities PLC**
25 Bank Street
London E14 5JP
United Kingdom

**CAP COUNTERPARTY**
**J.P. Morgan SE**
Taunustor 1
60310 Frankfurt am Main
Germany

**LEGAL ADVISERS**

**AS TO ITALIAN AND ENGLISH LAW**
**Orrick, Herrington & Sutcliffe (Europe) LLP**
Piazza della Croce Rossa, 2c
00161, Rome
Italy

**AS TO SAN MARINO LAW**
**Studio BNM**
Via Consiglio dei Sessanta, 99,
47891 Dogana,
San Marino

**LEGAL ADVISER TO GUBER AND FININT**

**Chiomenti**
Via Ventiquattro Maggio, 43
00187 Rome
Italy