INFORMATION MEMORANDUM DATED 26 November 2024

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

VALSABBINA SME 4 SPV S.R.L.

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

€ 802,300,000 Class A Asset Backed Partly Paid Notes due January 2062

Issue Price: 100 per cent.

This Information Memorandum contains information relating to the issue by Valsabbina SME 4 SPV S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of the € 802,300,000 Class A Asset Backed Partly Paid Notes due January 2062 (the "**Class A Notes**" or the "**Senior Notes**"). In connection with the issue of the Senior Notes, the Issuer will also issue the € 296,700,000 Class J Asset Backed Partly Paid Notes due January 2062 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

This document constitutes a *Prospetto Informativo* (the "**Information Memorandum**") for all Notes for the purposes of Article 2, paragraph 3 of the Securitisation Law and a transaction summary for the purposes of Article 7(1)(c) of Regulation (EU) No. 2402 of 12 December 2017 (the "**EU Securitisation Regulation**"). This Information Memorandum also constitutes the admission document of the Senior Notes for the admission to trading on the professional segment ("**Euronext Access Milan Professional**") of the multilateral trading facility Euronext Access Milan operated by Borsa Italiana S.p.A. The Junior Notes are not being offered pursuant to this Information Memorandum and no application has been made to list the Junior Notes on any stock exchange.

The Notes will be issued on 28 November 2024 or the date subsequently agreed in writing between the parties to the Subscription Agreements (the "**Issue Date**").

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

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections made in respect of the Receivables arising out of the Loan Agreements, purchased from time to time by the Issuer from the Originator pursuant to the Transfer Agreement. The Issuer has purchased the First Initial Portfolio on 12 November 2024, has undertaken to purchase the Second Initial Portfolio by no later than the Incremental Instalment Date and, subject to certain conditions set forth under the Transfer Agreement, shall purchase from the Originator Further Portfolios during the Revolving Period.

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

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The rate of interest applicable to the Class A Notes for each Interest Period shall be the rate *per annum* equal to the EURIBOR (as determined in accordance with Condition 7 (*Interest*) for three month deposits (except in respect of the Initial Interest Period where an interpolated interest rate based on 1 (one) month and 3 (three) months deposits in Euro will be substituted for the EURIBOR) plus a margin equal to 0.5 per cent. *per annum*. In any event such rate of interest shall not be higher than 6%. However, in the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

The Senior Notes are expected, on the Issue Date, to be rated "A1 (sf)" by Moody's Investors Service España S.A. ("**Moody's**") and "A (sf)" by DBRS Ratings GmbH ("**DBRS**" and, together with Moody's, the "**Rating Agencies**"). As of the date of this Information Memorandum, each of Moody's and DBRS is established in the European Union and is 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 and supplemented from time to time (the "**CRA Regulation**") and is 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, which, for the avoidance of doubt, does not constitute part of this Information Memorandum (the "**ESMA Website**")). It is not expected that the Junior 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 suspension, revision or withdrawal at any time by the assigning rating organisation.

As at the date of this Information Memorandum, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes on account of such withholding or deduction.

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Underwriters, any of the Other Issuer Creditors or the Arrangers. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due under the Notes.

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The Notes will be accepted for clearance by Euronext Securities Milan with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (a) Article 83-bis of the Financial Laws Consolidated Act and (b) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

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

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

This Information Memorandum is neither subject to any approval or authorisation of CONSOB or Borsa Italiana S.p.A., nor to any disclosure duties in the Republic of Italy, other than those provided by the Securitisation Law.

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS-securitisation**") within the meaning of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the Issue Date, the requirements of Articles 19 to 22 of the EU Securitisation Regulation (the "**STS Requirements**") and it will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation (the "**STS Notification**"). No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the Issue Date or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register. None of the Issuer, the Originator, the Arrangers or any other party involved in the Securitisation makes any representation or accepts any liability in such respect.

This Information Memorandum contains the information and requirements provided by Article 2, paragraph 3, of the Securitisation Law and Article 7(1)(c) of the EU Securitisation Regulation, it is not exhaustive and it does not purport to be complete.

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

Arrangers

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

CONTENTS

RESPONSIBILITY STATEMENTS

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

The Issuer accepts responsibility for the information contained and incorporated by reference in this Information Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

*Banca Valsabbina S.C.p.A. ("**Banca Valsabbina**") accepts responsibility for the information contained in this Information Memorandum in the sections entitled "*The Aggregate Portfolio*", "*Banca Valsabbina*", "*Credit and Collection Policies*" and any other information contained in this Information Memorandum relating to itself, the Receivables, the Loan Agreements, the Loans, the Mortgages and the Guarantees. To the best of the knowledge and belief of Banca Valsabbina (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

*Banca Finint accepts responsibility for the information contained in this Information Memorandum in the section entitled "*Banca Finint*" and any other information contained in this Information Memorandum relating to itself. To the best of the knowledge of Banca Finint (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

Representations about the Notes

No person has been authorised to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arrangers, the Representative of the Noteholders, the Issuer, the Sole Quotaholder or Banca Valsabbina (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Information Memorandum nor any sale or allotment made in connection with the offering of any of the Notes shall in any circumstances constitute a representation or create an implication that there has not been any change or any event reasonably likely to involve any change in the condition (financial or otherwise) of the Issuer, Banca Valsabbina or the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Information Memorandum.

Limited recourse

The Notes constitute direct, secured, limited recourse obligations of the Issuer. By virtue of the operation of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collection will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation

Law in the context of any Further Securitisation) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

Other business relations with the Originator

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

U.S. Risk Retention Rules

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

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

Selling Restrictions

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

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

The Notes may not be offered or sold directly or indirectly, and neither this Information Memorandum nor any other offering circular or any Information Memorandum, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

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

No action has or will be taken which would allow an offering to the public (or an "offerta al pubblico") of the Notes in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Notes may not be offered, sold or delivered and neither this Information Memorandum nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

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

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

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

Benchmark Regulation (Regulation (EU) 2016/1011)

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

Interpretation

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

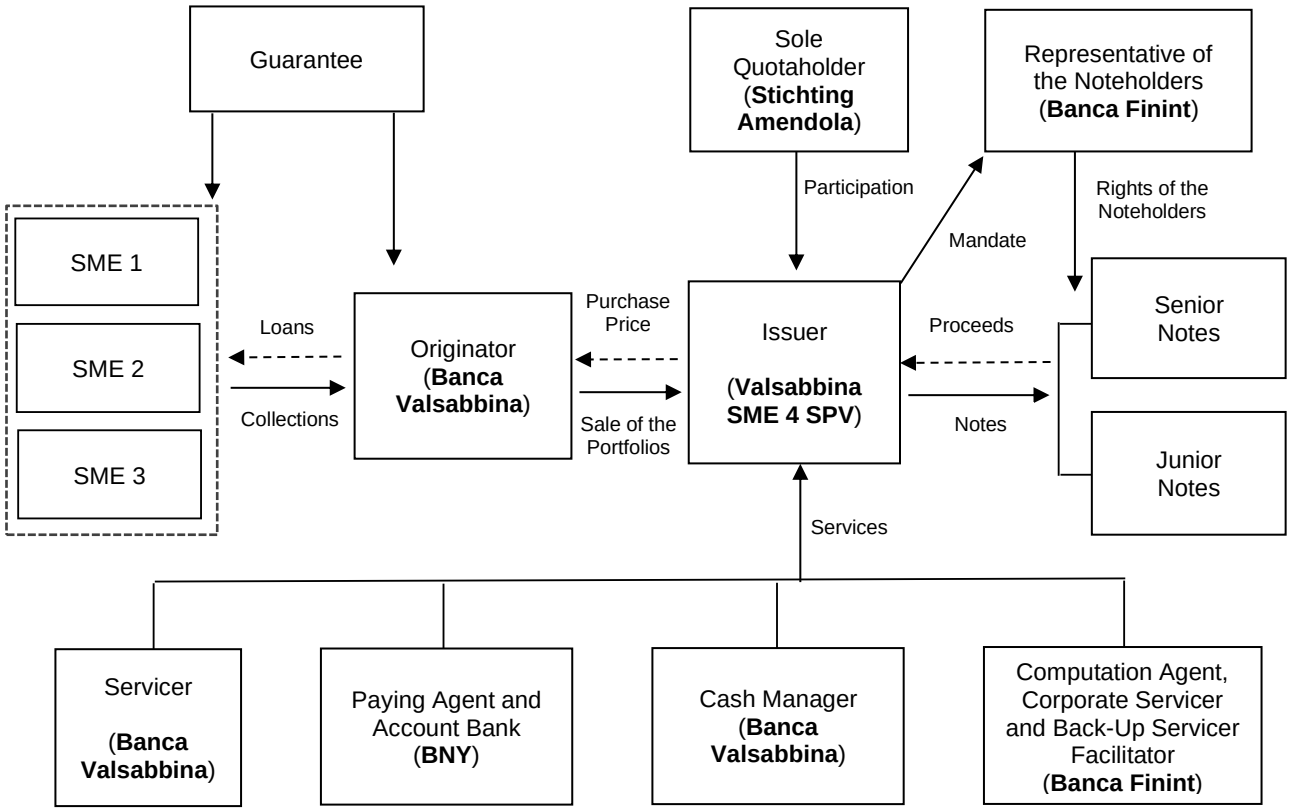
All references in this Information Memorandum to "Euro", "EUR", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended and integrated from time to time.

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

TRANSACTION OVERVIEW

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

1. TRANSACTION DIAGRAM



2. THE PRINCIPAL PARTIES

Issuer	VALSABBINA SME 4 SPV. The issued quota capital of the Issuer is equal to €10,000 and is fully held by the Sole Quotaholder.
Originator	BANCA VALSABBINA.
Servicer	BANCA VALSABBINA. The Servicer will act as such

	pursuant to the Servicing Agreement.
Reporting Entity	BANCA VALSABBINA. The Reporting Entity will be designated under the Intercreditor Agreement. The Reporting Entity will act as such, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation.
Computation Agent	BANCA FININT. The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Account Bank	BNY. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Paying Agent	BNY. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Cash Manager	BANCA VALSABBINA. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Representative of the Noteholders	BANCA FININT. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Terms and Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other Transaction Documents.
Corporate Servicer	BANCA FININT. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Back-Up Servicer Facilitator	BANCA FININT. The Back-Up Servicer Facilitator will act in such capacity pursuant to the Cash Allocation, Management and Payment Agreement.
Stichting Corporate Services Provider	WT. The Stichting Corporate Services Provider will act as such pursuant to the Stichting Corporate Services Agreement.
Sole Quotaholder	STICHTING AMENDOLA.
Arrangers	BANCA FININT and BANCA VALSABBINA.
Class A Notes Underwriter	BANCA VALSABBINA. The Class A Notes Underwriter will act as such pursuant to the Senior Notes Subscription Agreement.
Class J Notes Underwriter	BANCA VALSABBINA. The Class J Notes Underwriter will act as such pursuant to the Junior Notes Subscription Agreement.

3. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following classes:
The Senior Notes	€ 802,300,000 Class A Asset Backed Partly Paid Notes due January 2062;
The Junior Notes	€ 296,700,000 Class J Asset Backed Partly Paid Notes due

	January 2062.
Partly paid Notes	The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full Nominal Amount of the Notes will be issued.
Initial Instalments	Subject to the Terms and Conditions and the terms of the Subscription Agreements and the other Transaction Documents, on the Issue Date the Underwriters will pay the relevant Initial Instalment of the subscription price of each Class of Notes to allow the Issuer to: (a) pay the Purchase Price of the First Initial Portfolio purchased by the Issuer from the Originator on the Conclusion Date pursuant to the Transfer Agreement; (b) credit the Required Cash Reserve Amount into the Cash Reserve Account; (c) credit the Retention Amount into the Expense Account; and (d) credit the Initial Expenses Amount into the Payments Account.
Incremental Instalments	Subject to and in accordance with the Terms and Conditions and the terms of the Transaction Documents, on the Incremental Instalment Date, the Noteholders will pay *pro rata* the relevant Incremental Instalment on the Notes to allow the Issuer to, for the amount not already covered by the applicable Issuer Available Funds: (a) pay the Purchase Price due and payable to the Originator of the Second Initial Portfolio purchased by the Issuer on the immediately preceding Transfer Date pursuant to the Transfer Agreement and the relevant Transfer Deed; and (b) credit the Cash Reserve Increase Amount into the Cash Reserve Accounts, provided that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing as at the Incremental Instalment Date. No other further instalment will be paid on the Notes thereafter.
Issue Date	The Notes will be issued on the Issue Date.
Issue Price	On the Issue Date the Notes will be issued at 100 per cent. of their principal amount.
Interest on the Senior Notes	The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the sum of: (a) the EURIBOR (except in respect of the Initial

Interest Period where an interpolated interest rate based on 1 (one) month and 3 (three) months deposits in Euro will be substituted for the EURIBOR); plus

(b) a margin equal to 0.5 per cent. *per annum*.

In any event such Rate of Interest shall not be higher than 6%.

However, in the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

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

Alternative Base Rate

As provided in Condition 7.9 (*Interest – Fallback Provisions*), the Representative of the Noteholders may request the Issuer to agree to amend the EURIBOR and make such other related or consequential amendments as are necessary or advisable in order to facilitate such change.

Additional Return on the Junior Notes

The Junior Notes will have a remuneration equal to the Additional Return which will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The Additional Return payable on the Junior Notes on each Payment Date shall be determined by the Computation Agent and will be equal to any Issuer Available Funds remaining after making all payments due under items from (i) (*First*) to (xi) (*Eleventh*) (inclusive) of the Pre-Enforcement Priority of Payments or from (i) (*First*) to (vii) (*Seventh*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be, and may be equal to 0 (zero).

Form and denomination

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

	The denomination of the Notes will be Euro 100,000 with additional increments of Euro 1,000.
Status and Ranking	In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, subject to the provisions of the relevant Priority of Payments, the Notes of each Class will rank at all times as set out in Condition 6 (*Priority of Payments*). As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders then (to the extent that the Senior Notes have not been redeemed) by the Senior Noteholders as described above.
Withholding on the Notes	As at the date of this Information Memorandum, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes on account of such withholding or deduction.
Mandatory redemption	The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on any Payment Date, in accordance with the provisions of the Terms and Conditions, in each case if and to the extent that, on such Payment Date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments.
Optional redemption	Unless previously redeemed in full, on any Payment Date falling after the Quarterly Servicer's Report Date on which the aggregate of the Outstanding Principal of the Aggregate Portfolio is equal to or less than 10% of the Reference Portfolio, the Issuer, having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon up to and including the relevant Payment Date, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), provided that: (a) no Trigger Event has occurred prior to or upon the relevant Payment Date; and (b) the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the

interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and pay any amount required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with the Senior Notes.

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

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

Redemption for taxation

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

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

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

then the Issuer may, on such Payment Date, at its option, having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), redeem the Notes of the Affected Class (if the Affected Class is the Senior Notes in whole but not in part or, if the Affected Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding together with any

accrued but unpaid interest thereon up to and including the relevant Payment Date, in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for taxation*).

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

Source of Payments of the Notes

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

Segregation of the Aggregate Portfolio

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

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

Aggregate Portfolio and the Issuer's Rights. Italian law governs the delegation of such power.

Limited recourse obligations of the Issuer

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

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

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

(b) *Sums to the Noteholders*

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

(c) *No further claim against the Issuer*

upon the Representative of the Noteholders (also upon consultation with the Servicer) giving written notice in accordance with Condition 16 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Notes and the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

Non Petition

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from the Notes and any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the

Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders. In particular no Noteholder:

(a) *No enforcement of the Security*

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

(b) *No right against the Issuer*

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

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

shall be entitled, both before and following the service of a Trigger Notice, until the date falling 2 (two) years and 1 (one) day after the date on which all the Notes and any other notes issued by (or loans advanced to) the Issuer in the context of any other securitisation carried out by the Issuer have been redeemed (or repaid, as the case may be) in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

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

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

Final Maturity Date

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

Cancellation Date

The Notes shall be cancelled on the Cancellation Date being the earlier of:

(a) the date on which the Notes have been redeemed in full; and

(b) the date on which the Servicer has certified to the

Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer.

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

The Organisation of the Noteholders

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

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

Listing and admission to trading

Application will be made to list the Senior Notes on the professional segment Euronext Access Milan Professional of the multilateral trading facility Euronext Access Milan managed by Borsa Italiana.

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

Rating

The Senior Notes are expected, on the Issue Date, to be rated as follows: "A (sf)" by DBRS and "A1 (sf)" by Moody's.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended and supplemented from time to time (the "**CRA Regulation**"), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under

the CRA Regulation.

As at the date of this Information Memorandum, each of the Rating Agencies is established in the European Union and was registered under CRA Regulation and is 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, which, for the avoidance of doubt, does not constitute part of this Information Memorandum (the "ESMA Website")).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations. 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 Senior Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the value of the Senior Notes**.**

The Junior Notes will not be assigned any credit rating.

STS-Securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation within the meaning of Article 18 of the EU Securitisation Regulation ("**STS-Securitisation**"). Consequently, the Securitisation meets, as at the Issue Date, the requirements of Articles 19 to 22 of the EU Securitisation Regulation (the "**STS Requirements**") and it will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation (the "**STS Notification**"). Pursuant to Article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Information Memorandum, https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre) (the "**ESMA STS Register**").

The Originator has used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), as a third party verifying STS compliance authorised under Article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the STS Requirements

(the "**STS Verification**"). It is expected that the STS Verification prepared by PCS, will be available on the PCS website (being, as at the date of this Information Memorandum, https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Information Memorandum.

No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the Issue Date or at any point in time in the future. **The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register**.

None of the Issuer, the Originator, the Arrangers or any other party involved in the Securitisation makes any representation or accepts any liability in such respect.

Governing Law	The Notes will be governed by Italian law.
Purchase of the Notes	The Issuer may not purchase any Notes at any time.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof.

4. ACCOUNTS

Collection Account	The Issuer has established with the Account Bank the Collection Account, into which the Servicer shall transfer on a daily basis all the amounts received or recovered in respect of the Aggregate Portfolio.
Payments Account	The Issuer has established with the Account Bank the Payments Account, into which all the amounts due to the Issuer under any of the Transaction Documents (other than the Collections) will be paid.
Cash Reserve Account	The Issuer has established with the Account Bank the Cash Reserve Account, for the deposit: (a) on the Issue Date and, thereafter, on each Payment Date until the Senior Notes have been repaid in full, of the Required Cash Reserve Amount; and (b) on the Incremental Instalment Date, of the Cash Reserve Increase Amount, in accordance with the applicable Priority of Payments.
Securities Account	After the Issue Date the Issuer may upon instructions of the Representative of the Noteholders (which shall act in accordance with the Rules of the Organisation of the Noteholders), open with any Eligible Institution (other than BNY) a securities investment account, in accordance with

the provisions of the Cash Allocation, Management and Payment Agreement. The Securities Account shall be managed and operated in accordance with the provisions that will be agreed between the Issuer, the Representative of the Noteholders and the relevant Eligible Institution.

Expense Account

The Issuer has established with Banca Finint the Expense Account, into which, on the Issue Date, the Retention Amount has been credited.

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

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account in accordance with the relevant Priority of Payments.

Quota Capital Account

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

The Cash Eligible Accounts will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

5. CREDIT STRUCTURE

Aggregate Portfolio

The First Initial Portfolio comprises, and the Second Initial Portfolio and any Further Portfolio purchased by the Issuer during the Revolving Period pursuant to the Transfer Agreement will comprise, Receivables arising out of performing (*in bonis*) commercial:

(a) Mortgage Loans which qualify as:

(i) "*mutui fondiari*" (medium-long term loans secured by mortgages on real estate, issued by a bank in accordance with Article 38 and subsequent of the Consolidated Banking Act);

(ii) "*mutui ipotecari*" under Italian law, other than the Fondiari Loans;

(b) Non-Mortgage Loans which qualify as "*mutui non ipotecari*" under Italian law,

deriving from Loan Agreements entered into by the Originator with its relevant debtors.

Pool selection criteria

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

Purchase Conditions

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

Issuer Available Funds

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

(a) any Collection and all amounts received or recovered by the Issuer or on behalf of the Issuer in accordance with the terms of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement and the Intercreditor Agreement, or from any party to the Transaction Documents during the Collection Period immediately preceding the relevant Payment Date (including but not limited to, for the avoidance of any doubt, all amounts (i) recovered from any Guarantee or recovered from the Debtors, (ii) received from the sale, if any, of the Aggregate Portfolio (in whole or in part) together with any proceeds deriving from the enforcement of the Issuer's Rights, and (iii) collected or recovered by the Issuer under Article 3.2 (*Erogazione e rimborso del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement (i.e. the limited recourse loan granted by the Originator));

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

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

(d) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account following the payments required to be made from such accounts on the immediately preceding Payment Date; and

(e) the Incremental Instalment to be paid by the Underwriters on the Incremental Instalment Date, in accordance with the Subscription Agreements.

Purchase Termination Events

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

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

(i) the Originator defaults in the performance or observance of any of its payment

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

(ii) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party - other than the payment obligations under (i) above - and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders; or

(b) *No transfer of the Second Initial Portfolio:*

the Originator does not transfer, and the Issuer does not purchase, the Second Initial Portfolio by the Incremental Instalment Date (included); or

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

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect in any material respect which is materially prejudicial to the interest of the Senior Noteholders when made or repeated and such breach is not remedied; or

(d) *Insolvency of the Originator*:

(i) 30 (thirty) days have elapsed since an application is made for the commencement of an *amministrazione straordinaria* or *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings or preparatory or early intervention measures

pursuant to the Directive 2014/59/EU (as implemented from time to time) against the Originator in any jurisdiction and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant (unless the Originator has provided the Representative of the Noteholders with a legal opinion or other adequate comfort confirming that such application is manifestly without grounds), provided that in the 30 (thirty) days period following the date of the relevant application, the Originator shall not be entitled to deliver any Offer to the Issuer for the transfer of any Further Portfolio pursuant to the Transfer Agreement; or

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

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

(e) *Winding up of the Originator*:

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

(f) *Breach of ratios*:

(i) the Cumulative Gross Default Ratio of the Aggregate Portfolio, as determined by the Servicer with reference to the immediately preceding Collection Period as at the relevant Offer Date, is equal to or has exceeded 3.5% (three/5 per cent.); or

(ii) the Delinquency Ratio of the Aggregate Portfolio, as determined by the Servicer with reference to the immediately preceding Collection Period as at the relevant Offer Date is equal to or has exceeded 5% (five per cent.) for three consecutive Collection Periods; or

(iii) the Principal Accumulation Amount has exceeded Euro 100,000,000 as of any Payment Date; or

(iv) the Collateralisation Condition is not satisfied; or

(v) the Cash Reserve Amount is less than the Required Cash Reserve Amount as of the immediately preceding Payment Date or at the Incremental Instalment Date; or

(g) *Termination of the Servicer:*

a Servicer Termination Event, as set forth in Article 9.1 (*Eventi di revoca*) of the Servicing Agreement, has occurred; or

(h) *Service of a Trigger Notice:*

the Representative of the Noteholders has served a Trigger Notice to the Issuer.

Upon the occurrence of any Purchase Termination Event, the Representative of the Noteholders shall deliver a Purchase Termination Notice to the Issuer, the Originator and the Rating Agencies stating that the relevant Purchase Termination Event has occurred.

After the service of a Purchase Termination Notice, the Issuer shall refrain from purchasing, the Second Initial Portfolio or any Further Portfolio and the Revolving Period will be terminated and, unless a Trigger Notice has been served in accordance with the Terms and Conditions, the Pre-Enforcement Priority of Payments shall continue to be applied.

Trigger Events

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

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

(i) (1) the amount of interest accrued on the Most Senior Class of Notes; or

(2) the amount of principal due and payable on the Most Senior Class of Notes (as set out in the relevant Payments Report)

and such default is not remedied within a

period of 5 (five) Business Days from the due date thereof; or

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

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (a) above) which is in the Representative of the Noteholders' sole and absolute opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 (thirty) days will be given); or

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

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

(e) *Unlawfulness*: it is or will become unlawful (in any respect deemed to be material by the Representative of the Noteholders) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party.

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

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

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

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

serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Notes will be due and payable at their Principal Amount Outstanding and the Issuer Available Funds shall be applied in accordance with Condition 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

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

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

Pre-Enforcement Priority of Payments

On each Payment Date, prior to (a) the service of a Trigger Notice, (b) the event of a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for taxation*), (c) the event of a an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional redemption*) or (d) the Final Maturity Date, the Issuer Available Funds shall be applied by the Issuer in making the following payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

costs during the immediately preceding Collection Period), and

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

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

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

(b) any amounts due and payable on such Payment Date to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator and the Servicer (but excluding any amount to be paid under item *Tenth* below); and

(c) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest due and payable on the Class A Notes on such Payment Date;

(iv) *Fourth*, to pay the Required Cash Reserve Amount into the Cash Reserve Account;

(v) *Fifth*, on the Incremental Instalment Date, if applicable, to pay the Cash Reserve Increase Amount (if any) into the Cash Reserve Account;

(vi) *Sixth*, during the Revolving Period (i) to pay to the Originator any amount due as Purchase Price for the Second Initial Portfolio or the relevant Further Portfolio purchased in accordance with the provisions of the Transfer Agreement at the Transfer Date immediately after the end of the Collection Period, (ii) to pay to the Originator any amount due as Purchase Price for the Second

Initial Portfolio or any Further Portfolio under (i) above and unpaid on the previous Payment Dates, and (iii) to credit to the Payments Account the difference, if positive, between the Aggregate Notes Formula Redemption Amount and the amounts set out under (i) and (ii) above, as Principal Accumulation Amount;

(vii) *Seventh*, following the end of the Revolving Period, to pay to the Originator any amount due as Purchase Price for the Second Initial Portfolio or any Further Portfolio under (v) (i) and (v) (ii) above and unpaid on the previous Payment Dates;

(viii) *Eighth*, to pay, following the end of the Revolving Period, *pari passu* and *pro rata* according to the respective amounts thereof the Class A Notes Redemption Amount;

(ix) *Ninth,* to pay all amounts due and payable as Adjustment Purchase Price;

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

(xi) *Eleventh*, to pay (*pro rata*) to Banca Valsabbina and the Other Issuer Creditors any amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xii) *Twelfth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Additional Return on the Junior Notes;

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

The Issuer shall, if necessary, make the payments set out under items *First* (i)(a) and *Second* (ii)(c) above also during the following Interest Period using the amounts standing to the credit of any Cash Eligible Account.

Post-Enforcement Priority of Payments

On each Payment Date, (a) following the service of a Trigger Notice, (b) in the event of a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for taxation*), (c) in the event of optional redemption pursuant to Condition 8.3 (*Redemption,*

Purchase and Cancellation - Optional redemption) or (d) starting from the Final Maturity Date, the Issuer Available Funds shall be applied by the Issuer in making the following payments in the order of priority set out below (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

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

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

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

(b) any amounts due and payable on such Payment Date to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator and the Servicer (but excluding any amount to be paid under item Sixth below); and

(c) (if the Trigger Event is not an Insolvency Event) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amount thereof, all amounts of interest due and payable on the Class A Notes;

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amount thereof, any Principal Amount Outstanding on the Class A Notes;

(v) *Fifth*, to pay to the Originator (i) all amounts due and payable as Adjustment Purchase Price, and (ii) any amount due as Purchase Price for the Second Initial Portfolio or any Further Portfolio and unpaid on the previous Payment Dates;

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

(vii) *Seventh*, to pay (pro rata) to Banca Valsabbina and the Other Issuer Creditors any amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(viii) *Eighth*, to pay, *pari passu* and *pro rata* according to the respective amount thereof, the Additional Return on the Junior Notes;

(ix) *Ninth,* subject to the Senior Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amount thereof, the Class J Notes Redemption Amount and any other amount due in respect of the Class J Notes.

The Issuer shall, if necessary, make the payments set out under items *First* (i)(a) and *Second* (ii)(c) above also during the following Interest Period using the amounts standing to the credit of any Cash Eligible Account.

6. REPORTS

Monthly Servicer's Report

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

Quarterly Servicer's Report

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

Account Bank Report

Under the Cash Allocation, Management and Payment Agreement, the Account Bank has undertaken to prepare, on each Account Bank Report Date, the Account Bank Report setting out information concerning, *inter alia*, the transfers and the balances relating to the Cash Eligible

Accounts.

Securities Account Report

Under the Cash Allocation, Management and Payment Agreement, in the event that a Securities Account is opened, the relevant Eligible Institution (other than BNY) the Securites Account will be opened with shall prepare, on each Account Bank Report Date the Securities Account Report setting out the relevant Eligible Investments made during the preceding Collection Period pursuant to the Cash Allocation, Management and Payment Agreement.

Paying Agent Report

Under the Cash Allocation, Management and Payment Agreement, the Paying Agent has undertaken to prepare, no later than the first day of each Interest Period, the Paying Agent Report setting out certain information in respect of certain calculations to be made on the Notes.

Cash Manager Report

Under the Cash Allocation, Management and Payment Agreement, the Cash Manager has undertaken to prepare, on or prior each Cash Manager Report Date, the Cash Manager Report setting out certain information on the investments made.

Payments Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Calculation Date, the Payments Report setting out*, inter alia,* the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the applicable Priority of Payments.

ESMA Loan Report

Under the Servicing Agreement and the Intercreditor Agreement the Servicer has undertaken to:

(a) prepare, on a quarterly basis by no later than the ESMA Report Date, the ESMA Loan Report setting out certain information in compliance with Article 7(1)(a) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; and

(b) submit such ESMA Loan Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make it available (simultaneously with the Annex 12 Report and the Annex 14 Report) to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the ESMA Report Date.

ESMA Investors' Report

Under the Intercreditor Agreement:

(a) the Computation Agent has undertaken to (i) prepare the Annex 12 Report, setting out all the information with respect to the Notes, required to comply with Article 7(1)(e) of the EU Securitisation

Regulation and the applicable Regulatory Technical Standards and (ii) submit; such Annex 12 Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make it available (simultaneously with the ESMA Loan Report and the Annex 14 Report) to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the Transparency Report Date; and

(b) the Servicer has undertaken to (i) prepare the Annex 14 Report, setting out all the information with respect to the Notes, required to comply with Articles 7(1)(f) (if applicable) and (g) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and (ii) submit such Annex 14 Report to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the ESMA Report Date or, in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation) has occurred, without delay.

Investors Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes.

Incremental Instalment Request

Under the Cash Allocation, Management and Payment Agreement, the Issuer has undertaken to prepare on the Incremental Instalment Request Date, with the cooperation of the Computation Agent, the Incremental Instalment Request setting out certain (a) further information relating the Second Initial Portfolio and (b) information relating to the Incremental Instalment.

Material net economic interest in the Securitisation

Under the Subscription Agreements, Banca Valsabbina, in its capacity as Originator, has undertaken that it will:

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

(b) not change the manner in which such retained

interest is held, unless expressly permitted by Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards;

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

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

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the EU Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

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

7. TRANSACTION DOCUMENTS

Transfer Agreement

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

Warranty and Indemnity Agreement

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

Servicing Agreement

Pursuant to the Servicing Agreement, the Servicer has agreed to administer service, collect and recover the amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The Servicer will act as the "*soggetto incaricato*

della riscossione dei crediti ceduti e dei servizi di cassa e pagamento" (entity responsible for the collection of the assigned Receivables and the cash and payment services) pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Information Memorandum pursuant to Article 2, paragraph 3(c) and Article 2, paragraph 6 *bis* of the Securitisation Law.

Intercreditor Agreement

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

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

Under the Intercreditor Agreement, all the parties thereto have acknowledged and accepted that, for the purpose of compliance with Article 20(7) of the EU Securitisation Regulation, (a) any disposal of the Aggregate Portfolio and/or the Receivables is permitted only in limited circumstances provided for in the Transaction Documents, and (b) none of such circumstances constitutes an active portfolio management of the Aggregate Portfolio.

Further, pursuant to the Intercreditor Agreement, the Issuer, the Originator and the Servicer have undertaken that in no event the Aggregate Portfolio shall be managed in order to allow an active management on a discretionary basis as set forth in Article 20(7) of the EU Securitisation Regulation.

Cash Allocation, Management and Payment Agreement

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

	Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Cash Eligible Accounts may be invested in Eligible Investments.
Corporate Services Agreement	Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables and with other regulatory requirements imposed on the Issuer.
Stichting Corporate Services Agreement	Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide the Quotaholder with certain corporate administration and management services.
Senior Notes Subscription Agreement	Pursuant to the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Senior Notes and the Senior Notes Underwriter has agreed to subscribe for such Senior Notes, subject to the terms and conditions set out thereunder, and has also appointed Banca Finint, which has accepted, as Representative of the Noteholders.
Junior Notes Subscription Agreement	Pursuant to the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Junior Notes and the Junior Notes Underwriter has agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, and has also appointed Banca Finint, which has accepted, as Representative of the Noteholders.
Master Definitions Agreement	Pursuant to the Master Definitions Agreement, the Issuer and the Other Issuer Creditors have agreed on the definitions of certain terms used in the Transaction Documents and the relevant principles of interpretation.

RISK FACTORS

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

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

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

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

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

RISK FACTORS RELATED TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Information Memorandum, as far as the Issuer is aware, limited interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Information Memorandum.

Issuer's ability to meet its obligations under the Notes

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

Consequently, there is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay the Notes in full. If there are not sufficient funds available to the Issuer to repay 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.

Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the

Noteholders), or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement.

No independent investigation in relation to the Receivables

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

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

Commingling Risk

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

However, such risk is mitigated through the obligation of the Servicer under the Servicing Agreement to transfer any Collections held by the Servicer to the Collection Account within 1 (one) Business Day after the relevant collection.

Liquidity and Credit Risk

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

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

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

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

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

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of

the Servicer to service the Aggregate Portfolio and to recover the amounts relating to Defaulted Receivables (if any). In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Aggregate Portfolio. The performance by such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

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

Such risk is mitigated by the provisions of the Servicing Agreement and the Cash Allocation, Management and Payment Agreement pursuant to which the Back-Up Servicer Facilitator has undertaken to assist and cooperate with the Issuer, if necessary, in order to identify an eligible entity available to be appointed as Successor Servicer under the Transaction Documents.

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

Claims of unsecured creditors of the Issuer

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

Under Italian law, *prima facie*, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders on behalf of the Noteholders and the Other Issuer Creditors would have the right to claim in respect of the Receivables, even in the event of bankruptcy of the Issuer.

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

third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expense Account, into which the Retention Amount shall be credited on the Issue Date and refilled on each Payment Date in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Collection Period.

Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Further Securitisations

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

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

RISK FACTORS RELATED TO THE NOTES

Suitability

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

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

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

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

Source of Payments to Noteholders

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

respect of any failure by the Issuer to make any payment of any amount due under the Notes.

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

Limited Recourse Nature of the Notes

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

Yield and Prepayment Considerations

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

Prepayments may result in connection with refinancing or sales of properties by Debtors voluntarily. The receipt of proceeds from Insurance Policies may also impact on the way in which the Loans are repaid.

The rates of prepayment, delinquency and default of Loans cannot be predicted and are influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions, homeowner mobility and certain existing Italian legislation which simplifies the refinancing of loans and any future legislation which may be enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments, delinquency and default that the Loan will experience.

The yield to maturity of the Notes will also depend on the actual date (if any) of exercise of the optional redemption provided for by Condition 8 (*Redemption, Purchase and Cancellation*). Such yield may be adversely affected by higher or lower than anticipated rates of payment, delinquency and default of the Receivables.

Subordination

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

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

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

Limited Enforcement Rights

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

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

Risks relating to certain potential conflict of interests

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

Without limiting the generality of the foregoing, under the Securitisation (i) Banca Valsabbina will act as Originator, Servicer, Reporting Entity, Cash Manager, Co-Arranger, Senior Notes Underwriter and Junior Notes Underwriter; (ii) BNY will act as Paying Agent and Account Bank, and (iii) Banca Finint will act as Lead Arranger, Computation Agent, Representative of the Noteholders, Corporate Servicer and Back-Up Servicer Facilitator.

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

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

The Representative of the Noteholders

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

Limited Secondary Market

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

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

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest

rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Limited nature of credit ratings assigned to the Senior Notes

The credit ratings which is expected to be assigned to the Senior Notes by the Rating Agencies on the Issue Date will reflect the Rating Agencies' assessment of the timely payment of interest on each Payment Date and the ultimate repayment of principal on or before the Final Maturity Date. These ratings are based, among other things, on the reliability of the payments on the Aggregate Portfolio and the availability of credit enhancement.

The ratings do not address, *inter alia*, the following:

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

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

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

Senior Notes as eligible collateral for Eurosystem operations

After the Issue Date an application may be made to a central bank in the Euro-Zone to record the Senior Notes as eligible collateral, within the meaning of the guidelines of the European Central Bank ("**ECB**"). In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the European Central Bank nor such central banks will confirm the eligibility of the Senior Notes for the above purpose prior to their issuance and if the Senior Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Senior Notes at any time. The assessment and/or decision as to whether the Senior Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

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

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

None of the Issuer, the Originator, the Arrangers, the Senior Notes Underwriter or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Senior Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Senior Notes at any time.

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

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

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

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

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

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

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Cash Manager, the Paying Agent, the Corporate Servicer, the Sole Quotaholder, the Underwriters or the Arrangers or any other party to the Transaction Documents makes any representation to any prospective investor regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

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

The EU Securitisation Regulation and the STS framework

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

The general framework established by the EU Securitisation Regulation

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Information Memorandum or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the securitisation transaction described in this Information Memorandum are subject to the requirements of the EU Securitisation Regulation. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

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

The STS framework established by the EU Securitisation Regulation

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

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

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

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

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

(a) that institutional investor has verified that:

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

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

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

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

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

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

The institutional investors due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the

information contained in this Information Memorandum for the purposes of complying with Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors.

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

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

Disclosure requirements under CRA Regulation and EU Securitisation Regulation

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

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

Bank Recovery and Resolution Directive

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

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

The Bank Recovery and Resolution Directive applies, *inter alia*, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a

subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

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

The main resolution tools referred to in the BRRD are (a) the sale of business tool, (b) the bridge institution tool, (c) the asset separation tool and (d) the bail-in tool, which can be applied individually or in any combination by the relevant resolution authority.

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

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

Liquidity Coverage Ratio and High Quality Liquid Assets

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

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

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

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

In general, prospective investors in the Notes should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them in their particular circumstances and in light of, *inter alia*, this specific matter, based upon their own judgment and upon advice from their own advisers as they may deem necessary and/or by seeking guidance from their relevant national

regulator.

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

U.S. Risk Retention requirements

The credit risk retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities on 24 December 2016. The U.S. Risk Retention Rules generally require the "sponsor" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

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

The Notes sold on the Issue Date may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed 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. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator, the Arrangers and the Underwriters or any of their affiliates or any other party to accomplish such compliance.

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

None of the Issuer, the Originator, the Servicer, the Arrangers, the Underwriters, the Representative of the

Noteholders or any other party to the Transaction Documents, or any of their respective affiliates, makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Information Memorandum complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

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

Volcker Rule

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the Volcker Rule.

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

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

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

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretative guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still

evolving. The Volcker Rule's prohibitions and lack of interpretative guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arrangers or any other party to the Transaction Documents makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

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

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

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

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of Benchmarks and (ii) ban the use of Benchmarks of unauthorised administrators. The Benchmarks Regulation entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for "critical" benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016.

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

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

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

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

RISK FACTORS RELATED TO THE UNDERLYING ASSETS

Right to future Receivables

Under the Transfer Agreement, the Originator has transferred to the Issuer also the claims relating to any Guarantee, any prepayment fees (if any) and any indemnities payable upon early repayment of the Loans or termination of the Loan Agreements. If the Originator is or becomes insolvent, the court may treat the above claims as "future receivables". The Issuer's claims to any future receivables that have not yet arisen at the time of the Originator's admission to the relevant insolvency proceeding might not be effective and enforceable against the insolvency receiver of the Originator.

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

Insolvency proceedings of the Debtors

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

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

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

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

Prepayments under Loan Agreements

Pursuant to Article 65 of the Royal Decree 267 or Article 164 of the New Bankruptcy Code, payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made within the two years immediately preceding the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the debtor regardless of whether the debtor was insolvent at the time the payment was made.

However, pursuant to Article 4, paragraph 3 of the Securitisation Law it has been provided that Articles 65 and 67 of the Royal Decree 267 or Articles 164 and 166 of the New Bankruptcy Code shall not apply to the payments made by the assigned debtors to the assignee in the context of securitisation transactions.

Loans' Performance

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

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

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

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

Mutui fondiari

7.82% of the Loans (equal to 22.28% of the Outstanding Balance of the First Initial Portfolio as at the Valuation Date) are secured by Mortgage, such Loans being classified either as Mortgage Loans and *Fondiari* Loans. At least 90% Outstanding Balance of Mortgage Loans included in the First Initial Portfolio is comprised of Receivables deriving from Loans qualifying as *mutui fondiari*, as defined in Article 38 and following of the Consolidated Banking Act. A *mutuo fondiario* is a particular type of *mutuo ipotecario* (any loan which is secured by a mortgage is automatically a *mutuo ipotecario* loan). The *mutui fondiari* are regulated by the Consolidated Banking Act and present certain advantages for the lender. To qualify as a *mutuo fondiario*, a loan must be: given by a bank, for a term exceeding 18 months, secured by a first-lien mortgage and for an amount which does not exceed 80% of the value of the mortgaged property or of the works to be done on the mortgaged assets. However, the 80% limit may be increased to 100% if specific additional security interests and guarantees, identified by the Bank of Italy, are provided (such as guarantees given by other banks or insurance companies or pledges granted over Italian State securities). In such circumstance, the ratio between the amount lent and the aggregate value of the security and guarantee created is not higher than 80%.

With respect to *mutui fondiari*, the Consolidated Banking Act expressly provides, *inter alia*, that the relevant

borrowers:

(a) upon repayment of each fifth of the original debt, are entitled to a proportional reduction of any mortgage related to such loans. Accordingly, the underlying value of the mortgages relating to *mutui fondiari* may decrease from time to time in connection with the partial repayment of the relevant loans;

(b) are entitled to the partial release of one or more mortgage properties where documents produced or professional valuations establish that the remaining encumbered properties constitute sufficient security for the amount still owed, according to the limits described above for loans qualifying as *mutui fondiari*; and

(c) are entitled to prepay the loan, as provided for by Article 40 of the Consolidated Banking Act.

Moreover, special enforcement and foreclosure provisions apply to *mutui fondiari*. Pursuant to Article 40, paragraph 2 of the Consolidated Banking Act, mortgage lenders under *mutui fondiari* are entitled to terminate the relevant loan agreements and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. A payment is considered delayed if it is made between 30 and 180 days after the relevant payment due date. Accordingly, the commencement of enforcement proceedings in relation to *mutui fondiari* may take longer than usual. Article 40 of the Consolidated Banking Act, therefore, prevents the Servicer from commencing proceedings to recover amounts in relation to mortgage loans qualifying as *mutui fondiari* until the relevant Debtors have defaulted on at least seven payments in accordance with the principles summarised above. Pursuant to Article 41 of the Consolidated Banking Act, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

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

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

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

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

RISK FACTORS RELATED TO TAX MATTERS

Tax Treatment of the Issuer

The Issuer is an Italian corporate entity and, as such, is subject in principle to corporate income tax ("**IRES**") and regional tax for productive activities ("**IRAP**"). However, assuming that, based on the provision of the

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

This conclusion is based on the interpretation of Article 83 of Italian Presidential Decree No. 917 of 22 December 1986, under which positive and negative items of income are included in the computation of the taxable income to the extent they must be included in the profit and loss account of the taxpayer and has been confirmed by the Italian tax authority in Circular letter of 6 February 2003, number 8/E and in resolution of 4 August 2010, number 77/E and, more recently, by ruling of 2 March 2021, number 132/E. In particular, the Italian tax authorities have stated that, in the context of a securitisation transaction, only amounts, if any, available to a securitisation vehicle after fully discharging its obligations towards the noteholders and any other creditors of the securitisation vehicle in respect of any costs, fees, and expenses in relation to the securitisation transaction, should be imputed for tax purposes to the securitisation vehicle.

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

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

Withholding Tax under the Notes

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

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

U.S. Foreign Account Tax Compliance Withholding

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

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to

withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the U.S. Internal Revenue Service.

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

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

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

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

GENERAL RISK FACTORS

Geographic concentration risk

The Loans have been granted to Debtors who, as at the execution date of the relevant Loan Agreement, were resident in Italy. A deterioration in economic conditions, including the rising of geopolitical tensions, resulting in increased supply chain problems, unemployment rates, loss of earnings, increased short or long-term interest rates, increased consumer and commercial insolvency filings, a decline in the strength of national or local economies, increased inflation or other outcomes (including geopolitical and economic risks relating to Russia's invasion of Ukraine, the Israeli-Palestinian conflict which could potentially impact the Italian economy, in particular by pushing up energy and oil prices and increasing inflation (and the cost of living) further) which negatively impact household incomes, could have an adverse effect on the ability of the Debtors to make payments on the Loans and result in losses on the Notes. The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

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

region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as coronavirus, SARS, swine flu, or other epidemic diseases) in a particular region or geopolitical instabilities, may weaken economic conditions and negatively impact the ability of affected Debtors to make timely payments on the Loans. This may affect receipts on the Loans. If the timing and payment of the Loans is adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes.

Claw Back of the Sales of the Receivables

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

Interest Rate Risk

The Aggregate Portfolio includes Receivables deriving from Loans which provide for interest payments calculated at an interest rate which is fixed or indexed as provided for in the relevant loan agreement and with monthly or two-monthly or quarterly or quarter-monthly or semi-annual or annual interest payment dates. Conversely, the Senior Notes bear interest on their Principal Amount Outstanding at a floating Rate of Interest equal to the sum of the EURIBOR and the Margin, which is payable quarterly on each Payment Date.

The interest rate risk in respect of the Senior Notes would consist in the mismatch between the floating rate payable on the Senior Notes and the rates payable in respect of the Loans.

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

The legal and financial structure of the Securitisation mitigates this potential risk through the establishment of a Cash Reserve Account into which, on each Payment Date until repayment in full of the Senior Notes, an amount necessary to bring the balance of the Cash Reserve Account up to (but not in excess of) the Required Cash Reserve Amount will be credited. Such Cash Reserve Amount ensures, inter alia, the payment of interest on the Senior Notes on the following Payment Date.

In addition, prospective Noteholders should note that:

(a) the Rate of Interest (equal to the EURIBOR plus the Relevant Margin) on the Senior Notes shall not be higher than 6% and Junior Notes do not bear any interest and are remunerated only through the Additional Return, if any;

(b) the Senior Notes rank in priority to the Junior Notes and this structure enhances the credit risk profile of the Senior Notes; and

(c) also taking into account the amortisation profile of the Aggregate Portfolio and the Purchase Conditions, the risk that the composition of the Aggregate Portfolio as at the end of the Revolving Period significantly increases the interest rate mismatch mentioned above should be considered remote.

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

Finally, there is no currency risk since (i) according to the Criteria, each Loan is denominated in Euro and no

provision is made in any of the Loan Agreements to allow the conversion of the relevant Loan into another currency, and (ii) pursuant to the Terms and Conditions, the Notes are denominated in Euro.

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

Certain risks relating to the Real Estate Assets

Due Diligence

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

Potential adverse changes to the value of the Real Estate Assets or the Aggregate Portfolio

No assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Aggregate Portfolio.

General real estate risk

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the Mortgage Loan Agreements will largely depend upon the value of the Real Estate Assets at the relevant time.

The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained.

The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans.

The security for the Notes consists of, *inter alia,* the Issuer's interest in the Receivables arising from the Loans. The value of such security may be affected by, among other things, a decline in property values as described above. Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Insurance coverage

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

Compulsory purchase

Any property in Italy may be subject to a compulsory purchase order in connection with general utility

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

Historical Information

The historical financial and other information set out in the sections headed *"The Originator"* and *"The Aggregate Portfolio"*, including in respect of the default rates, represents the historical experience of Banca Valsabbina, which accepts responsibility for the fairness and accuracy of these sections. However, there can be no assurance that the future experience and performance of Banca Valsabbina as Originator will be similar to the experience shown in this Information Memorandum.

Servicing of the Aggregate Portfolio

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

The Receivables comprised in the Second Initial Portfolio and in each Further Portfolio will be serviced by Banca Valsabbina in its capacity as Servicer starting from the relevant Transfer Date of the Second Initial Portfolio and such Further Portfolio pursuant to the Servicing Agreement. Previously, the Receivables comprised in the Second Initial Portfolio and each Further Portfolio have been always serviced by Banca Valsabbina in its capacity as owner of the relevant Receivables.

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

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

Back-Up Servicer Facilitator

Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, the Back-Up Servicer Facilitator has undertaken, in the event that the appointment of the Servicer is terminated, to reasonably assist and cooperate with the Issuer in order to identify an eligible Successor Servicer to be appointed by the Issuer.

It is not certain that a suitable Successor Servicer could be found to service the Aggregate Portfolio in the event that (i) Banca Valsabbina becomes insolvent or its appointment as Servicer under the Servicing Agreement is otherwise terminated and (ii) the Back-Up Servicer Facilitator fails or is unable for any reasons to assist and cooperate with the Issuer in order to identify an eligible Successor Servicer. If such an alternative Servicer was to be found, it is not certain whether it would service the Aggregate Portfolio on the same terms as those provided for by the Servicing Agreement.

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

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

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

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

The transfer of the First Initial Portfolio from Banca Valsabbina to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 15 November 2024, and (ii) published in the Official Gazette No. 136, Part II, of 19 November 2024.

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

Italian Usury Law

Italian law No. 108 of 7 March 1996 (as amended and supplemented from time to time, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the threshold rates – *tassi soglia* - (the "**Usury Rates**") set every three months by a Decree issued by the Italian Treasury (the last such Decree having been issued on 25 September 2024 and published in the Official Gazette of 30 September 2024 No. 229 and being applicable for the quarterly period from 1 October 2024 to 31 December 2024). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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

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

I, 11 January 2013, No. 602 and Cass. Sez. I, 11 January 2013, No. 603) that a reduction of the interest rate to the Usury Rates applicable from time to time, shall automatically apply.

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

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

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

Prospective Noteholders should note that whilst the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses, claims, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the relevant Loans as a result of the application of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected as a result of a Loan being found to be in contravention with the Usury Law, thus allowing the relevant borrower to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such Loan.

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

Compounding of Interest (*Anatocismo*)

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

In this respect, it should be noted that Article 25, paragraph 3, of Legislative Decree No. 342 of 4 August

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

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

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

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

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

Preferred claims

According to a ruling of the Tribunal of Genoa dated 25 January 2001 and the relevant judgement of the Italian Supreme Court (*Corte di Cassazione*) dated 14 November 2003, issued with reference to Italian law decree No. 669 of 31 December 1996 and converted into law No. 30 of 28 February 1997, claims of any person having concluded preliminary agreements (*contratti preliminari*) with the relevant Mortgagor for the purchase of the Real Estate Assets which were registered in the relevant real estate registries (*Agenzia del Territorio – Servizio di Pubblicità Immobiliare*) prior to the registration of the relevant Mortgage or even after such registration, would be preferred to the claims of the creditors of the relevant Mortgage.

Concentration of roles in Banca Valsabbina

Under the terms of the Transaction Documents Banca Valsabbina has performed and will perform multiple roles in the context of the Securitisation, such as, *inter alia*, the Originator and the Servicer. The concentration

of such roles in one entity may, in the event of insolvency of Banca Valsabbina, adversely impact the structure of the Securitisation and the Issuer's ability to meet its obligations under the Notes. Prospective Noteholders should note, however, that such risk is mitigated by the provisions of the Transaction Documents, which already provide and regulate the terms and conditions of the replacement of the different Issuer's counterparts in the context of the Securitisation.

Change of Law

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

Projections, forecasts and estimates

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

Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Information Memorandum and are based on assumptions that may prove to be inaccurate. No one undertakes any obligation to update or revise any forward-looking statements contained in this Information Memorandum to reflect events or circumstances occurring after the date of this Information Memorandum.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the Notes of any Class may occur for other reasons. While the various structural elements described in this Information Memorandum are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of any Class of interest or principal on such Notes on a timely basis or at all.

THE AGGREGATE PORTFOLIO

Introduction

The Aggregate Portfolio is comprised of the First Initial Portfolio, the Second Initial Portfolio and all the Further Portfolios purchased from time to time by the Issuer under the Transfer Agreement during the Revolving Period. The Aggregate Portfolio consists of receivables arising out of commercial mortgage or non-mortgage loans classified as performing by Banca Valsabbina as of the relevant Valuation Date.

The Receivables included or to be included in the Aggregate Portfolio do not and will not consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives, swaps or other derivatives instruments or synthetic securities.

Eligibility criteria for the Aggregate Portfolio

All the Receivables comprised in the First Initial Portfolio purchased have been selected, and the Receivables comprised in the Second Initial Portfolio and in any Further Portfolio to be purchased will be selected on the basis of (a) certain common criteria listed in schedule 2 (*Criteri Comuni*) to the Transfer Agreement (the "**Common Criteria**"), and (b) certain further specific criteria listed in schedule 3, part A (*Criteri Specifici per il Primo il Portafoglio Iniziale*), part B (*Criteri Specifici per il Secondo Portafoglio Iniziale*) and part C (*Criteri Specifici per i Portafogli Ulteriori*) to the Transfer Agreement (the "**Specific Criteria**" and, together with the Common Criteria, the "**Criteria**").

Common Criteria

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

(1) have been granted pursuant to loan agreements governed by Italian law and there are no obligations of further disbursement;

(2) have been granted by Banca Valsabbina as a lender or by Credito Veronese S.p.A.;

(3) do not arise from "fractionated loans";

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

  (a) are, as at the relevant Valuation Date:

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

    (ii) natural persons which are resident in the Republic of Italy and entered the relevant loan within the context of their business and/or professional activity;

  (b) are not, as at the relevant Valuation Date:

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

    (ii) individuals (including the joint holders of the relevant loan) which have been or, as at the relevant Valuation Date, were employees or bank representatives (pursuant to Article 136 of the Consolidated Banking Act) of the Originator;

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

(6) in respect of which the relevant loan agreements provide for repayment in monthly or two-monthly or quarterly or quarter-monthly or semi-annual or annual instalments;

(7) in respect of which the amount originally granted to the debtor pursuant to the relevant loan agreement is lower than or equal to Euro 10,000,000.00;

(8) in respect of which the outstanding principal pursuant to the relevant loan agreement:

(a) does not exceed Euro 7,000,000.00; and

(b) is not lower than Euro 100.00;

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

(10) have not been stipulated or entered into (as indicated in the relevant mortgage loan agreement) pursuant to any law or regulation which provides for:

(a) financial facilities (so-called "*mutui agevolati*"); or

(b) public financial contributions of any kind;

(c) other provisions of advantageous repayment terms or reductions of payment in favour of the relevant debtors, the mortgagors or any other guarantor in relation to principal;

(11) provide for repayment of principal in quotas in accordance with the so-called "French" amortisation plan method (which means an amortisation plan method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and that increases over the loan life time and a variable interest rate component, as calculated as at the date of granting of the loan or at the date of the latest agreement (if any) relating to the amortisation plan is reached) or the so-called "Italian" amortisation plan method (which means an amortisation plan method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and constant over time and a variable interest component, as calculated from time to time on the remaining amount of the principal component);

(12) are not classified as "defaulted" (pursuant to Article 178, paragraph 1, of Regulation (EU) no. 575/2013;

(13) are loans in respect of which no Instalment is due and unpaid for more than 30 days;

(14) in respect of which the relevant loan agreement provides for repayment by the relevant debtor by means of (a) a direct debit on a current account held by the relevant debtor and opened with Banca Valsabbina or (b) a pre-authorised direct debit (i.e. "*Sepa Direct Debit*") on a current account held in the name of the relevant debtor and opened with a credit institution other than Banca Valsabbina; and

(15) if secured by a mortgage, such mortgage shall be deemed to have "economic" first ranking: it means that with respect to such loans there are no other mortgages granted on the relative real estate assets in favour of third parties who have the same ranking or priority ranking as that of the mortgage granted to secure such loan or, if there are such mortgages, the related debt has already been extinguished (as per the documentation produced by the relative debtor) or the mortgage is in the process of being cancelled, having obtained from the debtor the relative consent to the cancellation of the previous mortgage;

(16) are not loans secured (as indicated in the relevant loan agreement) by receivables assignment to Gestore dei Servizi Energetici S.p.A.;

(17) are not loans guaranteed by "*confidi*", by SACE or by ISMEA; and

(18) are not short-term loans, meaning loans with a contractual term established in less than eighteen months.

Specific Criteria of the First Initial Portfolio

All the Receivables comprised in the First Initial Portfolio arise from Loans which, as at the Valuation Date of the First Initial Portfolio (save as otherwise specified), met the Common Criteria, as well as the following Specific Criteria:

(a) have been granted between 19 September 2006 and 23 October 2024 (included);

(b) in respect of which the outstanding principal pursuant to the relevant loan agreement:

  (i) does not exceed Euro 5,550,000.00; and

  (ii) is not lower than Euro 1,200.00;

(c) are secured by mortgages or not secured by mortgages;

(d) in respect of which all the instalments have been duly paid or only one instalment is due and unpaid for no more than 27 days;

(e) have not been executed with the provision of further disbursements linked to the work in progress;

(f) in respect of which the interest rate is:

  (i) fixed; or

  (ii) indexed (as provided for in the relevant loan agreement).

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

0600300090327 -	0603100126001 -	0601500050856 -	0602900039756 -	0605400122754 -	0606500100677
0600300104389 -	0603000105350 -	0601500088615 -	0602900101493 -	0605200024527 -	0606600100836
0600300108473 -	0603000109127 -	0601500090826 -	0602700045728 -	0605300018576 -	0607000101452
0600300109356 -	0603300096641 -	0601500096439 -	0602700051164 -	0605300093981 -	0607100096751
0600300089441 -	0603300096852 -	0605300029443 -	0602700104370 -	0605400023563 -	0607200095766
0600300090922 -	0603300098343 -	0605300089547 -	0602900038764 -	0605400045102 -	0607400104792
0601000102246 -	0603300099561 -	0604900047000 -	0603100094054 -	0605800122616 -	0607500089055
0601100027903 -	0603100038382 -	0605000087808 -	0602900105434 -	0605400115174 -	0607700104115
0601100028122 -	0603100099015 -	0601500099607 -	0603300038888 -	0605900022270 -	0607800092005
0601100038873 -	0603100103154 -	0601500102515 -	0603300086526 -	0605900036855 -	0607800095789
0601300019888 -	0603300122317 -	0601500113051 -	0603300100578 -	0605900101278 -	0607900104910
0601300049448 -	0603300048483 -	0601600026076 -	0603000101699 -	0605600107600 -	0607900120097
0601300025204 -	0603300078278 -	0601600028202 -	0603000112227 -	0606000045413 -	0608000088255
0601300025805 -	0603400021882 -	0601600048076 -	0603300117240 -	0605800022925 -	0608000091850
0601500088201 -	0603400050993 -	0601600092223 -	0603100098412 -	0606000101123 -	0608000093043
0601300096928 -	0603300102833 -	0605200091595 -	0603100101183 -	0606100097028 -	0608400093636
0601300117032 -	0603700040393 -	0605200100595 -	0603300021944 -	0606000037171 -	0608400105306
0601400052263 -	0603400021883 -	0605300087702 -	0603300048482 -	0606000048615 -	0608500112516
0601500095539 -	0603800047460 -	0601700118504 -	0603300097580 -	0606000094594 -	2102500011944
0601500096717 -	0603700024002 -	0601800018776 -	0603800037289 -	0606400095413 -	2102600009614
0601400124080 -	0603800116800 -	0601800018813 -	0603400021884 -	0606400100573 -	0606100076471
0601500096281 -	0603900026742 -	0601800040209 -	0603800098137 -	0606600100736 -	0606100087257
0601500113078 -	0603900048231 -	0601800100025 -	0603800098976 -	0606800108502 -	0606100100560
0601500114557 -	0603800029680 -	0605300115211 -	0603400095582 -	0607000097294 -	0606200034079
0601600024924 -	0603800053504 -	0605800101588 -	0603700095300 -	0607100118450 -	0606200046171
0601600020348 -	0603800095531 -	0602100095498 -	0603800020409 -	0607200108834 -	0606200119146
0601600021315 -	0604100100225 -	0605400027090 -	0603800020455 -	0607400088854 -	0606300104520
0601600027118 -	0604300019210 -	0602200028953 -	0603800039359 -	0607500094041 -	0606400100712
0601600028123 -	0604300099005 -	0602200049750 -	0604100047552 -	0607500105542 -	0606500092951
0601600029330 -	0604000050125 -	0602200083208 -	0603800104469 -	0607800091813 -	0606700087638
0601600039807 -	0604300020344 -	0602200039518 -	0603900033457 -	0607800093048 -	0606800080384
0601600102393 -	0604300045814 -	0602200039519 -	0603900037552 -	0607800098774 -	0607200098031

0601700045892 -	0604300052985 -	0602200039520 -	0603900050607 -	0608000097310 -	0607200099011
0601600119119 -	0604600054400 -	0602200039521 -	0604300051250 -	0608100118980 -	0607300105560
0601700102448 -	0604300103889 -	0606000050776 -	0603900095821 -	0608300118429 -	0607300119770
0601700121981 -	0600300091302 -	0606000089148 -	0604000125764 -	0608400116246 -	0607400104739
0601800100154 -	0600300102420 -	0606000095561 -	0604100037590 -	2101500005952 -	0607500104317
0602100021864 -	0601300026420 -	0602300052863 -	0604100104340 -	2104500005391 -	0607500105139
0602100049071 -	0601300055241 -	0606200048670 -	0604500020143 -	2104600001795 -	0607500120373
0602200022882 -	0604500022697 -	0606300028599 -	0604500027367 -	0606300124541 -	0607700106730
0602100114369 -	0604500038373 -	0606300087011 -	0604500028564 -	0606400095820 -	0607700109849
0602200021283 -	0604500038496 -	0602400038133 -	0604500037250 -	0606400100571 -	0607700116228
0602200099400 -	0604500040028 -	0605800095621 -	0604500040320 -	0606400104913 -	0607800090361
0602200097409 -	0604500099466 -	0602300029699 -	0604500048284 -	0606400126973 -	0608000083640
0602200098168 -	0601300095212 -	0606300096059 -	0604300035044 -	0606700118863 -	0608000091273
0602200108170 -	0604500125934 -	0606300101838 -	0604300047478 -	0606800095683 -	0608000098943
0602200109890 -	0604600018990 -	0605800124198 -	0604600100334 -	0606800097740 -	0608200090051
0602300038336 -	0604600020627 -	0605900048089 -	0604300096895 -	0607000100208 -	0608200094948
0602300022398 -	0604600037431 -	0605900097609 -	0604500039690 -	0607100095459 -	0608400098664
0602300037064 -	0604700125136 -	0606000019988 -	0604500049860 -	0607100096508 -	0608400109659
0602300096752 -	0601500026435 -	0606000061612 -	0604500080988 -	0607200097178 -	0608500117862
0602400097316 -	0601500045354 -	0602400084770 -	0604800024978 -	0607800090366 -	0608500127401
0602400101061 -	0601500049067 -	0602400085850 -	0604800029513 -	0607800101323 -	2101500004918
0602400037908 -	0604600102564 -	0602500045916 -	0604800087120 -	0607900105152 -	2102200008562
0602500099862 -	0604600108842 -	0606000093461 -	0604600018436 -	0608000088214 -	2102200022060
0602500027597 -	0604600114144 -	0606000096350 -	0604600019203 -	0608000088760 -	2102500007854
0602600075250 -	0604800027051 -	0602500090689 -	0604600055498 -	0608000097556 -	2103400001889
0602600099841 -	0604700047142 -	0602700017910 -	0604600099983 -	0608300094983 -	2103800009835
0602700046990 -	0604900038909 -	0602700019338 -	0604800098862 -	0608400120258 -	2105700006509
0602600019348 -	0601100028121 -	0602700026793 -	0604700040253 -	0608500122738 -	2106200001890
0602600051008 -	0601100096755 -	0602700034937 -	0604700046486 -	0608500127431 -	2107100600520
0602700050147 -	0605000019703 -	0606000098554 -	0604700093430 -	0608600121318 -	2107300600468
0602600113798 -	0601600046974 -	0606000101679 -	0604700098394 -	2101000006891 -	2105300000341
0602700028620 -	0601600047302 -	0602600020352 -	0604800021996 -	2101500001152 -	2105400015042
0602800024493 -	0604800101382 -	0602600029202 -	0604800045389 -	2102600000438 -	2105900019480
0602800037130 -	0604800102045 -	0602700077365 -	0604800085844 -	0606200113292 -	2106000026694
0602800047462 -	0604900026684 -	0602800068703 -	0604800101861 -	0606400095435 -	2107200009740
0603000090493 -	0605200052669 -	0602800097089 -	0605200021100 -	0606400097389 -	2107300600269
0602900119467 -	0605200100393 -	0606100102870 -	0605000021829 -	0606400100572 -	2107500600431
0603000092179 -	0601500017971 -	0602700018489 -	0605400023470 -	0606500098213 -	2108000024232
2107600002710	0604000114228	0607700118223	0601000117570		

Specific Criteria of the Second Initial Portfolio

All the Receivables comprised in the Second Initial Portfolio arise from Loans which, as at the Valuation Date of the Second Initial Portfolio (save as otherwise specified), met the Common Criteria, as well as the following Specific Criteria:

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

(b) in respect of which the outstanding principal pursuant to the relevant loan agreement:

  (i) does not exceed Euro [___]; and

  (ii) is not lower than Euro [___];

(c) are secured by mortgages or not secured by mortgages;

(d) in respect of which all the instalments have been duly paid or only one Instalment is due and unpaid for no more than [___] days;

(e) have been granted before [___] and in relation to which the relevant debtor may not request further disbursements;

(f) in respect of which the interest rate is:

(i) fixed; or

(ii) indexed (as provided for in the relevant loan agreement);

(g) are Loans whose final Instalment is due to be paid by the relevant Debtor by 31 March 2057.

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

[___]

Specific Criteria of Further Portfolios

All the Receivables comprised in any Further Portfolio arise from Loans which, as at the relevant Valuation Date (save as otherwise specified), met the following Specific Criteria:

(a) have been granted by Banca Valsabbina as sole lender;

(b) have been granted between [___] and [___];

(c) in respect of which the outstanding principal pursuant to the relevant loan agreement:

(i) does not exceed Euro [___]; and

(ii) is not lower than Euro [___];

(d) are secured by mortgages or not secured by mortgages;

(e) in respect of which all the instalments have been duly paid;

(f) have been granted before [___] and in relation to which the relevant debtor may not request further disbursements;

(g) if granted by mortgage, the ratio between the residual debt and the appraisal value of the relevant real estate asset (loan to value) does not exceed [80%];

(h) do not benefit from any form of suspension of instalment payments;

(i) have not been granted to Debtors indicated in section L - "*Attività Immobiliari*" (code 68.1 and 68.2) of the ATECO categories nor indicated in section F – "*Costruzioni*" of the code 41.1;

(j) are Loans whose final Instalment is due to be paid by the relevant Debtor by 31 March 2057.

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

[___]

Purchase Conditions

The following conditions shall be satisfied in relation to the Aggregate Portfolio including the Further Portfolio for which has been proposed the transfer on or about the First Payment Date:

(1) the Weighted Average Rate of the Portfolio shall be equal to or higher than 4.8%;

(2) the Weighted Average Spread of the Portfolio shall be equal to or higher than 2%;

(3) at least 98% of the Receivables in respect of which is provided a floating rate interest are indexed to the three months Euribor;

(4) the Outstanding Balance of the Mortgage Portfolio shall not be higher than 24% of the Outstanding Balance of the Aggregate Portfolio;

(5) the Outstanding Balance of the Receivables comprised in the Non-Mortgage Portfolio which are covered by the FCG Guarantee shall not be lower than 88% of the Outstanding Balance of all the Receivables comprised in the Non-Mortgage Portfolio;

(6) the Weighted Average Guarantee of the Receivables comprised in the Non-Mortgage Portfolio shall not be lower than 63%;

(7) the Outstanding Balance of the Receivables paying a monthly instalment shall not be lower than 95% of the Outstanding Balance of the Aggregate Portfolio;

(8) the Outstanding Balance of Receivables owed by the same Debtor or Group of Debtors shall not be higher than 2% of the Outstanding Balance of the Aggregate Portfolio;

(9) the Outstanding Balance of Receivables owed by the Top 20 Debtors or Group of Debtors shall not be higher than 17% of the Outstanding Balance of the Aggregate Portfolio;

(10) the number of Debtors or Group of Debtors in respect of Receivables included in the Aggregate Portfolio shall not be lower than 1,800;

(11) the Outstanding Balance of Receivables owed by Debtors indicated in section C - "*Attività Manifatturiere*" (Manufacturing Activities) of the ATECO categories shall not be higher than 20% of the Outstanding Balance of the Aggregate Portfolio;

(12) the Outstanding Balance of Receivables owed by Debtors indicated in section G - "Commercio all'Ingrosso e al Dettaglio, Riparazione di Autoveicoli e Motocicli" (Wholesale and Retail Trade, Repair of Motor vehicles and Motorcycles) of the ATECO categories shall not be higher than 15% of the Outstanding Balance of the Aggregate Portfolio;

(13) the Outstanding Balance of Receivables owed by Debtors indicated in section F - "Costruzioni" (Constructions) of the ATECO categories shall not be higher than 12% of the Outstanding Balance of the Aggregate Portfolio;

(14) the Outstanding Balance of Receivables owed by Debtors indicated in section A - "AGRICOLTURA, SILVICOLTURA E PESCA (Agriculture, forestry and fishing) of the ATECO categories shall not be higher than 22% of the Outstanding Balance of the Aggregate Portfolio;

(15) the Outstanding Balance of the Receivables belonging to areas of economic activity defined by the first two figures of the 2007 ATECO code, as a percentage of the total amount of the Aggregate Portfolio, shall not be higher, respectively, than: a) 23% for the first area; b) 43% for the first two areas; c) 50% for the first three areas; d) 60% for the first five areas; e) 75% for the first ten areas;

(16) the Weighted Average Residual Life of the Aggregate Mortgage Portfolio shall not be higher than 12 years;

(17) the Weighted Average Residual Life of the Aggregate Non-Mortgage Portfolio shall not be higher than 6.5 years;

(18) the Set Off Risk Exposure for all the Receivables included in the Aggregate Portfolio shall be lower than 9% of the Outstanding Balance of the Aggregate Portfolio; and

(19) the Outstanding Balance of the Receivables owed by Debtors whose rating is equal to or higher than 8 shall not be higher than 4%.

The following conditions shall be satisfied in relation to the Aggregate Portfolio including the Second Initial Portfolio or the relevant Further Portfolio for which has been proposed the transfer, starting from the Valuation Date of the Second Initial Portfolio:

(1) the Weighted Average Rate of the Portfolio paying a fixed interest rate shall be equal to or higher than 2.1%;

(2) the Weighted Average Spread of the Portfolio shall be equal to or higher than 1.8%;

(3) at least 98% of the Receivables in respect of which is provided a floating rate interest are indexed to the three months Euribor;

(4) the Outstanding Balance of the Mortgage Portfolio shall not be higher than 22% of the Outstanding Balance of the Aggregate Portfolio;

(5) the Outstanding Balance of the Receivables comprised in the Non-Mortgage Portfolio which are covered by the FCG Guarantee shall not be lower than 80% of the Outstanding Balance of all the Receivables comprised in the Non-Mortgage Portfolio;

(6) the Weighted Average Guarantee of the Receivables comprised in the Non-Mortgage Portfolio shall not be lower than 60%;

(7) the Outstanding Balance of the Receivables paying a monthly instalment shall not be lower than 95% of the Aggregate Portfolio;

(8) the Outstanding Balance of Receivables owed by the same Debtor or Group of Debtors shall not be higher than 1.0% of the Outstanding Balance of Aggregate Portfolio;

(9) the Outstanding Balance of Receivables owed by the Top 20 Debtors or Group of Debtors shall not be higher than 10% of the Outstanding Balance of the Aggregate Portfolio;

(10) the number of Debtors or Group of Debtors in respect of Receivables included in the Aggregate Portfolio shall not be lower than 6,000;

(11) the Outstanding Balance of Receivables owed by Debtors indicated in section C - "*Attività Manifatturiere*" (Manufacturing Activities) of the ATECO categories shall not be higher than 30% of the Outstanding Balance of the Aggregate Portfolio;

(12) the Outstanding Balance of Receivables owed by Debtors indicated in section G - "Commercio all'Ingrosso e al Dettaglio, Riparazione di Autoveicoli e Motocicli" (Wholesale and Retail Trade, Repair of Motor vehicles and Motorcycles) of the ATECO categories shall not be higher than 20% of the Outstanding Balance the Aggregate Portfolio;

(13) the Outstanding Balance of Receivables owed by Debtors indicated in section F - "Costruzioni" (Constructions) of the ATECO categories shall not be higher than 15% of the Outstanding Balance of Aggregate Portfolio;

(14) the Outstanding Balance of Receivables owed by Debtors indicated in section A - "AGRICOLTURA, SILVICOLTURA E PESCA (Agriculture, forestry and fishing) of the ATECO categories shall not be higher than 18% of the Outstanding Balance of the Aggregate Portfolio;

(15) the Outstanding Balance of Receivables owed by Debtors indicated in section I - "Servizi di alloggio e ristorazione" (Accommodation and food service activities) of the ATECO categories shall not be higher than 8% of the Outstanding Balance of the Aggregate Portfolio;

(16) the Outstanding Balance of Receivables owed by Debtors belonging to each ATECO category excluding the category L and the categories mentioned above under condition 11 to 15, shall not be higher than 5% of the Outstanding Balance of the Aggregate Portfolio;

(17) the Outstanding Balance of the Receivables belonging to areas of economic activity defined by the first two figures of the 2007 ATECO code, as a percentage of the total amount of the Aggregate Portfolio, shall not be higher, respectively, than: a) 16% for the first area; b) 30% for the first two areas; c) 38% for the first three areas; d) 52% for the first five areas; e) 70% for the first ten areas;

(18) the Weighted Average Residual Life of the Aggregate Mortgage Portfolio shall not be higher than 12 years;

(19) the Weighted Average Residual Life of the Aggregate Non-Mortgage Portfolio shall not be higher than 5.5 years; and

(20) the Set Off Risk Exposure for all the Receivables included in the Aggregate Portfolio shall be lower than 13% of the Outstanding Balance of the Aggregate Portfolio; and

(21) the Outstanding Balance of the Receivables owed by Debtors whose rating is equal to or higher than 8 shall not be higher than 4%.

The following additional condition shall be satisfied in relation to the Aggregate Portfolio including the Second Initial Portfolio for which has been proposed the transfer on the Incremental Instalment Date:

the Outstanding Balance of Receivables owed by Debtors indicated in section L - "Attività Immobiliari" (Real Estate Activities) code 68.1 and 68.2 or in section F - "Costruzioni" (Constructions) code 41.1 of the ATECO categories shall not be higher than 17% of the Outstanding Balance of the Aggregate Portfolio.

It is understood that, should the limits provided above be breached as a consequence of the amortisation of the Aggregate Portfolio, the transfer of any Further Portfolio shall be allowed only in the case that, following such transfer, the breaches result to be at least mitigated.

The following two conditions shall be satisfied in relation to the Aggregate Portfolio not including any Portfolio for which has been proposed the transfer:

(1) the Delinquency Ratio of the Aggregate Portfolio as at the end of the immediately preceding Collection Period shall be lower than 6%; and

(2) if the Cumulative Gross Default Ratio calculated in relation to the Mortgage Portfolio as at the end of the Collection Period immediately preceding the Offer Date of the relevant Portfolio is higher than 3%, the relevant Portfolio shall include Non-Mortgage Loans only.

Registration and Publication of the Transfer

The transfer of the First Initial Portfolio from Banca Valsabbina to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 15 November 2024, and (ii) published in the Official Gazette No. 136, Part II, of 19 November 2024.

Other features of the Aggregate Portfolio

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

(a) (*Currency*) all Receivables are denominated in Euro and none of the Loan Agreements contain provisions which allow for the conversion of the relevant Loan into another currency;

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

(c) (*Ownership of the Receivables*) as at the relevant Valuation Date and as at the relevant Conclusion Date or Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) nor is otherwise, in the opinion of the Originator, in another condition that

can be foreseen to adversely affect the enforceability of the transfer of Receivables (article 20(6) of the EU Securitisation Regulation), and is therefore freely transferable to the Issuer. The Originator is the current beneficiary of the Guarantees;

(d) (*Repayment method*) all the Loans provide for a repayment through constant instalments payable monthly, bi-monthly, quarterly, semi-annually or annually with a "French" amortisation plan method (meaning the amortisation method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and that increase over the loan life time and a variable interest rate component, as calculated as at the date of granting of the loan or at the date of the latest agreement (if any) relating to the amortisation plan is reached) or with an "Italian" amortisation plan method (meaning the amortisation plan method pursuant to which all instalments include a principal component calculated as at the date of the draw-down and constant over time and a variable interest component, as calculated from time to time on the remaining amount of the principal component) and the repayment of principal on the Notes is not structured to depend predominantly on the sale of the assets securing the Receivables (article 20(8) and 20(13) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria);

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

(f) (*Expertise of the Originator*) the Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria);

(g) (*Credit Policies*) as at the Valuation Date, the Receivables comprised in each Portfolio have been selected by the Originator in accordance with credit policies that are not less stringent than the credit policies applied by the Originator at the time of origination to similar exposures that are not assigned under the Securitisation (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria);

(h) (*Bindingness and enforceability*) as at the relevant Valuation Date and as at the relevant Transfer Date, the Receivables comprised in each Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, their guarantors (article 20(8) EU Securitisation Regulation and the EBA Guidelines on STS Criteria);

(i) (*Type of Receivables*) as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio does not comprise (i) any transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU (article 20(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), (ii) any securitisation positions, pursuant (article 20(9) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), nor (iii) any derivatives (article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria);

(j) (*Credit assessment of the Debtors*) as at the relevant Valuation Date and as at the relevant Transfer Date, the relevant Portfolio does not include exposures in default within the meaning of Article 178, paragraph 1, of Regulation (EU) no. 575/2013 nor exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria):

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

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

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

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

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

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

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

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

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

(1) the homogeneity factor set out under Article 2 (*Homogeneity factors*), paragraph 3, letter (a), point (i) of Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 on the homogeneity of the underlying exposures in securitisation, since the Debtors are small and medium enterprises (as defined under European Commission's recommendation 2003/361/CE dated 6 May 2003 and Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 on the homogeneity of the underlying exposures in securitisation);

(2) the homogeneity factor set out under Article 2 (*Homogeneity factors*), paragraph 3, letter (b), point (ii) of Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 on the homogeneity of the underlying exposures in securitisation, since the Debtors have their registered office or residence (as the case may be) in the Republic of Italy.

(l) (*Payment of one Instalment*) as at the relevant Valuation Date and as at the relevant Transfer Date, with reference to each Receivable, the relevant Debtor has made at least one Instalment payment (article 20(12) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

(m) (*Calculation of interests*) pursuant to the Loan Agreements, the interest payments under the Loans are based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives (article 21(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

(n) (*Assessment of the creditworthiness*) the assessment of the Debtors' creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries (article 20(10) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

Description of the First Initial Portfolio

TABLE 1 – PORTFOLIO SUMMARY

Summary			
Number of Loans		2,122	
Outstanding Balance	475,781,205.75		
Mortgage portfolio	106,015,635.33		22.28%
Non-Mortgage portfolio	369,765,570.42		77.72%
Floating rate Outstanding Balance	454,422,566.03		95.51%
Fixed rate Outstanding Balance	21,358,639.72		4.49%
Floating rate portfolio weighted average spread		2.31%	
Floating rate portfolio weighted average rate		5.81%	
Fixed rate portfolio weighted average rate		2.81%	
Weighted average seasoning (years)	1.50		
Weighted average residual life (years)	6.97		

TABLE 2 – BREAKDOWN BY CLASS OF OUTSTANDING BALANCE

Breakdown by Class of Outstanding Balance

Class of Outstanding Balance	*Number of Loans*	*%*	*Outstanding Balance*	*%*
01) 0,000 - 20,000	260	12.25%	2,870,729.47	0.60%
02) 20,000 - 50,000	378	17.81%	13,427,151.33	2.82%
03) 50,000 - 75,000	164	7.73%	10,279,622.33	2.16%
04) 75,000 - 100,000	217	10.23%	19,016,510.11	4.00%
05) 100,000 - 300,000	714	33.65%	128,131,015.46	26.93%
06) 300,000 - 500,000	192	9.05%	74,225,963.89	15.60%
07) 500,000 – 1,000,000	114	5.37%	79,964,272.42	16.81%
08) 1,000,000 – 3,000,000	75	3.53%	116,385,276.96	24.46%
09) Over 3,000,000	8	0.38%	31,480,663.78	6.62%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 3 – BREAKDOWN BY CLASS OF ORIGINAL BALANCE

Breakdown by Class of Original Balance

Class of Original Balance	*Number of Loans*	*%*	*Outstanding Balance*	*%*
01) 0,000 - 20,000	149	7.02%	1,465,528.40	0.31%
02) 20,000 - 50,000	430	20.26%	12,578,319.84	2.64%
03) 50,000 - 75,000	143	6.74%	7,786,578.29	1.64%
04) 75,000 - 100,000	268	12.63%	22,233,370.56	4.67%
05) 100,000 - 300,000	713	33.60%	124,437,208.54	26.15%
06) 300,000 - 500,000	195	9.19%	70,649,390.18	14.85%
07) 500,000 – 1,000,000	130	6.13%	82,664,552.52	17.37%
08) 1,000,000 – 3,000,000	80	3.77%	115,606,992.61	24.30%
09) Over 3,000,000	14	0.66%	38,359,264.81	8.06%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

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

Breakdown by Type of Debtor (SAE Code)

SAE Code	*Number of Loans*	*%*	*Outstanding Balance*	*%*
290	*11*	*0.52%*	*1,256,405.87*	*0.26%*
430	*1463*	*68.94%*	*332,626,161.80*	*69.91%*
432	*29*	*1.37%*	*13,335,254.10*	*2.80%*
480	*6*	*0.28%*	*576,120.00*	*0.12%*
481	*25*	*1.18%*	*4,798,651.43*	*1.01%*
482	*59*	*2.78%*	*6,698,991.38*	*1.41%*
490	*15*	*0.71%*	*3,127,692.93*	*0.66%*
491	*49*	*2.31%*	*30,292,663.17*	*6.37%*
492	*149*	*7.02%*	*18,538,161.05*	*3.90%*
614	*77*	*3.63%*	*4,301,538.17*	*0.90%*
615	*239*	*11.26%*	*60,229,565.85*	*12.66%*
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 5 – BREAKDOWN BY ATECO CLASSIFICATION

Breakdown by ATECO Classification

ATECO Sector	*Number of Loans*	*%*	*Outstanding Balance*	*%*
N/A	1	0.05%	24,955.83	0.01%
Accommodation and food service activities	152	7.16%	20,802,805.01	4.37%
Activities of households as employers	1	0.05%	11,266.16	0.00%
Administrative and support service activities	56	2.64%	13,199,388.45	2.77%
Agriculture, forestry and fishing	182	8.58%	103,603,607.39	21.78%
Arts, entertainment and recreation	23	1.08%	3,766,861.80	0.79%
Construction	272	12.82%	53,931,600.01	11.34%
Education	15	0.71%	2,677,964.58	0.56%
Electricity, gas, steam and air conditioning supply	7	0.33%	1,606,274.97	0.34%
Financial and insurance activities	17	0.80%	1,991,486.78	0.42%
Information and communication	62	2.92%	11,414,694.42	2.40%
Manufacturing	374	17.62%	73,756,919.93	15.50%
Other services activities	28	1.32%	1,231,793.09	0.26%
Professional, scientific and technical activities	101	4.76%	20,265,481.61	4.26%
Public administration and defence; compulsory social security	36	1.70%	4,241,703.69	0.89%
Real estate activities	365	17.20%	100,917,057.71	21.21%
Transporting and storage	60	2.83%	11,209,005.83	2.36%
Water supply; sewerage; waste managment and remediation activities	19	0.90%	4,882,262.49	1.03%
Wholesale and retail trade; repair of motor vehicles and motorcycles	351	16.54%	46,246,076.00	9.72%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 6 – BREAKDOWN BY TYPE OF LOAN

Breakdown by Type of Loan

Type of Loan	*Number of*	*%*	*Outstanding Balance*	*%*
Mortgage	166	7.82%	106,015,635.33	22.28%
Non Mortgage	1,956	92.18%	369,765,570.42	77.72%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 7 – BREAKDOWN BY PAYMENT FREQUENCY

Breakdown by Payment Frequency

Payment Frequency	*Number of*	*%*	*Outstanding Balance*	*%*
Annually	3	0.14%	1,348,132.15	0.28%
Monthly	2,094	98.68%	458,645,957.77	96.40%
Quarterly	16	0.75%	9,321,614.83	1.96%
Semi Annually	9	0.42%	6,465,501.00	1.36%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 8 – BREAKDOWN BY INTEREST RATE TYPE

Breakdown by Interest Rate Type

Interest Rate Type	*Number of Loans*	*%*	*Outstanding Balance*	*%*
Fixed	174	8.20%	21,358,639.72	4.49%
Floating	1948	91.80%	454,422,566.03	95.51%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

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

Breakdown by Class of Spread (Floating Rate Loans)

Class of Spread	*Number*	*%*	*Outstanding Balance*	*%*
01) 0%-1.00%	14	0.72%	12,456,157.00	2.74%
02) 1.00%-1.50%	87	4.47%	51,017,874.27	11.23%
03) 1.50%-2.00%	234	12.01%	91,097,514.75	20.05%
04) 2.00%-2.50%	538	27.62%	141,690,131.98	31.18%
05) 2.50%-3.00%	862	44.25%	138,162,458.85	30.40%
06) 3.00%-3.50%	109	5.60%	14,520,348.14	3.20%
07) 3.50%-4.00%	49	2.52%	4,365,420.05	0.96%
08) 4.00%-4.50%	9	0.46%	349,834.25	0.08%
09) 4.50%-5.00%	34	1.75%	653,348.76	0.14%
10) Over 5.00%	12	0.62%	109,477.98	0.02%
Total	**1,948**	**100.00%**	**454,422,566.03**	**100.00%**

TABLE 10 – BREAKDOWN BY CLASS OF INTEREST RATE (FIXED RATE LOANS)

Breakdown by Class of Interest Rate (Fixed Rate Loans)

Class of Interest Rate	*Number*	*%*	*Outstanding Balance*	*%*
01) 0%-0.50%	*8*	*4.60%*	*96,384.23*	*0.45%*
02) 0.50%-1.00%	*41*	*23.56%*	*2,401,261.27*	*11.24%*
03) 1.00%-1.50%	*74*	*42.53%*	*1,017,287.40*	*4.76%*
04) 1.50%-2.00%	*10*	*5.75%*	*2,341,146.79*	*10.96%*
05) 2.00%-2.50%	*6*	*3.45%*	*3,654,948.07*	*17.11%*
06) 2.50%-3.00%	*11*	*6.32%*	*2,747,911.40*	*12.87%*
07) 3.00%- 4,00%	*10*	*5.75%*	*7,120,959.23*	*33.34%*
08) 4,00%-5.00%	*4*	*2.30%*	*1,510,648.69*	*7.07%*
09) 5.00%-6.00%	*6*	*3.45%*	*429,478.10*	*2.01%*
10) 6.00%-7,00%	*2*	*1.15%*	*14,771.55*	*0.07%*
11) Over 7.00%	*2*	*1.15%*	*23,842.99*	*0.11%*
Total	**174**	**100.00%**	**21,358,639.72**	**100.00%**

TABLE 11 – BREAKDOWN BY FUNDING YEAR

Breakdown by Funding Year

Funding Year	Number of Loans	%	Outstanding Balance	%
2006	1	0.05%	307,085.18	0.06%
2007	1	0.05%	1,305,438.00	0.27%
2008	2	0.09%	2,447,756.11	0.51%
2010	3	0.14%	1,036,027.90	0.22%
2013	2	0.09%	279,258.10	0.06%
2014	3	0.14%	76,620.86	0.02%
2015	4	0.19%	2,364,451.07	0.50%
2016	2	0.09%	2,886,592.78	0.61%
2017	4	0.19%	1,019,279.27	0.21%
2018	9	0.42%	1,567,635.52	0.33%
2019	8	0.38%	1,481,739.91	0.31%
2020	136	6.41%	5,065,731.14	1.06%
2021	66	3.11%	22,272,128.67	4.68%
2022	111	5.23%	47,819,461.96	10.05%
2023	976	45.99%	224,465,474.73	47.18%
2024	794	37.42%	161,386,524.55	33.92%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 12 – BREAKDOWN BY ORIGINAL LIFE

Breakdown by Original Life

Original Life (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 5	901	42.46%	112,967,216.61	23.74%
02) 5 - 10	1,025	48.30%	230,155,474.63	48.37%
03) 10 - 15	132	6.22%	88,033,112.61	18.50%
04) 15 - 20	47	2.21%	33,460,130.71	7.03%
05) 20 - 25	11	0.52%	9,919,131.82	2.08%
06) 25 - 30	4	0.19%	921,277.09	0.19%
07) > 30	2	0.09%	324,862.28	0.07%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 13 – BREAKDOWN BY SEASONING

Breakdown by Seasoning

Seasoning (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 2	1,791	84.40%	402,619,313.25	84.62%
02) 2 - 4	170	8.01%	55,354,329.56	11.63%
03) 4 - 6	134	6.31%	5,832,278.81	1.23%
04) 6 - 8	9	0.42%	1,272,054.13	0.27%
05) 8 - 10	8	0.38%	5,318,010.38	1.12%
06) 10 - 15	6	0.28%	1,324,940.33	0.28%
07) 15 - 20	4	0.19%	4,060,279.29	0.85%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 14 – BREAKDOWN BY RESIDUAL LIFE

Breakdown by Residual Life

Residual LIfe (years)	Number of Loans	%	Outstanding Balance	%
01) 0 - 5	1,338	63.05%	188,595,582.08	39.64%
02) 5 - 10	672	31.67%	198,773,672.11	41.78%
03) 10 - 15	99	4.67%	75,517,312.93	15.87%
04) 15 - 20	7	0.33%	9,221,880.60	1.94%
05) 20 - 25	4	0.19%	3,347,895.75	0.70%
06) 25 - 30	2	0.09%	324,862.28	0.07%
Total	**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

TABLE 15 – BREAKDOWN BY REGION OF BORROWER

Breakdown by Region of Borrower

Macro Region	*Region*	*Number of*	*%*	*Outstanding Balance*	*%*
01_Northern Italy	Emilia Romagna	172	8.11%	39,927,355.19	8.39%
01_Northern Italy	Friuli Venezia Giulia	12	0.57%	4,241,127.74	0.89%
01_Northern Italy	Liguria	7	0.33%	994,083.45	0.21%
01_Northern Italy	Lombardia	1,328	62.58%	313,437,509.49	65.88%
01_Northern Italy	Piemonte	123	5.80%	37,721,017.47	7.93%
01_Northern Italy	Trentino Alto Adige	23	1.08%	6,065,293.45	1.27%
01_Northern Italy	Veneto	421	19.84%	62,632,845.45	13.16%
02_Central Italy	Abruzzo	1	0.05%	53,129.51	0.01%
02_Central Italy	Lazio	11	0.52%	7,105,499.90	1.49%
02_Central Italy	Toscana	3	0.14%	474,640.07	0.10%
03_Southern Italy	Campania	9	0.42%	2,100,367.63	0.44%
03_Southern Italy	Puglia	7	0.33%	431,185.02	0.09%
03_Southern Italy	Sardegna	3	0.14%	462,903.25	0.10%
03_Southern Italy	Sicilia	2	0.09%	134,248.13	0.03%
Total		**2,122**	**100.00%**	**475,781,205.75**	**100.00%**

Capacity to produce funds

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

Pool Audit

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

The verification has confirmed:

(a) the compliance of the data and information in respect of the First Initial Portfolio, included in the loan-by-loan data tape prepared by the Servicer, with the Eligibility Criteria; and

(b) the accuracy of the tables set out in the section headed "*The Aggregate Portfolio – Description of the First Initial Portfolio*" above.

BANCA VALSABBINA

1. Historical notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In 2022, the bank opened its third Milan branch and its second branch in Piedmont, in Asti. In 2023, Banca

Valsabbina continued its territorial consolidation process, with a new branch in Pavia and a new branch in Alessandria, bringing the total number of branches in Piedmont to three.

The 2024-2025 Strategic Plan reaffirms the Institute's commitment to:

- adopting increasingly innovative solutions in serving customers and local territories, also thanks to the consolidation of the Bank's integration into the Fintech world in recent years;
- developing agricultural assets, international business, and the corporate segment;
- improving credit quality, with particular focus on maintaining key derisking objectives;
- enhancing commercial effectiveness, particularly by diversifying business sources;
- increasing operational efficiency.

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

Anno	Numero Soci	Numero Azioni	Patrimonio	Depositi	Impieghi
1980	1.194	884.283	5.876.842	51.008.393	28.564.727
1990	2.603	3.141.775	25.868.757	171.379.051	115.878.934
1995	3.423	3.208.519	31.803.701	324.129.826	226.945.694
2000	10.169	15.410.442	143.775.745	748.963.787	828.247.973
2005	19.087	25.566.905	265.211.273	1.772.486.503	1.623.412.367
2010	31.420	26.516.169	298.673.996	2.765.830.264	2.823.361.370
2011	34.171	35.534.212	382.149.016	2.689.599.248	2.771.138.891
2012	36.574	35.796.827	382.769.421	3.137.815.141	3.090.821.410
2013	38.194	35.796.827	381.614.316	3.184.574.114	2.982.169.938
2014	39.532	35.796.827	391.960.003	3.254.741.527	2.960.577.817
2015	40.129	35.796.827	387.867.703	3.124.905.760	2.780.430.973
2016	39.234	35.516.827	386.928.668	3.153.741.895	2.762.450.205
2017	38.519	35.516.827	381.969.184	3.160.758.070	2.946.099.906
2018	39.119	35.516.827	325.414.488	3.243.078.997	3.068.126.837
2019	39.719	35.516.827	346.237.476	3.829.808.065	3.136.303.668
2020	39.999	35.516.827	368.519.239	4.300.553.384	3.414.682.709
2021	39.912	35.516.827	368.519.239	4.833.999.180	3.720.809.900
2022	40.174	35.516.827	370.348.694	4.905.540.883	3.893.522.068
2023	41.022	35.516.827	432.477.306	5.234.492.341	3.778.499.649

2. Group ownership and structure

2.1 Major shareholdings

Banca Valsabbina is the parent company of the Banca Valsabbina Banking Group, which since April 26, 2011

has been registered under no. 5116.9 on the List of Banking Groups and, as such, exercises powers of management and coordination and issues provisions to Group members for the execution of instructions given by the Supervisory Board.

In September 2023, Banca Valsabbina successfully completed the acquisition of a stake from Arkios Italy, increasing its ownership to 78% of Integrae SIM, a Milan-based intermediary specialized in structuring Equity Capital Market transactions on the Euronext Growth Milan market, where it ranks among the leading Global Coordinators, Euronext Growth Advisors, and Specialists.

Additionally, in December 2023, Banca Valsabbina finalized the acquisition of the fintech company Prestiamoci S.p.A., a financial intermediary authorized and regulated by the Bank of Italy (under Article 106 of the Italian Banking Law), which created and developed a digital "consumer lending" platform. With the acquisition, Banca Valsabbina now fully owns also the payment institution "Pitupay," controlled by Prestiamoci.

2.2 Main shareholders

At the date of 31 December 2023, Banca Valsabbina has about 41,022 shareholders. The Bank's shareholders are almost entirely clients and benefit from particularly advantageous conditions on products and services.

The appreciation for the Bank’s services and trust in its activities is shown by a significant increase in the share base over the last few years (there were 19,087 shareholders in 2005 and 41,022 in 2023).

Banca Valsabbina takes the form of a cooperative company and has characteristics typical of "popular banks" as established by the Consolidated Law on Banking. Therefore, no single shareholder can hold more than 1% of share capital. This prohibition does not apply to collective investment schemes in securities, for which the limits established by the regulation of each apply.

In accordance with Art. 30 of Italian Legislative Decree no. 385 of 1 September 1993 - the "Consolidated Law on Banking" and on the basis of the provisions of the company's articles of association, under Art. 25, each shareholder may express just one vote in the shareholders' meeting, regardless of the number of shares it holds.

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

3. Organisational structure

3.1 The organisation chart and human resources

The bank's organisation chart as of the 31st of December 2023 is reported below with the trend of recent years:

Breakdown of staff according to classification						
	2023	%	2022	%	2021	%
Managers	10	1.18%	13	1.62%	11	1.46%
3rd - 4th level executives	477	56.45%	443	55.10%	412	54.79%
Non-managerial professional	340	40.24%	330	41.04%	313	41.62%
Temporary workers (In somministrazione)	18	2.13%	18	2.24%	16	2.13%
TOTAL	845	100.00%	804	100.00%	752	100.00%

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

Board of Directors	Board of Auditors	Management
Chairman	**Chairman**	**General Manager**
Barbieri Renato	Vivenzi Giorgio Mauro	Marco Bonetti
Deputy Chairmnan	**Statutory Auditors**	**Deputy General Manager**
Pelizzari Alberto	Apostoli Patrizia	Hermes Bianchetti (*)
	Mazzari Filippo	Antonio Beneduce
Non-executive Chairman	Dorici Donatella	
Soardi Ezio	Pozzi Federico	
Directors	**Alternate Auditors**	
Baso Adriano	Gazzorelli Andrea	
Ebenestelli Aldo	Lorandi Daniela	
Pandini Nadia		
Fiori Eliana		
Gnecchi Flavio		
Pezzolo De Rossi Simona		
Niboli Pier Andreino		
Tonino Fornari		
Marcella Caradonna		

* Deputy General Manager "Vicario"

As at the end of 2023, the staff of Banca Valsabbina S.C.p.A. was composed of 845 employees, and therefore an increase of 41 resources over last year's headcount.

4. Income and equity trend

The 2023 economic figures highlight an increase in the Net interest income and in the Net commission, of respectively the 7.97% and 9.88%.

It is confirmed the strong capital adequacy as shown by the Tier 1 Capital Ratio ("Fully Loaded") and the Total Capital Ratio ("Fully Loaded"), respectively 14.66% and 16.76%.

The own funds amount ("Fully Loaded"), as of 31 December 2023, EUR 468,431,022 made up of EUR 409,436,554 of Common Equity Tier 1 (CET 1) and EUR 58,994,468 of Tier 2 Capital.

Main economic figures (in € '000s)	31/12/2023	31/12/2022	Variaz. %
Net interest income	153,157	141,845	7.97%
Net commission	60,496	55,057	9.88%
Dividends and proceeds from trading and other	29,517	15,773	87.14%
Total income	**243,170**	**212,675**	**14.34%**
Net result of financial operations	207,994	180,636	15.15%
Operating costs	-133,993	-122,886	9.04%
Profit from continuing operations before taxes	72,031	57,808	24.60%
Net profit	50,071	41,421	20.88%

5. Confirmations under the EU Securitisation Regulation

For the purpose of Articles 20(1), 20(10) and 21(8) of the EU Securitisation Regulation, Banca Valsabbina,

in its capacity as Originator and Servicer, confirms that:

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

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

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

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

CREDIT AND COLLECTION POLICIES

1. The mortgage and unsecured loan investigation/disbursement process

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

- Presentation of application and data acquisition/integration;
- Loan proceedings;
- Resolution;
- Disbursement.

1.1 Presentation of application and data acquisition/integration

Generally speaking, it is the relationship managers (Branch Managers) who have the responsibility of instructing the loan file. The effective purpose for which the loan is requested must be carefully ascertained and clearly shown in the loan proposal, as it is an element of primary importance and therefore essential to assessing the credit risk. All information that may help identify the legal and/or economic connections of parties requesting the loan must be acquired.

Each loan application must be prepared complete with all suitable documentation on income, financial, technical and equity matters, according to the nature and level of complexity of the position and the entity of the risk, with the methods laid out in the specific reference legislation. The documentation shall be used to determine the repayment capacity of the loan requested, in relation to the economic and income potential of the loan applicant and its asset capacity, to be further investigated through the validation and interpretation of the data assumed.

The opinion on the proposal must contain, obligatorily, the final judgement on the eligibility of the loans requested, specifying the grounds on which said judgement is based. Following presentation of the loan application by a customer, the branch requests the documentation needed for proceedings to begin.

The preliminary investigation phase consists in an analysis aimed at establishing:

- the adequate assessment of the applicant's creditworthiness, in terms of assets and income;
- the correct remuneration of the risk assumed (risk/return ratio);
- the assessment of the consistency of the amount, technical form and term of the loan with the stated purposes, repayment capacity, risk level, profitability and the sector to which the position belongs;
- the adequacy of any guarantees offered;
- the identification of the characteristics and quality of the applicant, also in the light of all the relations entertained with the applicant and of the data obtained from public databases.

1.2 Loan proceedings

The necessary procedures vary depending on the level analysing the loan application. The preliminary investigation can be carried out at the following levels:

- Branch;
- Area manager;
- Loan Department;
- Upper levels.

External Assessments

External assessments consist of those procedures aimed at collecting, examining and evaluating data and documents from sources outside the Bank and concerning essentially:

- the legal status of the customer and guarantors;

- the legal status of the customer's and guarantors assets;
- the business and industry history of the customer and guarantors.

The external assessments to be carried out vary in relation to the procedure to be adopted and must be carried out and formalised in accordance with the investigation and the provisions of the Cedacri Electronic Loan File Manual.

The deliberating Body may order further assessments in relation to the technical form of the loan or the complexity of the situation and whenever it deems it appropriate.

The external assessments shall be repeated when the loan file is renewed and shall be supplemented when appropriate with specific assessments related to the particular technical form of the loan and to investigations connected therewith. The execution and verification of the external assessments shall be evidenced by the signing of the electronic loan file by the appropriate level.

1.3 Resolution

1.3.1 Definition of risk categories

The division of category risks is as follows:

- CATEGORY RISKS (1): blank current account overdrafts, financial loans and/or repayable current accounts, agricultural operating and improvement loans, direct euro and currency loans, pre-financing on medium-term loans granted by us or other institutions, artisan loans pursuant to Regional Law No. 1 of 02/02/2007, loans partially backed by guarantees from the various Confidi, issuance of guarantees in favour of foreign banks against loans in foreign currency or euro, import loans, import financing, advances on Italy/Foreign Countries flows, advances on Italy/Foreign Countries agreements, granting of sureties in general, advances on goods and/or documents representing goods.
- CATEGORY RISKS (2): negotiation of commercial paper, accepted and not, in the various technical forms in use, advances on export invoices, advances on invoices for Italy without notification of the debtor.
- CATEGORY RISKS (3): medium-term mortgage loans, issuance of fully secured guarantees in general, advances on invoices with regular assignment of credit and notification to the debtor, loans pursuant to Law 662/96, for the portion guaranteed by the Central Guarantee Fund only, loan lines assisted by a guarantee from the Central Guarantee Fund, for the guaranteed portion only, Ismea mortgages, for the portion guaranteed by the Ismea first-lien surety only, EIF loans, for the portion guaranteed by the European Investment Fund only, Sace Garanzia Italia loans, for the portion guaranteed by SACE onlym, loans or lines of loan in categories with risk 1 or 2, secured by pledge or mortgage, up to the amount of the collateral pledged.
- CATEGORY RISKS (6): Forward foreign exchange purchase and sale transactions by customers.
- CATEGORY RISKS (7): Loan granting for "free availability of cheques".

1.3.2 Credit authority structure for performing positions

Below are the basic competences of the decision-making levels for the various credit granting bodies:

1) To the Credit Committee, composed of the General Manager, the Joint General Manager, the Head of the Territorial Network Division and the Head of the Credit Division:

- Euro 1,700,000 for credit lines with category 1 risk;
- Euro 1,900,000 for credit lines with category 2 risk;
- Euro 1,900,000 for credit lines with category 3 risk;
- Euro 1,200,000 for credit lines with category 6 risk;
- Euro 1,800,000 for credit lines with category 7 risk;

2) To the General Management, with joint signature of the General Manager and Joint General Manager:

In the event of the granting/extension of loans on a single relationship belonging to "economic groups" whose Deliberating Body is the Board of Directors, is given the power to deliberate loans up to a maximum limit of 50% of the deliberative autonomy held by the General Management itself, regardless of the credit lines already in place in the name of the entrusted party, i.e.:

- Euro 425,000 for credit lines with category 1 risk;
- Euro 425,000 for credit lines with category 2 risk;
- Euro 450,000 for credit lines with category 3 risk;
- Euro 250,000 for credit lines with category 6 risk;
- Euro 450,000 for credit lines with category 7 risk;

3) To the General Manager, and in case of his absence or inability to act, to the Joint General Manager:

- Euro 850,000 for credit lines with category 1 risk;
- Euro 850,000 for credit lines with category 2 risk;
- Euro 900,000 for credit lines with category 3 risk;
- Euro 500,000 for credit lines with category 6 risk;
- Euro 900,000 for credit lines with category 7 risk.

The General Manager, and in the event of his absence or inability to act, the Joint General Manager, may authorise additionaltransactions, such as temporary assignments, overdrafts and issuance of credit card within certain limits.

4) To the Head of the Credit Division (or Co-Head or Deputy Head):

- Euro 450,000 for credit lines with category 1 risk;
- Euro 450,000 for credit lines with category 2 risk;
- Euro 500,000 for credit lines with category 3 risk;
- Euro 200,000 for credit lines with category 6 risk;
- Euro 300,000 for credit lines with category 7 risk;

In addition to the above delegated credit granting powers, the Head of the Credit Division (or the Co-Head of the Credit Division or the Deputy Head of the Credit Division) may allow additional operations, such as temporary assignments, overdrafts and issuance of credit card within certain limits.

5) To the Head of the Credit Analysis and Instruction Sector (or, in case of absence or inability to act, to the Deputy Head):

- Euro 300,000 for credit lines with category 1 risk;
- Euro 300,000 for credit lines with category 2 risk;
- Euro 400,000 for credit lines with category 3 risk;
- Euro 200,000 for credit lines with category 6 risk;
- Euro 300,000 for credit lines with category 7 risk;

In addition to the above-mentioned delegated powers for the granting of credit, the Head of the Credit Analysis and Investigation Department may allow additional operations, such as temporary loans and issuance of credit card within certain limits:

6) To the "Senior Analysts" Credit Division:

- Euro 180,000 for credit lines with category 1 risk;
- Euro 180,000 for credit lines with category 2 risk;
- Euro 240,000 for credit lines with category 3 risk;
- Euro 120,000 for credit lines with category 6 risk;
- Euro 180,000 for credit lines with category 7 risk;

7) To Area Managers and, in the event of absence or inability, to Deputy Area Managers:

- Euro 100,000 for credit lines with category 1 risk;
- Euro 150,000 for credit lines with category 2 risk;
- Euro 200,000 for credit lines with category 3 risk;
- Euro 120,000 for credit lines with category 7 risk;

8) To Branch Managers (with regent, management level 4):

- Euro 30,000 for credit lines with category 1 risk;
- Euro 40,000 for credit lines with category 2 risk;
- Euro 50,000 for credit lines with category 3 risk;
- Euro 30,000 for credit lines with category 7 risk;

9) Branch Managers (with regent, management level 3):

- Euro 15,000 for credit lines with category 1 risk;
- Euro 20,000 for credit lines with category 2 risk;
- Euro 35,000 for credit lines with category 3 risk;
- Euro 30,000 for credit lines with category 7 risk;

1.3.3 Structure of Loans for Impaired Past Due and UTP Positions

The following is a summary of the powers in the area of granting loans limited to credit positions classified as impaired past due and/or in arrears and probable defaults:

1) To the Anomalous Credit Committee, composed of the following voting members: General Manager, Joint General Manager, Head of the Anomalous Credit Division and Head of the Business Division

- Euro 1,500,000 for credit lines with category 1 risk;
- Euro 1,700,000 for credit lines with category 2 risk;
- Euro 1,800,000 for credit lines with category 3 risk;
- Euro 1,200,000 for credit lines with category 6 risk;
- Euro 1,800,000 for credit lines with category 7 risk

Issuance of credit cards with a ceiling in excess of Euro 50,000 per month.

2) To the General Management, with joint signature of the General Manager and Joint General Manager:

In the event of the extension of loans on a single relationship forming part of "economic groups" whose Deliberating Body is the Board of Directors, the General Management (joint signature General Manager and Joint General Manager) is granted the power to deliberate loans up to a maximum limit of 50% of the deliberative autonomy held by the General Manager, regardless of the loans already in place in the name of the entrusted party, i.e:

- Euro 350,000 for credit lines with category 1 risk;
- Euro 350,000 for credit lines with category 2 risk;
- Euro 400,000 for credit lines with category 3 risk;
- Euro 250,000 for credit lines with category 6 risk;
- Euro 450,000 for credit lines with category 7 risk.

1.4 Disbursement

1.4.1 Mortgage loans disbursement

After the resolution according to which the mortgage loan is granted, the files will be transmitted to the Special Loans Sector. During this stage, the applicable conditions and documentation available are further verified, with specific regards, to the expertise and the resolution for an additional control of the technical-legal aspects. The verification may result in a request for clarifications, further investigations, a review of the resolution and sometimes - in the most extreme cases - the revocation of the loan, by the Deliberating Body.

The preliminary legal report drawn up by the notary is aimed at verifying:

- the full ownership of the mortgaged property by the party offering the guarantee;
- the property's freedom from transcriptions, mortgage inscriptions and any other formality resulting from public real estate registers that are in any case prejudicial.

For the above verification, the notary must check all transfers of ownership transcribed in the previous twenty years and all transcriptions and mortgage registrations against the owners that have occurred in the same period.

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

1.4.2 Disbursement of Unsecured Loans

The process described relates to unsecured loans for practices forwarded by Branches with central decision-making autonomy, except for unsecured loans backed by subsidiary guarantees from cooperatives (which are the exclusive responsibility of the Special Loans Branch).

After receiving the resolution note, the Branch Loans Officer instructs the customer to subscribe the appropriate forms and, after having gathered any guarantees referred to in the resolution, sends the relevant documentation to the Special Loans Department by internal mail. Upon receipt of the documentation, the Special Credits Officer verifies the presence of the resolution, and the formal accuracy of the agreement and the completion of any guarantees. In the event of a positive outcome of the verification, it proceeds to disbursement through the appropriate procedure (loan procedure). In the case of an unsecured loan, if the loan is backed by subsidiary guarantees from the cooperatives, the Special Loans Officer keeps the agreement and files it in the appropriate repositories. Otherwise, the Special Loans Officer, after disbursement, shall return the agreement and any other documentation to the relevant branch.

2. Loan management

2.1 Collection of instalments

Payment of instalments may be made by bank account debit or SDD. In the case of payment by bank account, the Bank proceeds to debit the instalment on the due date with a value date equal to the due date.

2.2 Monitoring and credit management procedures

The credit risk management, measurement and control systems are developed in an organisational context that involves the entire credit process cycle, from the initial investigation phase to the periodic review, up to the revocation and recovery phase. Each Group company, in coordination with their respective control functions, conducts quantitative and qualitative analyses for the purpose of measuring and periodically monitoring Credit Risk.

With reference to the Parent Company Banca Valsabbina, the determination of a counterparty's creditworthiness derives mainly from:

- analysis of qualitative and quantitative data available from various sources (annual financial statements and Business Plan, Central Risks Centre and other external databases, internal performance situation, assessment of the existence of impairments, etc.);
- subjective assessment by the Deliberating Body based on the knowledge of the counterparty and the reputation of the management.

The main guidelines of this evaluation process refer to:

- knowledge of the borrower in terms of the business pursued, financial and balance sheet data, reputation of the customer and management in the case of corporate customers;
- identification of the investment purposes for which the Bank's intervention is required;
- identification of the sources of repayment and hedging of the credit risk assumed;
- use of the technical form most appropriate to the credit requirement to be met, taking into account the collateral and duration;
- guarantees acquired to mitigate the risk of credit loss.

Specifically, regarding corporate customers, when granting and subsequently reviewing loans, the Bank generally relies on the joint combination of several elements, such as: the correctness, historical and technical competence of the management, the stability of the management, which ensures unity and continuity of the management direction, the balanced equity and financial structure, taking into account the resources on which the company will be able to entrust and the needs that will arise at the same time as a result of the planned undertakings, the positive liquidity situation, the adequate profitability of the relationship, the presence of any ancillary guarantees, the convincing justification for the use of the loan, the counterparty rating, measured as from the current financial year using the "AIRB" (Advanced Internal Rating Based) model, compliance with specific risk indicators, built on the basis of the counterparty's business plan and/or analysis of actual and prospective cash flows, taking into account the level of attractiveness of the reference sector and the sustainability of the business and its management.

Once the credit risk has been assumed, the Bank carefully monitors its management to promptly identify those positions that submit negative elements and that could deteriorate over time and represent a potential loss. As part of the credit performance monitoring of individual exposures, both performing and impaired, the functions involved in the process are supported by specific operating procedures provided by the outsourcer Cedacri.

The services of the Anomalous Credit Division, for example, use the "C.Q.M. - Credit Quality Management" application, which supports the functions in charge in identifying counterparties to be monitored and in managing positions in which anomalies have already occurred. The pivotal elements of the procedure are the definition of credit status, the assignment of risk classes, and the identification of a management path with various types of actions that can be taken for each position detected by the application, also diversifying the operational roles involved in the process.

The monitoring and management of Credit Risk is also conducted through specific portfolio analyses with the

aim of assessing the overall quality of credit exposures and their main dynamics, verifying their consistency with strategic objectives. The results of the portfolio analyses are periodically reported to the corporate bodies. These analyses are the responsibility of the Risk Management Service, in the context of second level controls, and of the Internal Audit Service, in the context of third level controls.

Risk assessment indexes – The CRS Rating

As of the end of January 2024, the Bank adopted a new advanced internal rating system (known as "AIRB") provided by the outsourcer Cedacri for management and credit monitoring purposes, replacing the previous "CRS" (*Credit Rating System*) model, with the aim of ensuring greater compliance with European regulations on the subject, and in particular with the EBA LOM Guidelines (EBA/GL/2020/06 - paragraph 4.3.4: "Models for assessing creditworthiness and making credit decisions").

It does not constitute an internal measurement model within the meaning of the regulatory framework on credit risk, since it is not subject to a validation procedure by the Supervisory Authority and since the Bank continues to adopt the standardised model for calculating capital requirements for credit risk.

It is therefore specified that the CRS model continues to be processed monthly (*parallel running*) as, for the time being, it retains its role as the reference rating for the calculation of expected losses on the credit portfolio under IFRS 9. In this regard, the transition to AIRB will occur when adequate historical observation series of default migration rates are available, preparatory to the development of forward-looking multi-period PD vectors used in the calculation of credit impairment.

In particular, the process of defining expected credit losses, as provided for by IFRS 9, preliminarily provides for the assignment of credits to the different "stages" defined therein. In particular, the classification into stage 1 or 2 takes place through the identification of significant changes in credit risk, based on the amendment of the counterparty's creditworthiness at the reporting date with respect to initial recognition. The classification of performing exposures in the various rating classes envisaged by the "CRS" contributes to the determination of the relative expected loss together with the residual life of the financial asset and forward-looking data that may influence credit risk.

Specifically, performing financial assets are subject to a valuation at the level of the individual credit transaction, based on three parameters to estimate the expected loss - derived from models suitably adjusted to take into account the provisions of IFRS 9 - represented by

- *Probability of Default* (PD) forward looking, also a function of the relative rating class assigned by the "CRS";
- *Loss given Default* (LGD), estimated through a model that captures the characteristics of the various relationships (mortgages, mortgage relationships, etc.) as well as the customer segment (Private, Small Business, SME, Large Corporate and Real Estate);
- *Exposure at Default* (EAD), which is a measure of the amount drawn on the relationship.

The contractual discount rate and the relative maturity of the loan relationship are also appropriately taken into account in the calculation of the expected credit loss.

The "CRS" is a statistical model, i.e. a model which, by taking as inputs the main economic-financial (balance sheet), performance (internal ratio performance) and system (Central Risk Centre) indices and assigning to each of them a weighting reflecting their relative importance in predicting insolvency, arrives at an assessment of the customer's creditworthiness, which is summarised in a numerical value (score/score) representative of its probability of insolvency (PD), which determines the relative rating.

Risk Assessment Indexes - The AIRB Rating

As mentioned above, the AIRB rating has replaced the CRS for management purposes in the assessment of counterparties, both in the initial granting and renewal phases of loans, and in the consequent monitoring activities.

The AIRB rating system introduces an evolution in the lending process, as the automated integration of the Rating Attribution (or "RA" for short) phase within the PEF investigation is envisaged. The assigned rating must be reviewed and updated at least once a year; during the 12 months following its attribution, the rating

is considered valid, unless certain events occur that require the manager to update it.

The model provides for the breakdown of entrusted customers into the following 3 segments:

- **Corporate AIRB**, intended for "Corporate" counterparties (both corporations and partnerships) characterised alternatively by the presence of:
  - an overall exposure at legal group level of customers exceeding one million euros;
  - a turnover/value of production indicator greater than Euro 2.5 million, also at legal group level;
- **Retail Business AIRB**, intended for "Corporate" counterparties (both corporations and partnerships) as well as counterparties with SAE 614-615 (Artisans, Other Producer Households) that do not exceed either of the above quantitative indicators;
- **Privates AIRB**, intended for private individuals (SAE 600) for any level of exposure.

Compared to the previous tranches calculated by the CRS model, an almost complete migration occurs:

- from the "CRS Private" model to the "Private AIRB" segment;
- from the "CRS Small Business" model to the "Retail Business AIRB" segment;
- from the "CRS Large Corporate" model to the "Corporate AIRB" segment.

As far as the SME and Real Estate companies in the CRS model are concerned, they are split rather evenly between the "CRS Retail AIRB Companies" and "CRS Corporate AIRB" segments (depending on turnover volumes and credit exposure).

It should be noted that the AIRB perimeter only covers the recalibrated CRS rating segments, i.e. the "Small Business", "SME", "Large Corporate", "Real Estate" and "Private" models. On the other hand, the "Classical Financial" and "Classical Institutional" segments, in which companies with SAEs belonging to the financial or public sector are included, are outside the AIRB perimeter, and therefore will continue to be rated with the CRS.

Within the rating calculation, two different types of AIRB ratings are distinguished:

- Rating **Online**: this is the "official" counterparty rating calculated online by the rating manager as part of the rating attribution process (so-called Rating Attribution), both for newly acquired customers (at the same time as a loan application is opened) and for customers already entrusted (following the need to update the previously assigned rating). This rating calculated online is valid for 12 months, after which it expires and needs to be renewed;
- Rating **Batch**: this is the "monitoring" rating automatically calculated by the procedure at the end of each month on the entire outstanding portfolio, considering the most up-to-date data available at the reference date. The monitoring rating is used for ongoing comparison with the online rating, to monitor any deterioration/improvement in the customer's risk profile.

In order to keep the resolved online ratings constantly up to date, they are therefore subject to a system of "rating events" for the purpose of determining and outlining their validity and support the rating manager in the appropriate updating activities over time, so that the rating can represent the counterparty's creditworthiness as truthfully and as up-to-date as possible. The most significant events include, by way of example: the uploading of a new balance sheet, changes in the structure of the legal group to which the customer belongs and/or in the rating of the parent company, expiry of the qualitative questionnaire filled out when the rating was first assigned etc.

The rating calculation engine takes as input a series of quantitative and qualitative data, more exhaustive than those processed by the previous CRS model. These data, depending on their nature, converge in the following modules:

- **Geosectoral** Module: data of an anagraphic nature;
- **External Performance** Module: import of Central Risk and CRIF flows;
- **Internal Performance** Module: performance data on loans with the Bank;
- **Economic-Financial** Module: elaboration of balance sheet data;
- **Model type** (acceptance vs. monitoring): dichotomous variable that is equal to 1 ("Acceptance") for

counterparties entrusted for the first time (no past exposure at the Bank), and equal to 0 ("Monitoring") for counterparties already entrusted;

- **Qualitative** Form: import streams of the Qualitative Questionnaire to be completed at the time of PEF and updated annually;
- **Family Balance Sheet** Module: income/financial data inferable from current account movements.

Once the scores for each module have been calculated, they are integrated with the appropriate weightings provided by the model to determine the final score, which corresponds to a specific rating class on a scale of 1 to 10. On the other hand, counterparties classified as impaired are assigned a rating of 11.

Finally, the processing of the above forms is complemented by the enrichment of data useful for the adjustment ("notching") of the rating score initially calculated. In summary, these are data of a mainly qualitative nature that can be used to determine a possible improvement or deterioration in creditworthiness, such as evidence of "adverse events" (e.g. prejudicial), the "Forborne" attribute, as well as "Group Logics" (adjustment of the rating of the counterparty under review based on the AIRB rating class assigned to the parent company).

Moreover, in accordance with the requirements of the EBA LOM Guidelines, for the "Corporate AIRB" and "Corporate Retail AIRB" rating segments, the possibility of intervening to adjust the rating (so-called "override") calculated online during the preliminary investigation phase is envisaged. This process envisages the intervention of an organisational structure that is independent of the structures involved in the credit process, defined as the "Rating Desk" and identified in the Parent Company's Risk Management Service.

3. Debt collection

Non-performing positions are managed by the Legal and Disputes Service, which is appointed to carry out all activities necessary to ensure an effective, timely collection of the loan both legally - to this end appointing external professionals and following the set-up and structure of the relevant procedures - and by means of out of court settlements - maintaining direct relations with the debtors that have been transferred to non-performing status. The Legal Department consists of a Manager (a professionally qualified lawyer with twenty years of legal experience, also outside the bank sector), eleven full-time lawyers (some qualified to work professionally), five of which deal exclusively with litigation management.

3.1 Allocation to non-performing account and general managerial aspects

The Regulator identifies as non-performing, all parties in a state of insolvency, even if not legally ascertained, or those in basically equivalent situations, regardless of any loss forecasts prepared by the business. This is, therefore, regardless of whether or not any guarantees (collateral or personal) exist backing the loans. Classification of loans as non-performing implies prior assessment of the customers' overall financial position, which must show both a specific state of default and a lack of solvency, such as to suggest the objective lasting impossibility of fulfilling the relevant obligations. The accounting aspects of non-performing positions are managed, in accordance with and based on the indications of the Legal Department, by the Bank's Administration, which is responsible for transferring to the non-performing account (for mortgage loans, in particular, this concerns past due and unpaid instalments, residual capital and any interest on arrears accrued on unpaid instalments) and the recording of each subsequent accounting movement, in debit and credit. The status of individual collection procedures is promptly and directly reported to the Legal and Disputes Service, which guides, coordinates and controls collection activities.

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

Out-of-court collection is aimed to achieve a settlement of the balance due by the debtor and guarantors, or rather the signing of a repayment plan to extinguish the loan. This approach is generally preferred for loans that are not backed by guarantees or assets that can be enforced, or which are backed by insufficient guarantees. Where possible, the Bank privileges reaching agreements with debtors and/or guarantors, given the relatively lengthy terms of enforcement proceedings, the incidence of the costs and expenses involved in enforcement proceedings (even if covered by a careful legal expense limitation policy) and the risk of seeing the assets awarded at a price far below market value, with clear prejudice of collection forecasts. When a debtor (or guarantor intending to free itself of its guarantee obligation) suggests such a transaction, the Bank analyses the proposal and chooses whether to accept or reject it. The party proposing the resolutions is always the Legal Department, which carries out all investigations necessary aimed at verifying the value of

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

3.3 General collection strategies and activities: (2) Legal collection

Should not out of court agreement be reached, the Bank will take all suitable legal action, including enforcement orders, or shall claim credits in bankruptcy proceedings or intervene in proceedings filed by third party creditors. Legal collection consists of the forced realisation of assets and/or rights that the Bank already has or acquires following the exercise of pre-emption rights; legal claims are always assessed considering the relevant costs and benefits involved.

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

The Legal and Disputes Service proposes a review of the doubtful outcomes and transfer to loss of positions to be classed as expenditure; the deliberating body, except for transitions with minimal losses, is always the Board of Directors.

The following is considered when examining each procedure: the value of the property mortgaged in the Bank's favour, as can be seen from the technical documentation collected at the time of stipulating the loan, along with its type, intended purpose, location and possibility of realisation in enforcement, the overall debt exposure and legal risks of the position and the possibility of an economic recovery of the debtor, assessed according to the information available and, in particular with reference to any possible repayment plans with some of the joint-obliged parties.

Loans are generally written off (even partially) in the following circumstances: if the main debtor is subject to bankruptcy proceedings, in the event of a settlement agreement, within the year in which the agreement is reached, for the part that has not been collected or in the event of legal collection, at the end of enforcement proceedings, when this has been entirely or partially unsuccessful, for the part that has not been collected.

3.5 Other Collection Activities

As part of the Bank's recovery strategy, NPL disposals have been carried out and may be carried out in the future, either through the disposal of portfolios or through bilateral negotiations for individual significant positions, should advantageous market or price conditions arise.

For further details reference is made to Credit and Collection Policies attached as Schedule 4 (*Procedure di Erogazione e Riscossione*) to the Servicing Agreement.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to Article 3 of the Securitisation Law, as a limited liability company (*società a responsabilità limitata unipersonale*) with a sole quotaholder on 3 September 2024 under the name Valsabbina SME 4 SPV S.r.l. and enrolled with No. 48610.0 in the register of the *società veicolo* held by Bank of Italy pursuant to Article 4 of the regulation issued by the Bank of Italy on 12 December 2023. The registered office of the Issuer is at Via V. Alfieri n. 1, 31015 Conegliano (Treviso), Italy. The fiscal code and enrolment number with the companies register of Treviso - Belluno is 05505400266. The Issuer's telephone number is +39 0438 360926.

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

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

Since the date of its incorporation, the Issuer has not commenced operations other than those incidental to its incorporation, authorising the issue of the Notes and the entering into the documents referred to in this Information Memorandum and matters which are incidental or ancillary to the foregoing.

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

Documents Available for Inspection

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

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

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

Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as at the date of this Information Memorandum, adjusted for the issue of the Notes, is as follows:

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

Loan Capital	Euro
Class A Asset Backed Partly Paid Notes due January 2062	802,300,000
Class J Asset Backed Partly Paid Notes due January 2062	296,700,000
Total Loan Capital	**1,099,000,000**

Subject to the above, as at the date of this Information Memorandum, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created, but unissued), term loans,

liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial statements

Since its date of incorporation the Issuer has not commenced operations and no statutory financial statements have been made up as at the date of this Information Memorandum. The Issuer's financial year end is 31 December of each calendar year. The first financial statements of the Issuer will be published with respect to the period ending on 31 December 2024.

Issuer's Auditors

As long as any of the Notes remains outstanding, the annual financial statements of the Issuer will be audited, on a voluntary basis, by an auditing company appointed by the Issuer.

As at the date of this Information Memorandum, no financial statements have been drawn up and no auditors have been appointed.

Following the issue of the Notes, the Issuer will appoint an auditing company in accordance with the provisions of Italian Legislative Decree no. 39 of 27 January 2010. Notice of such appointment will be given to the Noteholders.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 81560010ECC761FF4935.

THE BANK OF NEW YORK MELLON

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

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

The information contained herein relates to BNY and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by BNY, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of BNY since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

TERMS AND CONDITIONS OF THE NOTES

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

The Issuer and the Notes

The following asset backed notes:

(a) the € 802,300,000 Class A Asset Backed Partly Paid Notes due January 2062 (the "**Class A Notes**" or the "**Senior Notes**"); and

(b) the € 296,700,000 Class J Asset Backed Partly Paid Notes due January 2062 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"),

are issued by Valsabbina SME 4 SPV S.r.l. (the "**Issuer**") on 28 November 2024 to finance the purchase of a portfolio of Receivables and related rights from Banca Valsabbina S.C.p.A., acting in its capacity as originator (the "**Originator**" or "**Banca Valsabbina**").

Partly Paid Notes

The Notes will be issued on a partly paid basis by the Issuer. On the Issue Date the full Nominal Amount of the Notes will be issued.

Subject to these Terms and Conditions, the Subscription Agreements and the terms of the Transaction Documents, the relevant Initial Instalment will be paid on the Issue Date by the Underwriters in partial payment for the Notes.

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

The First Initial Portfolio

On 12 November 2024 the Issuer purchased the First Initial Portfolio from the Originator pursuant to the terms and conditions of the Transfer Agreement.

The Purchase Price of the First Initial Portfolio will be funded through the proceeds of the Initial Instalments on the Notes.

The Second Initial Portfolio

The Issuer has undertaken to purchase the Second Initial Portfolio on the Incremental Instalment Date in accordance with the provisions of the Transaction Documents. The Second Initial Portfolio will be purchased by the Issuer from the Originator using the Issuer Available Funds available for such purpose under the Pre-Enforcement Priority of Payments, including the net proceeds of the Incremental Instalment (if any) which will be paid by the Noteholders on the Incremental Instalment Date, pursuant to the Subscription Agreements.

The Further Portfolios

During the Revolving Period the Issuer may purchase on a revolving basis Further Portfolios, in accordance with the provisions of the Transaction Documents. The Further Portfolios may be purchased by the Issuer using the Issuer Available Funds available for such purpose under the Pre-Enforcement Priority of Payments.

STS Securitisation

The Securitisation is intended to qualify as an STS-Securitisation within the meaning of Article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the Issue Date, the STS

Requirements and it will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation (the "**STS Notification**"). Pursuant to Article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the EU STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA STS Register. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the Issue Date or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register. None of the Issuer, the Originator, the Arrangers or any other party involved in the Securitisation makes any representation or accepts any liability in such respect.

References to a Class of Notes

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

1. INTRODUCTION

1.1 Definitions

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

1.2 Noteholders deemed to have notice of the Transaction Documents

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

1.3 Provisions of the Terms and Conditions subject to the Transaction Documents

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

1.4 Transaction Documents

1.4.1 *Transfer Agreement*

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

1.4.2 *Warranty and Indemnity Agreement*

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

1.4.3 *Servicing Agreement*

Pursuant to the Servicing Agreement, the Servicer has agreed to administer service, collect and recover the amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The

Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" (entity responsible for the collection of the assigned Receivables and the cash and payment services) pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Information Memorandum pursuant to Article 2, paragraph 3(c) and Article 2, paragraph 6 *bis* of the Securitisation Law.

1.4.4 *Intercreditor Agreement*

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

1.4.5 *Cash Allocation, Management and Payment Agreement*

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

1.4.6 *Corporate Services Agreement*

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

1.4.7 *Stichting Corporate Services Agreement*

Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide the Quotaholder with certain corporate administration and management services.

1.4.8 *Senior Notes Subscription Agreement*

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

1.4.9 *Junior Notes Subscription Agreement*

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

1.4.10 *Master Definitions Agreement*

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

1.5 **Transaction Documents available for inspection**

Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, Via Vittorio Alfieri No. 1, 31015 Conegliano (Treviso), Italy.

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

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

1.7 **Representative of the Noteholders**

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

1.8 **Arrangers**

Each Noteholder acknowledges the provisions in respect of the Arrangers included in the Subscription Agreements.

2. **INTERPRETATION AND DEFINITIONS**

2.1 **Interpretation**

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

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

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

2.2 **Definitions**

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

"**Acceleration Event**" means the event triggered by one or more of the following:

(a) the Collateralisation Condition is not satisfied on the immediately preceding Payment Date or;

(b) a Purchase Termination Notice has been served by the Representative of the Noteholders or;

(c) the Issuer has terminated the appointment of Banca Valsabbina as Servicer following the occurrence of a Servicer Termination Event set forth in Article 9.1 (*Eventi di Revoca*) of the Servicing Agreement; or;

(d) the Cumulative Gross Default Ratio exceeds 4% as of the end of the immediately preceding Collection Period.

"**Accounts**" means, collectively, the Eligible Accounts, the Expense Account and the Quota Capital Account and "**Account**" means each of them.

"**Account Bank**" means BNY or any other entity acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

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

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

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

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

"**Additional Return**" means, in respect of the Junior Notes, on any Payment Date, an amount which shall be calculated on each Calculation Date and will be equal to any Issuer Available Funds remaining after making all payments due under items from (i) (*First*) to (xi) (*Eleventh*) (inclusive) of the Pre-Enforcement Priority of Payments or from (i) (*First*) to (vii) (*Seventh*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be, and may be equal to 0 (zero).

"**Additional Screen Rate**" shall have the meaning ascribed to it in Condition 7 (*Interest*).

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

"**AIFM Regulation**" means the Regulation (EU) No. 231/2013 adopted on 19 December 2012 by the European Commission, as amended and supplemented from time to time.

"**Affected Class**" shall have the meaning ascribed to it in Condition 8 (*Redemption, Purchase and Cancellation*).

"**Agency**" means the Revenue Agency – Regional Direction of Lombardy.

"**Agents**" means the Cash Manager, the Paying Agent, the Account Bank, the Back-Up Servicer Facilitator and the Computation Agent collectively, and "**Agent**" means each of them.

"**Aggregate Notes Formula Redemption Amount**" means, with respect to any Payment Date, the higher between (i) zero and (ii) an amount calculated in accordance with the following formula:

A + J - CP - R - E

Where:

A = the Principal Amount Outstanding of the Class A Notes on the day following the immediately preceding Payment Date;

J = the Principal Amount Outstanding of the Class J Notes on the day following the immediately preceding Payment Date;

CP = the Collateral Portfolio Outstanding Principal on the last day of the immediately preceding Quarterly Collection Period;

R = the Cash Reserve Amount on the relevant Payment Date.

E= the Amortising Initial Expenses.

"**Aggregate Portfolio**" means the aggregate of the First Initial Portfolio, the Second Initial Portfolio and each Further Portfolio purchased by the Issuer from the Originator pursuant to the Transfer Agreement.

"**Amortised Initial Expenses**" means in respect of any Payment Date, an amount equal to the lower between (a) the number of Quarterly Collection Periods already elapsed, multiplied by the Initial Expenses Instalment and (b) the Initial Expenses Amount.

"**Amortising Initial Expenses**" means in respect of any Payment Date, an amount equal to the difference (if positive) between the Initial Expenses Amount and the Amortised Initial Expenses.

"**Annex 12 Report**" means the report to be prepared by the Computation Agent pursuant to the Intercreditor Agreement, setting out the information required by Article (7)(1) letter (e) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards and to be delivered to the Reporting Entity by the ESMA Report Date.

"**Annex 14 Report**" means the report to be prepared by the Servicer pursuant to the Intercreditor Agreement, setting out the information required by Article (7)(1) letters (f) (if applicable) and (g) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards and to be delivered to the Reporting Entity by the ESMA Report Date or without undue delay, as the case may be.

"**Arrangers**" means, collectively, the Lead Arranger and the Co-Arranger.

"***Avviso Comune***" means the common announcement for the suspension of debts of small and medium enterprises towards the finance sector subscribed on 3 August 2009 (as subsequently extended from time to time) by the Economy and Finance Ministry and the Italian Banking Association.

"**Back-Up Servicer Facilitator**" means Banca FININT or any other entity acting as back-up servicer facilitator pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

"**Banca FININT**" means Banca Finanziaria Internazionale S.p.A., *breviter* "BANCA FININT S.P.A.", a bank incorporated as a *società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri, No. 1, 31015 Conegliano (Treviso), Italy, share capital of Euro 91,743,007.00 fully paid up, fiscal code and enrolment with the Companies Register of Treviso-Belluno No. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to Article 13 of the Consolidated Banking Act and in the Register of the Banking Groups as Parent Company of the *Banca Finanziaria Internazionale* Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

"**Banca Valsabbina**" means Banca Valsabbina S.C.p.A., a bank incorporated as a *società cooperativa per azioni* under the laws of the Republic of Italy, whose registered office is at Via Molino, No. 4, 25078 Vestone (Brescia), Italy and headquarters in Via XXV Aprile, No. 8, 25121 Brescia, Italy, fiscal code and enrolment with the Companies Register of Brescia No. 00283510170, VAT Number 00549950988, quota capital Euro 106,550,481, and parent company of the Banca Valsabbina Banking Group registered under No. 05116.9 with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Consolidated Banking Act.

"**Bank of Italy Supervisory Regulations**" means the instructions and the circulars issued from time to time by the Bank of Italy and applicable to the Securitisation, the Servicer and/or the Issuer.

"**Base Rate**" means the interest rate that shall accrue on the Cash Eligible Accounts as per Article 3.4 of the Cash Allocation, Management and Payment Agreement.

"**BNY**" means The Bank of New York Mellon SA/NV, a bank incorporated under the laws of Belgium whose registered office is at Multi Tower, Boulevard Anspachlaan 1 - B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno, No. 13, 20124 Milan, Italy, fiscal code and enrolment with the Companies Register of Milano Monza Brianza Lodi No. 09827740961, enrolled as a "*filiale di banca estera*" under No. 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act.

"**Borsa Italiana**" means Borsa Italiana S.p.A., a company incorporated as a *società per azioni* whose registered office is at Piazza degli Affari, No. 6, 20123 Milan, Italy.

"**Business Day**" means any day (other than Saturday, Sunday or a public holiday or a bank holiday in Milan) on which the Trans-European Automated Real Time Gross Settlement-Express Transfer System (T2), or any successor thereto, is open.

"**Calculation Date**" means the 4th (fourth) Business Day preceding each Payment Date.

"**Call Option**" has the meaning given to such term in Article 4.1 (*Diritto di Opzione*) of the Warranty and Indemnity Agreement.

"**Cancellation Date**" means the earlier of:

(a) the date on which the Notes have been redeemed in full; and

(b) the date on which the Servicer has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer.

"**Cash Allocation, Management and Payment Agreement**" means the cash allocation, management and payment agreement entered into on or about the Signing Date between the Issuer, the Originator, the Computation Agent, the Account Bank, the Cash Manager, the Servicer, the Back-Up Servicer Facilitator, the Representative of the Noteholders and the Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Eligible Accounts**" means, collectively, the Collection Account, the Payments Account and the Cash Reserve Account and "**Cash Eligible Account**" means each of them.

"**Cash Manager**" means Banca Valsabbina or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time and any of its permitted successors or transferees.

"**Cash Manager Report**" means the report delivered by the Cash Manager on or prior the Cash Manager Report Date setting out certain information on the investments made.

"**Cash Manager Report Date**" means 7 (seven) Business Days before each Payment Date, if such day is not a Business Day, the immediately following Business Day.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT26C0335101600009049966000.

"**Cash Reserve Amount**" means, on each Payment Date, the amount credited to the Cash Reserve Account.

"**Cash Reserve Increase Amount**" means in relation to the Incremental Instalment Date an amount equal to: the Cash Reserve Portfolio Ratio multiplied by the Outstanding Principal of the Collateral Portfolio (considering also the Second Initial Portfolio to be transferred on or upon the relevant Payment Date) reduced by the amount credited on the Cash Reserve Account as of the preceding

Payment Date, being understood that should such amount be negative it shall be deemed to be equal to 0 (zero).

"**Cash Reserve Portfolio Ratio**" means 1.04% (one/04 per cent.).

"**Class**" means, with reference to a class of Notes, the Class A Notes or the Class J Notes and "**Classes**" means all of them.

"**Class A Noteholder**" means the Holder of a Class A Note and "**Class A Noteholders**" means all of them.

"**Class A Notes**" means the € 802,300,000 Class A Asset Backed Partly-Paid Notes due January 2062.

"**Class A Notes Incremental Instalment**" means on the Calculation Date prior to the Incremental Instalment Date an amount equal to the difference between the Notes Incremental Instalment Amount and the Class J Notes Incremental Instalment.

"**Class A Notes Initial Instalment**" means Euro 351,478,451.69.

"**Class A Notes Redemption Amount**" means, as of the relevant Payment Date:

(a) in the event that no Acceleration Event has occurred, an amount equal to the lower of:

  (i) the Principal Amount Outstanding of the Class A Notes on the day following the Immediately preceding Payment Date; and

  (ii) the Aggregate Notes Formula Redemption Amount; or

(b) in the event that an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Class A Notes.

"**Class J Noteholder**" means the Holder of a Class J Note and "**Class J Noteholders**" means all of them.

"**Class J Notes**" means the € 296,700,000 Class J Asset Backed Notes due January 2062.

"**Class J Notes Incremental Instalment**" means on the Calculation Date prior to the Incremental Instalment Date an amount equal to the Notes Incremental Instalment Amount multiplied by the Junior Notes Ratio.

"**Class J Notes Initial Instalment**" means Euro 129,980,875.75.

"**Class J Notes Redemption Amount**" means, as of the relevant Payment Date:

(a) in the event that no Acceleration Event has occurred, an amount equal to the lower of:

  (i) the Principal Amount Outstanding of the Class J Notes on the day following the Immediately preceding Payment Date; and

  (ii) the Aggregate Notes Formula Redemption Amount less the Class A Notes Redemption Amount; or

(b) in the event that an Acceleration Event has occurred, the Principal Amount Outstanding in respect of the Class J Notes.

"**Clearstream**" means Clearstream Banking, *société anonyme,* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Co-Arranger**" means Banca Valsabbina.

"**Collateral Portfolio**" means, on any given date, the aggregate of all Receivables comprised in the Accounting Portfolio which are not Defaulted Receivables as of that date, and in respect of which no

Limited Recourse Loan has been granted by the Originator to the Issuer pursuant to Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement.

"**Collateralisation Condition**" means the condition that will be deemed to be satisfied on any Payment Date if the sum of:

(a) the Outstanding Principal of the Collateral Portfolio as of the end of the immediately preceding Collection Period, including the Second Initial Portfolio or any Further Portfolio transferred to the Issuer on the immediately preceding Transfer Date;

(b) the Cash Reserve Amount credited to the Cash Reserve Account;

(c) the Principal Accumulation Amount credited to the Payments Account;

(d) the Amortising Initial Expenses,

is equal or higher than 95% of the Principal Amount Outstanding of the Notes on the relevant Payment Date (taking into account any repayment of principal made to the Noteholders on such Payment Date).

"**Collateral Portfolio Outstanding Principal**" means an amount equal to the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

"**Collateral Securities**" means the Guarantees and the Mortgages, and "**Collateral Security**" means each of them.

"**Collected Insurance Premia**" means the Insurance Premia accrued and paid by each relevant Debtor during the relevant Quarterly Collection Period.

"**Collection Account**" means the Euro denominated Account established in the name of the Issuer with the Account Bank with IBAN IT77W0335101600009049964000.

"**Collection Period**" means the Monthly Collection Period or the Quarterly Collection Period as the case may be.

"**Collections**" means all amounts received by the Servicer in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables.

"**Common Criteria**" means the objective criteria for the selection of the Receivables comprised in each Portfolio, specified in schedule 2 (*Criteri Comuni*) to the Transfer Agreement.

"**Computation Agent**" means Banca FININT or any other person acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

"**Conclusion Date**" means 12 November 2024 which is the date on which Banca Valsabbina has received from the Issuer the letters of acceptance, conforming to the relevant proposals, of the contractual proposals of the Transfer Agreement, the Servicing Agreement and the Warranty and Indemnity Agreement.

"**Condition**" means a condition of these Terms and Conditions.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented from time to time.

"**Corporate Servicer**" means Banca FININT or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time, and any of its permitted successors or transferees.

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about the Signing Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Counterclaim**" has the meaning set out in Article 5.8 (*Eccezioni da parte dei Debitori*) of the Warranty and Indemnity Agreement.

"**Counterclaim Accepted Amount**" has the meaning set out in Article 5.8 (*Eccezioni da parte dei Debitori*) of the Warranty and Indemnity Agreement.

"**Counterclaim Disputed Amount**" has the meaning set out in Article 5.8 (*Eccezioni da parte dei Debitori*) of the Warranty and Indemnity Agreement.

"**CRA Regulation**" means Regulation (UE) No. 1060/2009 as amended and supplemented from time to time.

"**CRD IV**" means the Directive 2013/36/UE adopted on 27 June 2013 by the European Parliament and the European Council which, repealed the so-called "Capital Requirements Directives" (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the "**CRD**"), relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions.

"**Credit and Collections Policies**" means the procedures for the management, collection and recovery of Receivables attached as schedule 4 (*Procedure di Erogazione e Riscossione*) to the Servicing Agreement.

"**CRR**" means the Regulation (UE) n. 575/2013 adopted on 27 June 2013 by the European Parliament and the European Council which repealed the CRD relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions, as amended and supplemented from time to time.

"**Criteria**" means, collectively, the Common Criteria and the Specific Criteria.

"**Cumulative Gross Default Ratio**" means at each Determination Date, the ratio between:

(a) the sum of the Outstanding Principal as at the Default Date of all the Receivables which have been classified as Defaulted Receivables from the Valuation Date up to such Determination Date; and

(b) the Reference Portfolio.

"**Cumulative Net Default Ratio**" means at each Determination Date, the ratio between:

(a) an amount equal to the difference between:

  (i) the sum of the Outstanding Principal as at the Default Date of all the Receivables which have been classified as Defaulted Receivables from the Valuation Date up to such Determination Date; and

  (ii) the sum of all the recoveries in respect of such Defaulted Receivables from the Default Date up to such Determination Date; and

(b) the Reference Portfolio.

"**DBRS**" or "**Morningstar DBRS**" means (a) for the purpose of identifying which DBRS entity has assigned the credit rating to the Senior Notes, DBRS Ratings GmbH and any successor to this rating activity, and (b) in any other case, any entity that is part of Morningstar DBRS, which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a public long term rating by Fitch, a public long term rating by Moody's and a public long term rating by S&P in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such public long term ratings from such rating agencies (provided that (i) 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 (ii) 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);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (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 of the lower 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);

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (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 paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debt Securities**" means, in relation to each Debtor:

(a) in the case of the assignment of a Further Portfolio comprising Receivables related to such Debtor has been proposed, the sum of the nominal value (as resulting on the Valuation Date of such Further Portfolio) of any debt securities issued by Banca Valsabbina and owned by such Debtor; or, in other cases,

(b) the lower of the sum of the nominal value (as resulting on each Valuation Date) of any debt securities issued by Banca Valsabbina and held by such Debtor.

"**Debtor**" means each Small and Medium Enterprise borrower of a Loan and any other person or entity which entered into a Loan Agreement as principal debtor or guarantor or which is liable for the payment or repayment of amounts due under a Loan Agreement as a consequence of having granted a Guarantee to Banca Valsabbina or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise and "**Debtors**" means all of them.

"**Decree No. 91**" means Italian Law Decree of 24 June 2014 No. 91, published on the Official Gazette on the same date and to be converted into Law within sixty days from its publication on the Official Gazette.

"**Decree No. 145**" means Italian Law Decree of 23 December 2013 No. 145 converted into law by Law No. 9 of 21 February 2014.

"**Decree No. 213**" means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

"**Decree No. 350**" means Italian Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001, as amended and supplemented from time to time.

"**Decree No. 351**" means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

"**Decree No. 435**" means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

"**Decree No. 600**" means the Italian Presidential Decree No. 600 of 29 September 1973, as amended and supplemented from time to time.

"**Decree 600 Deduction**" means any withholding or deduction on account at the rate of 26% under Legislative D.P.R. No. 600 of 29 September 1973 as it is in force on the date of the Information Memorandum.

"**Deed of Amendment to the Transfer Agreement**" means the deed of amendment to the Transfer Agreement entered into on the Signing Date between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Default Date**" means the date on which a Receivable is classified as a Defaulted Receivable as indicated in the relevant Monthly Servicer's Report.

"**Defaulted Receivables**" means the Receivables arising from Loan Agreements having at least one Instalment due and unpaid for more than 180 days or which has been classified as being "*in sofferenza*" by the Servicer in accordance with the Bank of Italy Supervisory Regulations and the Credit and Collection Policies.

"**Delinquency Ratio**" means, with reference to each Quarterly Servicer Report Date, the ratio calculated by dividing: (a) the aggregate amount of the Outstanding Principal in relation to all the Receivables that are Delinquent Receivables as at the last day of the immediately preceding Quarterly Collection Period by (b) the aggregate Collateral Portfolio Outstanding Principal as at the last day of the immediately preceding Quarterly Collection Period.

"**Delinquent Instalment**" means an Instalment which remains unpaid by the Debtor in respect thereof for 31 days or more after the Scheduled Instalment Date.

"**Delinquent Receivables**" means the Receivables related to Loan Agreements with respect to which there is at least one Delinquent Instalment and which are not classified as Defaulted Receivables.

"**Deposits**" means, in relation to each Debtor the higher amount between:

(a) in the case of the assignment of the Second Initial Portfolio or a Further Portfolio comprising Receivables related to such Debtor has been proposed, the balance (as resulting on the Valuation Date of the relevant Portfolio) of any current accounts and deposit certificates opened with Banca Valsabbina by such Debtor; and

(b) all the amounts calculated as per point (a) above in the previous Valuation Dates.

"**Determination Date**" means, in respect of each Payment Date, the last day of the immediately preceding Quarterly Collection Period.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted as a United States federal law in 2010, as from time to time amended and supplemented.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"**Eligible Accounts**" means, collectively, the Cash Eligible Accounts and the Securities Account and "**Eligible Account**" means each of them.

"**Eligible Institution**" means:

(a) any depository institution organised under the laws of any State which is a member of the European Union, the United Kingdom or of the United States; or

(b) any depository institution whose obligations under the Transaction Documents to which it is

a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee) in compliance with DBRS and Moody's criteria by a depository institution organised under the laws of any state which is a member of the European Union, the United Kingdom or of the United States of America,

having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(i) with respect to Moody's: at least "Baa3" in respect of long-term or "P-3" in respect of short-term bank deposit ratings,

(ii) with respect to DBRS, at least BBB (low), considering:

(A) the greater of (a) the rating one notch below the insitution's Long-Term Critical obligations Rating ("COR") and (b) the long-term debt public rating; or

(B) if a COR is not currently maintained for the institution, the long-term debt public rating; or

(C) if there is no such public rating, a private rating supplied by DBRS; or

(D) in case a public or private rating has not been assigned by DBRS, the DBRS Minimum Rating.

"**Eligible Investments**" means:

(a) euro-denominated senior (unsubordinated) debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes; or

(b) repurchase transactions, to the extent that title to the securities underlying such repurchase transactions (in the period comprised between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, between the Issuer and an Eligible Institution in respect of euro-denominated debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes; or

(c) account or deposit with a maturity date falling not later than the next succeeding Eligible Investments Maturity Date, held with an Eligible Institution; or

(d) securities lending transactions with the counterparty acting as borrower regulated under the global master securities lending agreements (GMSLA) governed by English law provided that (i) the underlying securities comply with the requirements set out in paragraph (a) above, (ii) the counterparty acting as borrower of the Issuer acting as lender under the securities lending transaction is a credit institution (including, without limitation, the Account Bank) qualifying as an Eligible Institution, (iii) such securities lending transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling no later than the immediately following Eligible Investment Maturity Date and (iv) in case of downgrade of the relevant counterparty below the minimum ratings by Moody's or DBRS, the Issuer shall terminate in advance the securities lending transaction within 35 calendar days from the downgrade;

provided that, in all cases:

(i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date;

(ii) such investments provide a fixed principal amount at maturity (provided that such amount could be lower than the amount invested only in the case on which the rate of return of the relevant investment is equal or higher than the Base Rate); and

(iii) the debt securities or other debt instruments, or in the case of repurchase transactions, the debt securities or other debt instruments underlying the repurchase transactions, are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligation have at least the following ratings:

(1) with respect to Moody's ratings, either:

(A) "Baa3" in respect of long-term unsecured and unsubordinated debt or in the event of an investment which does not have a long-term rating,"P-3" in respect of short-term unsecured and unsubordinated debt

(B) instruments having such other lower rating being compliant with the Moody's published criteria applicable from time to time; and

(2) with respect to DBRS:

(A) with regard to investments having a maturity of less than, or equal to, 30 (thirty) calendar days, (a) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are rated at least "BBB (low)" in respect of long-term debt or "R-2 (middle)" in respect of short-term debt or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the DBRS Minimum Rating of "BBB (low)" in respect of long-term debt; or

(B) with regard to investments having a maturity between 31 (thirty-one) calendar days and 90 (ninety) calendar days, (a) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are rated at least "A(low)" in respect of long-term debt or "R-1 (low)" in respect of short-term debt or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the DBRS Minimum Rating of "A (low)" in respect of long-term debt; or

(C) instruments having such other lower rating being compliant with the DBRS's published criteria applicable from time to time,

it being understood that, for such purposes DRBS:

(a) will firstly make reference to the relevant public rating assigned by DBRS;

(b) in case such public rating is not available, will make reference to the private credit rating assigned by DBRS; and

(c) only in case no private or public credit rating by DBRS is available, shall use the DBRS Minimum Rating;

provided that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (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 or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

"**Eligible Investments Maturity Date**" means, in relation to Collections to be distributed on a certain Payment Date, the date falling the second Business Day immediately preceding such Payment Date.

"**EMU**" means the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

"**ESMA**" means the European Securities and Market Authority.

"**ESMA Investors' Report**" means, collectively, the Annex 12 Report and the Annex 14 Report.

"**ESMA Loan Report**" means the report to be prepared by the Servicer pursuant to the Servicing Agreement and delivered to the Reporting Entity on a quarterly basis, setting out the information required by Article 7(1)(a) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

"**ESMA Report Date**" means the day falling the 15th (fifteenth) calendar day of February, May, August and November of each year or, if such day is not a Business Day, the immediately following Business Day, provided that the first ESMA Report Date will fall on 17 February 2025.

"**ESTER**" or "**€STR**" means Euro Short Term Rate.

"**EU Insolvency Regulation**" means:

(i) European Council Regulation (EC) No. 1346 of 29 May 2000 with reference to proceedings opened prior to 26 June 2017, and

(ii) European Council Regulation (EU) 848/2015, with reference to proceedings opened after 26 June 2017,

each as amended and supplemented from time to time.

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017, as amended and supplemented from time to time.

"**EURIBOR**" means the interest rate offered in the Euro-Zone interbank market for three months deposits in Euro, which appears on the Bloomberg Page EUR0003M page at on/or about 11.00 a.m. (Brussels time) or (a) such other page as may replace the Bloomberg Page EUR0003M page on that service for the purpose of displaying such information or (b) if that service ceases to display such information on such equivalent service as may replace the Bloomberg Page EUR0003M.

"**Euro**", "**€**" and "**cents**" refer to the single currency introduced in the Member States of the European Union which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by, *inter alia*, the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017.

"**Euronext Access Milan**" means the multilateral trading facility managed by Borsa Italiana.

"**Euronext Access Milan Professional**" means the professional segment of Euronext Access Milan.

"**Euronext Securities Milan**" means Monte Titoli S.p.A., a company incorporated as a *società per*

azioni under the laws of Italy and whose registered office is at Piazza Affari, No. 6, 20123 Milan, Italy.

"**Euronext Securities Milan Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream.

"**Expense Account**" means the Euro denominated account established in the name of the Issuer with Banca FININT with IBAN IT93H0326661620000014129019.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation to be paid *pro quota* in accordance with Article 4.5 (*Costs and expenses allocation*) of the Corporate Services Agreement.

"**Expert**" means an internationally recognised accountancy or a legal firm or a company with expertise in the recovery of claims, in each case selected by the Issuer.

"**Extraordinary Resolution**" means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

"**FCG Guarantee**" means the state guarantee established by Italian law No. 662 of 23 December 1996 which has established the *Fondo di Garanzia per le PMI*, as amended and supplemented from time to time.

"**FCG Guarantee Ratio**" means the FCG's guarantee coverage of each loan for which an FCG Guarantee has been established.

"**Final Maturity Date**" means the Payment Date falling on 30 January 2062.

"**Financial Laws Consolidated Act**" means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

"**First Initial Portfolio**" means the first Portfolio purchased by the Issuer on the Conclusion Date pursuant to the terms and conditions of the Transfer Agreement.

"**First Initial Portfolio Purchase Price**" means the Purchase Price of the First Initial Portfolio, equal to the sum of the Individual Purchase Price of each Receivable comprised in such First Initial Portfolio for a total amount of Euro 475,781,205.75 (fourhundredseventyfivemillionsevenhundredeightyonethousandtwohundredfive/75).

"**First Payment Date**" means the Payment Date falling on 28 January 2025.

"**Fitch**" means Fitch Ratings Ltd.

"**Fondiario Loan**" means a medium-long term Mortgage Loan granted by Banca Valsabbina in accordance with the provisions regulating fondiari loans set out in Articles 38 and subsequent of the Consolidated Banking Act and the relevant regulatory provisions and "**Fondiari Loans**" means all of them.

"***Fondo Centrale di Garanzia***" or "***Fondo di Garanzia per le PMI***" means the central guarantee fund established at Mediocredito Centrale under Italian law No. 662 of 23 December 1996.

"**FSA**" means the government agency that regulates investment business in the United Kingdom as required by Financial Services and Markets Act issued in the United Kingdom.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Further Portfolio**" means any Portfolio, other than the First Initial Portfolio and the Second Initial Portfolio, purchased by the Issuer from the Originator during the Revolving Period pursuant to the Transfer Agreement and the other Transaction Documents.

"**Further Securitisation**" means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance the Condition 5.2 (*Covenants - Further Securitisations*) and the other Transaction Documents and "**Further Securitisations**" means all of them.

"**GDPR**" means Regulation (EU) 2016/679 of 27 April 2016.

"**Group of Debtors**" means Debtors belonging to the same economic group of companies.

"**Guarantee**" means any security (including the Mortgages), surety, indemnity, representation, retention of title provision or any other agreement or arrangement securing the payment of a Receivable (including, without limitation, the FCG Guarantee), given to the Originator as a guarantee for the repayment of such Receivable, including, without limitation, "*privilegi legali e convenzionali*" pursuant to Articles 44 and 46 of the Consolidated Banking Act and "**Guarantees**" means all of them.

"**Guarantor**" means any person, other than a Mortgagor, who has granted a Guarantee.

"**Holder**" of a Note means the beneficial owner of a Note.

"**Incremental Buffer**" means an amount equal to the difference between the Nominal Amount of the Notes and the Initial Instalment.

"**Incremental Instalment**" means the incremental instalment on the Notes to be paid by the Noteholders on the Incremental Instalment Date in accordance with the Subscription Agreements and the Terms and Conditions in order to fund, *inter alia*, the purchase of the Second Initial Portfolio.

"**Incremental Instalment Date**" means the Payment Date falling on 28 April 2025.

"**Incremental Instalment Request**" means the report prepared by the Issuer, with the cooperation of the Computation Agent, on the Incremental Instalment Request Date setting out certain (i) further information relating the Second Initial Portfolio and (ii) information relating to the Incremental Instalment.

"**Incremental Instalment Request Date**" means the Calculation Date falling in April 2025.

"**Incremental Target**" means an amount equal to the result of the following formula:

Incremental Buffer * (1- Cash Reserve Portfolio Ratio).

"**Individual Purchase Price**" means the price of each Receivable purchased by the Issuer pursuant to the Transfer Agreement, as indicated (a) in schedule 4 (*Prospetto dei Crediti ricompresi nel Primo Portafoglio Iniziale*) to the Transfer Agreement in respect of the Receivables included in the First Initial Portfolio and (b) schedule B (*Prospetto dei Crediti ricompresi nel Portafoglio oggetto di cessione*) to the relevant Offer, in respect of the Receivables included in the Second Initial Portfolio and each Further Portfolio.

"**Information Memorandum**" means the information memorandum prepared pursuant to Article 2 of the Securitisation Law in connection with the issue of the Notes.

"**Initial Expenses Amount**" means an amount equal to Euro 700,000 being the sum of all the upfront expenses incurred by the Issuer in order to carry out the Securitisation.

"**Initial Expenses Instalment**" means an amount equal to Euro 43,750.

"**Initial Instalment**" means the initial instalment on the Notes to be paid by the Underwriters on the Issue Date in accordance with the Subscription Agreements and the Terms and Conditions in order to fund, inter alia, the purchase of the First Initial Portfolio.

"**Initial Interest Period**" means the period comprised between the Issue Date (included) and the First Payment Date (excluded).

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable compulsory winding-up, liquidation, administration, insolvency, composition or reorganisation, or is failing or is likely to fail pursuant to article 17 of Legislative Decree No. 180 of 16 November 2015 (if applicable), or has entered into a "*concordato*" with its creditors or other debt restructuring arrangements (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under Article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

"**Instalment**" means, with respect to a Loan Agreement, each instalment due by the relevant Debtor pursuant to the relevant Loan Agreement and which consists of an Interest Instalment and a Principal Instalment.

"**Insurance Policy**" means the insurance policy taken out in relation to each Real Estate Asset with the exclusion of the Umbrella Insurance Policy.

"**Insurance Premia**" means any amount to be paid as insurance premia under an Insurance Policy.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Signing Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance

with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Determination Date**" means:

(a) with respect to the Initial Interest Period, the date falling 2 (two) Business Days prior to the Issue Date; and

(b) with respect to each Interest Period thereafter, the date falling 2 (two) Business Days prior to the Payment Date on which such Interest Period begins.

"**Interest Instalment**" means, the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning given to it in Condition 7.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"**Interest Period**" means the Initial Interest Period and, thereafter, each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"**Investors Report**" means the quarterly report issued by the Computation Agent on the Investors Report Date, setting out certain information with respect to the Notes.

"**Investors Report Date**" means the third Business Day after each Payment Date.

"**IRAP**" means the regional tax on productive activities.

"**IRES**" means *imposta sul reddito delle società* applied on the corporate taxable income.

"**Issue Date**" means 28 November 2024.

"**Issue Price**" means the following percentages of the principal amount of the Notes at which the Notes will be issued:

Class	*Issue Price*
Class A	100 per cent;
Class J	100per cent.

"**Issuer**" means Valsabbina SME 4 SPV.

"**Issuer Available Funds**" means, in respect of any Payment Date, the aggregate amounts of:

(a) any Collection and all amounts received or recovered by the Issuer or on behalf of the Issuer in accordance with the terms of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement and the Intercreditor Agreement, or from any party to the Transaction Documents during the Collection Period immediately preceding the relevant Payment Date (including but not limited to, for the avoidance of any doubt, all amounts (i) recovered from any Guarantee or recovered from the Debtors, (ii) received from the sale, if any, of the Aggregate Portfolio (in whole or in part) together with any proceeds deriving from the enforcement of the Issuer's Rights, and (iii) collected or recovered by the Issuer under Article 3.2 (*Erogazione e rimborso del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement (i.e. the limited recourse loan granted by the Originator));

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

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

(d) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account following the payments required to be made from such accounts on the immediately preceding Payment Date; and

(e) the Incremental Instalment to be paid by the Underwriters on the Incremental Instalment Date, in accordance with the Subscription Agreements.

"**Issuer Creditors**" means (a) the Noteholders; (b) the Other Issuer Creditors; and (c) any other third party creditors of the Issuer in respect of any taxes, costs, documented fees or expenses incurred by the Issuer in relation to the Securitisation and to the corporate existence and good standing of the Issuer according to the applicable laws and legislation.

"**Issuer's Rights**" mean the Issuer's rights under the Transaction Documents.

"**Italian Bankruptcy Law**" means:

(a) with respect to Insolvency Proceedings started before (and including those still ongoing) 15 July 2022, Royal Decree 267; and

(b) with respect to Insolvency Proceedings started after 15 July 2022, the New Bankruptcy Code.

"**Italy**" means the Republic of Italy.

"**Junior Noteholders**" means, collectively, the Holders of the Junior Notes and "**Junior Noteholder**" means each of them.

"**Junior Notes**" means the Class J Notes.

"**Junior Notes Subscription Agreement**" means the subscription agreement in relation to the Junior Notes entered into on or about the Signing Date between the Issuer, the Originator, the Junior Notes Underwriter, the Arrangers and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Junior Notes Ratio**" means 30%.

"**Junior Notes Underwriter**" means Banca Valsabbina as initial underwriter for the Junior Notes under the Junior Notes Subscription Agreement and any future Holder, also of a portion, of the Junior Notes (other than Banca Valsabbina) which will adhere to the Junior Notes Subscription Agreement after the Issue Date.

"**Law 662**" means article 2, paragraph 100, letter A) of law No. 662 of 23 December 1996, which established the guarantee fund for the loans granted to small and medium enterprises, included the relevant enacting decrees and the regulations issued from time to time in relation to such guarantee fund and the transaction connected thereto.

"**Lead Arranger**" means Banca FININT.

"**Limited Recourse Loan**" means the limited recourse loan advanced by the Originator to the Issuer pursuant to Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement.

"**List of the Receivables**" means (a) the list of the Receivables attached under schedule 4 (*Prospetto dei Crediti ricompresi nel Primo Portafoglio Iniziale*) to the Transfer Agreement in respect of the Receivables included in the First Initial Portfolio, or (b) the list of the Receivables attached under schedule B (*Prospetto dei Crediti ricompresi nel Portafoglio oggetto di cessione*) to the relevant Offer, in respect of the Receivables included in the Second Initial Portfolio or each Further Portfolio.

"**Loan**" means a commercial loan granted by Banca Valsabbina to a borrower, the Receivables in respect of which have been transferred by Banca Valsabbina to the Issuer pursuant to the Transfer Agreement and "**Loans**" means all of them.

"**Loan Agreements**" means the commercial loan agreements pursuant to which the Loans have been granted and out of which the Receivables arise and "**Loan Agreement**" means each of them.

"**Loan Value**" means in respect of any Loan, (a) the Outstanding Balance of the relevant Loan as of the date on which the Limited Recourse Loan is granted, plus (b) the costs and expenses (including, but not limited to, legal fees and disbursements plus VAT, if applicable) incurred by the Issuer in respect of the relevant Receivable up to the date on which the Limited Recourse Loan is granted, plus (c) the damages and the losses incurred by the Issuer as a consequence of any claim raised by any third party in respect of such Receivable up to the date on which the Limited Recourse Loan is granted, plus (d) an amount equal to the interests which would have accrued on the Outstanding Principal of the relevant Receivable (calculated at the rate of interest applicable to the Senior Notes according to the relevant Terms and Conditions) between the date on which the Limited Recourse Loan is granted and the following (i) Payment Date immediately following the payment date pursuant to Article 3.1 (*Concessione del Prestito a Ricorso Limitato*) of the Warranty and Indemnity Agreement and (ii) the Payment Date following 18 months and 1 day from the Issue Date.

"**Management of the Defaulted Receivables**" means any activities related to the management of the Defaulted Receivables.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Signing Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Mediocredito Centrale**" means Mediocredito Centrale - Banca del Mezzogiorno S.p.A., a bank incorporated as a *società per azioni* under the laws of the Republic of Italy, whose registered office is at Viale America, No. 351, 00144 Rome, Italy, fiscal code and enrolment with the companies register of Rome No. 00594040586, VAT Code 16868201001, ABI Code 10680 e registered under No. 4762 with the register of the banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act.

"**Meeting**" means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

"**Member State**" means, with reference to the European Union, a state that is party to treaties of the European Union (EU) and has thereby undertaken the privileges and obligations that EU membership entails.

"**Monthly Collection Period**" means each period of one month, commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of each month, provided that the first Monthly Collection Period will commence on (and excluding) the Valuation Date of the First Initial Portfolio and end on (and including) 30 November 2024.

"**Monthly Servicer's Report**" means the monthly report setting out certain information in relation to the performance of the Receivables and the Loans during the preceding Monthly Collection Period which shall be delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the 15th (fifteenth) day of each month or, if such day is not a Business Day, the immediately following Business Day, provided that the first Monthly Servicer's Report Date will fall on 16 December 2024.

"**Moody's**" means Moody's Investors Service España S.A..

"**Mortgage Loans**" means the Loans which are secured by a Mortgage, including the Fondiari Loans secured by a Mortgage, and "**Mortgage Loan**" means each of them.

"**Mortgage Portfolio**" means all the Receivables comprised in the Aggregate Portfolio deriving from Mortgage Loans.

"**Mortgages**" means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Mortgage Loans and "**Mortgage**" means each of them.

"**Mortgagors**" means the persons, either borrowers or a third parties, who have granted a Mortgage in favour of Banca Valsabbina to secure the Receivables deriving from any Mortgage Loans, and/or their successor in interest, and "**Mortgagor**" means each of them.

"**Most Senior Class of Noteholders**" means the holders of the Most Senior Class of Notes.

"**Most Senior Class of Notes**" means the Class of Notes outstanding which ranks highest with respect to the repayment of principal pursuant to Condition 4.3 (*Ranking*) and in accordance with the applicable Priority of Payments.

"**New Bankruptcy Code**" means Legislative Decree No. 14 of 12 January 2019, as amended and supplemented from time to time.

"**Nominal Amount**" means, (a) in respect of all the Notes, the nominal amount thereof, equal to Euro 1,099,000,000 and (b) in respect to a Class of Notes, the nominal amount thereof, equal to:

(i) with reference to the Class A Notes, Euro 802,300,000; and

(ii) with reference to the Class J Notes, Euro 296,700,000.

"**Non-Mortgage Loans**" means the Loans which are not included in the Mortgage Loans and "**Non-Mortgage Loan**" means each of them.

"**Non-Mortgage Portfolio**" means all the Receivables comprised in the Aggregate Portfolio deriving from Non-Mortgage Loans.

"**Non-Performing Exposures**" means the "*sofferenze*", the "*inadempienze probabili"* and the "*esposizioni scadute e/o sconfinanti deteriorate"*, as classified in the Circular of the Bank of Italy No. 272 of 30 July 2008.

"**Noteholders**" means, collectively, the Holders of the Senior Notes and the Holders of the Junior Notes.

"**Notes**" means, collectively, the Senior Notes and the Junior Notes which will be issued by the Issuer pursuant to Articles 1 and 5 of the Securitisation Law.

"**Notes Incremental Instalment Amount**" means an amount equal to the sum of the Portfolio Incremental Instalment Amount and the Cash Reserve Increase Amount.

"**Offer**" means each "*Proposta di Cessione*" made by the Originator to the Issuer for the sale of the Second Initial Portfolio and any Further Portfolio, in accordance with the Transfer Agreement.

"**Offer Date**" means the date which falls 7 (seven) Business Days before each Payment Date, on which the Originator delivers an Offer to the Issuer pursuant to the Transfer Agreement.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Option**" has the meaning given to such term in Article 4.1 (*Diritto di Opzione*) of the Warranty and Indemnity Agreement.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Original Loan Amount**" means the amount advanced by Banca Valsabbina to the relevant Debtor in relation to each Loan agreement at the date of inception of such Loan Agreement.

"**Originator**" means Banca Valsabbina.

"**Other Issuer Creditors**" means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Back-Up Servicer Facilitator, the Sole Quotaholder, the Stichting Corporate Services Provider and any other Issuer creditor which, from time to time, will accede to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any given date and in relation to each Receivable, the sum of the Outstanding Principal and the Interest Instalments due but unpaid as at that day and any outstanding penalties for accrued and unpaid Instalments with respect thereto.

"**Outstanding Credit**" means, on any given date and in relation to each Receivable, the sum of:

(a) all Principal Instalments due on any subsequent Scheduled Instalment Date; and

(b) the Principal Instalments due but unpaid as at that date.

"**Outstanding Principal**" means, on any given date and in relation to each Receivable, the sum of (a) all the Principal Instalments due on any subsequent Scheduled Instalment Date, (b) the Principal Instalments due but unpaid as at that date and (c) the Accrued Interest as at that date.

"**Paid-Up Amount**" means, on any date, with reference to a Note, the aggregate of the Initial Instalments and the Incremental Instalments paid-up on such Note up to such date.

"**Paying Agent**" means BNY or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

"**Paying Agent Report**" means the report setting out certain information in respect of certain calculations to be made on the Notes pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT52A0335101600009049965000.

"**Payment Amount**" means any amount paid by Banca Valsabbina as Originator and/or Servicer pursuant to Articles 6.4.2 (*Rinegoziazione del tasso di interesse*) (i.e. the interest amounts to be paid in case of renegotiation of the interest of the rate of interest), 6.4.3 (*Rinegoziazione della penale per estinzione anticipata*) (i.e. the interest amounts to be paid in case of renegotiation of the prepayment fees due by Debtors upon early repayment of the Loans) and 12.1 (*Manleva*) (i.e. the interest amounts to be paid as indemnity in respect of breaches of representations or obligations of the Servicer) of the Servicing Agreement, Article 3.1 (d) (*Concessione del Prestito a Ricorso Limitato*) (i.e. the interest portion of the amounts to paid as Limited Recourse Loan) of the Warranty and Indemnity Agreement and Article 4.2.2 (*Ammontare dovuto dall'Originator*) (i.e. the interest amounts to be paid as Adjustment Purchase Price) of the Transfer Agreement.

"**Payment Date**" means the First Payment Date and, thereafter, the 28th calendar day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments which shall be prepared by the Computation Agent and delivered on each Calculation Date pursuant to the Cash Allocation, Management and Payment Agreement.

"**PCS**" means Prime Collateralised Securities (PCS) EU SAS.

"**Portfolio**" means each portfolio of Receivables purchased by the Issuer from the Originator pursuant to the Transfer Agreement.

"**Portfolio Call Option**" means the option provided for by the Intercreditor Agreement pursuant to article 1331 of the Italian Civil Code, according to which the Originator may repurchase from the Issuer (a) the Aggregate Portfolio on any Payment Date, or (b) one or more individual Receivables comprised in the Aggregate Portfolio.

"**Portfolio Incremental Instalment Amount**" means an amount equal to the difference, if positive, between:

(a) the Purchase Price of the Second Initial Portfolio to be paid in accordance with the relevant Offer; and

(b) the Aggregate Notes Formula Redemption Amount.

"**Post-Enforcement Priority of Payments**" means the order of priority in which the Issuer Available Funds shall be applied (a) following the delivery of a Trigger Notice, (b) in the event of a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), (c) in the event of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or (d) starting from the Final Maturity Date, in accordance with Condition 6.2 (*Priority of Payments - Post-Enforcement Priority of Payments*).

"**Post Trigger Report**" means the report setting out all the payments to be made under the Priority of Payments which shall be delivered, upon request of the Representative of the Noteholders, by the Computation Agent after a Trigger Notice has been served to the Issuer, the Representative of the Noteholders, the Other Issuer Creditors and the Rating Agencies, pursuant to the Cash Allocation, Management and Payment Agreement.

"**Pre-Enforcement Priority of Payments**" means the order of priority in which the Issuer Available Funds shall be applied prior to (a) the service of a Trigger Notice, (b) the event of redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), (c) the event of optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional redemption*) or (d) the Final Maturity Date, in accordance with Condition 6.1 (*Priority of Payments - Pre-Enforcement Priority of Payments*).

"**Principal Accumulation Amount**" means with reference to a Payment Date the outstanding balance of the Payments Account after having made all payments due as of such Payment Date in accordance with the applicable Priority of Payments.

"**Principal Amount Outstanding**" means, with respect to any given date and each Note, the Paid-Up Amount thereof less the aggregate amount of all principal payments that have been made by the Issuer in respect of that Note prior to such date.

"**Principal Instalment**" means the principal component of each Instalment.

"**Priority of Payments**" means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments as the case may be.

"**Privacy Law"** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione*

dei Dati Personali) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the "**Personal Data Protection Code**") and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

"**Privacy Legislation**" means the Privacy Law and the GDPR.

"**Property Value**" means the estimated value of each Real Estate Asset as stated in each Loan Agreement.

"**Purchase Conditions**" means the conditions provided under the Transfer Agreement and which shall be satisfied for the purchase of the Second Initial Portfolio and each Further Portfolio by the Issuer.

"**Purchase Price**" means the consideration paid or payable by the Issuer to Banca Valsabbina for the purchase of the First Initial Portfolio, the Second Initial Portfolio and each Further Portfolio, as the case may be, pursuant to the Transfer Agreement.

"**Purchase Termination Event**" means any of the events provided for in article 8 (*Cause Ostative all'Acquisto*) of the Transfer Agreement, the occurrence of which will prevent the Issuer from purchasing the Second Initial Portfolio and any Further Portfolio, in accordance with the Transaction Documents.

"**Purchase Termination Notice**" means the notice delivered by the Representative of the Noteholders to the Issuer and the Originator, pursuant to the Intercreditor Agreement, stating that a Purchase Termination Event occurred.

"**Quarterly Collection Period**" means each period of three months, commencing on (and including) the first day of January, April, July and October of each year and ending respectively on (and including) the last day of March, June, September and December of each year, provided that the first Quarterly Collection Period will commence on (and excluding) the Valuation Date of the First Initial Portfolio and will end on (and including) 31 December 2024, and the second Quarterly Collection Period will commence on (and including) 1 January 2025 and end on (and including) 31 March 2025.

"**Quarterly Servicer's Report**" means the quarterly report setting out certain information in relation to the performance of the Receivables and the Loans during the preceding Quarterly Collection Period which shall be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date in accordance with Article 5.1 (*Rapporti del Servicer*) of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the day falling 7 (seven) Business Days before each Payment Date.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with Banca FININT with IBAN IT56V0326661620000014128656.

"**Rate of Interest**" shall have the meaning ascribed to it in Condition 7.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"**Rating Agencies**" means, collectively, DBRS e Moody's and "**Rating Agency**" means each of them.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Loan Agreements and "**Real Estate Asset**" means each of them.

"**Receivables**" means each and every claim arising under and/or related to the Loan Agreements including but not limited to:

(a) the claims relating to:

(i) all the amounts due as at the Valuation Date as Instalment or as other title pursuant to the Loan Agreements;

(ii) principal due but not paid;

(iii) agreed interests, interests by operation of law and defaulted interests accrued but not paid or that will accrue in relation to the Loans;

(iv) the amounts due or that will accrue as reimbursement of costs (including legal and judicial amounts), liabilities, costs and indemnities in relation to the Loans, including penalties (if any);

(v) any other amount due to the Originator or that will accrue in relation to the Loans, the Loan Agreements and Collateral Securities;

(vi) pecuniary claims deriving from the enforcement of the Collateral Securities; and

(vii) pecuniary claims and all the amounts recovered from any judicial proceeding;

(b) any other claim related to or connected with the Loans and the Loan Agreements, including the claims *vis-à-vis* the Debtors by way of compensation or indemnity;

(c) the claims of the Originator pursuant to or in connection with the Insurance Policies;

(d) all the rights and actions to which the Originator is entitled to pursuant to law or contract in relation to the Receivables, the Loans, the Collateral Securities, the Insurance Policies and/or any other deed related to or connected with the same, to the extent such rights and actions are transferrable pursuant to the Securitisation Law; end

(e) the claims of the Originator *vis-à-vis* third parties by way of compensation and deriving from third parties activities in relation to the receivables, the Loans, the Collateral Securities, the Insurance Policies or the related object.

"**Reference Portfolio**" means the Outstanding Principal of the Collateral Portfolio:

(a) as of the Valuation Date of the First Initial Portfolio, at the Determination Dates falling on 31 December 2024 and 31 March 2025;

(b) as of the Valuation Date of the Second Initial Portfolio, at the Determination Dates falling thereafter.

"**Regulated Market**" means a regulated market for the purposes of the Market and Financial Instruments Directive 2004/39/EC.

"**Regulation 13 August 2018**" means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

"**Regulation No. 11971**" means the regulation issued by CONSOB on 14 May 1999, as subsequently amended and supplemented from time to time.

"**Regulation S**" means regulation s of the Securities Act.

"**Regulatory Technical Standards**" means (a) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation and entered into force in the European Union, (b) the transitional regulatory technical standards applicable pursuant to

Article 43 of the EU Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (a) above.

"**Relevant Margin**" has the meaning given to it in Condition 7.2 (*Interest - Rate of Interest*).

"**Representative of the Noteholders**" means Banca FININT or any other entity acting as representative of the Noteholders pursuant to the Intercreditor Agreement, the Subscription Agreements, the Terms and Conditions and the Rules of the Organisation of the Noteholders from time to time, and any of its permitted successors or transferees.

"**Reporting Entity**" means Banca Valsabbina, or any other entity acting, from time to time, as reporting entity pursuant to Article 7(2) of the EU Securitisation Regulation and the Intercreditor Agreement, and any of its permitted successors or transferees.

"**Required Cash Reserve Amount**" means:

(a) on the Issue Date, Euro 4,948,124.54;

(b) in relation to each relevant Payment Date, an amount equal to 1.41% of the Principal Amount Outstanding of the Senior Notes as of the preceding Payment Date (for the avoidance of doubt after the application of the relevant Priority of Payments) or, in relation to the First Payment Date, as of the Issue Date, provided that:

  (i) in any case, the Required Cash Reserve Amount shall not be lower than Euro 4,011,500; and

  (ii) on the earlier of:

    (1) the Payment Date on which the Class A Notes have been redeemed in full or cancelled (also by applying the amounts standing to the credit of the Cash Reserve Account), and

    (2) the Payment Date following the service of a Trigger Notice,

  the Required Cash Reserve Amount will be equal to 0 (zero).

"**Residual Life**" means, with reference to each Loan, the value, expressed in years, equal to the difference between the last Scheduled Instalment Date related to such Loan and the end of the immediately preceding Collection Period.

"**Retention Amount"** means an amount equal to € 30,000.

"**Revolving Period**" means the period beginning on the Issue Date and ending on the earlier of:

(a) the Payment Date falling in April 2027 (included); and

(b) the date of service of a Purchase Termination Notice or a Trigger Notice.

"**Royal Decree 267**" means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Sanctions**" means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council, and/or the European Union and/or the French Republic and/or the Republic of Italy or other relevant sanctions authority.

"**Scheduled Instalment Date**" means the date on which payment of the relevant Instalment is due pursuant to each Loan Agreement.

"**Screen Rate**" shall have the meaning ascribed to it in Condition 7 (*Interest*).

"**Second Initial Portfolio**" means the Portfolio which will be purchased by the Issuer from the Originator by the Incremental Instalment Date pursuant to the terms and conditions of the Transfer Agreement and the other Transaction Documents.

"**Second Initial Portfolio Purchase Price**" means the Purchase Price of the Second Initial Portfolio, equal to the sum of the Individual Purchase Price of each Receivable comprised in such Second Initial Portfolio.

"**Securities Account**" means the securities account which, following the Issue Date, may be opened by the Issuer with any Eligible Institution (other than BNY) in accordance with the Cash Allocation, Management and Payment Agreement, for the deposit of the Eligible Investments.

"**Securities Account Report**" means the Securities Account Report prepared by the Eligible Institution (other than BNY) which the Securities Account will been opened with, setting out the relevant Eligible Investments made during the preceding Collection Period pursuant to the Cash Allocation, Management and Payment Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to the provisions of Articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Repository**" means the website of European DataWarehouse (being, as at the date of the Information Memorandum, www.eurodw.eu) or any other securitisation repository registered pursuant to Article 10 of the EU Securitisation Regulation as notified by the Issuer to the investors in the Notes.

"**Security**" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Senior Noteholders**" means, collectively, the Holders of the Senior Notes and "**Senior Noteholder**" means each of them.

"**Senior Notes**" means the Class A Notes.

"**Senior Notes Subscription Agreement**" means the subscription agreement in relation to the Senior Notes entered into on or about the Signing Date between the Issuer, the Originator, the Senior Notes Underwriter, the Arrangers and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Senior Notes Underwriter**" means Banca Valsabbina as initial underwriter for the Senior Notes under the Senior Notes Subscription Agreement and any future Holder, also of a portion, of the Senior Notes (other than Banca Valsabbina), which will adhere to the Senior Notes Subscription Agreement after the Issue Date.

"**Servicer**" means Banca Valsabbina or any other person acting as Servicer pursuant to the Servicing Agreement from time to time, and any of its permitted successors or transferees.

"**Servicers' Reports**" means, collectively, the Monthly Servicer's Reports and the Quarterly Servicer's Reports and "**Servicer's Report**" means each of them.

"**Servicer Insolvency Event**" means an Insolvency Event relating to the Servicer.

"**Servicer Termination Event**" means any event referred to in Article 9.1 (*Eventi di revoca*) of the Servicing Agreement.

"**Servicing Agreement**" means the servicing agreement entered into on the Conclusion Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Servicing Fee**" means the fee payable to the Servicer in accordance with Article 8 (*Compenso e rimborso spese del Servicer*) of the Servicing Agreement.

"**Set-off Amount**" means, in respect of each Debtor and each relevant Transfer Date of the Receivables towards such Debtor, the lower of:

(a) the Outstanding Principal of the Receivables towards such Debtor; and

(b) the difference, if positive, between the Deposits and Euro 100,000 plus the principal outstanding amount of the Debt Securities owned by such Debtor.

"**Set-off Risk Exposure**" means, at any given date, the aggregate of the Set-off Amount in respect of all Debtors of the Receivables included in the Aggregate Portfolio.

"**Signing Date**" means 26 November 2024.

"**Small and Medium Enterprises**" or "**SME**" means the enterprises falling into the definition of micro, small and medium-sized enterprises (SME) in accordance with the 2003/361/EC Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises and "**Small and Medium Enterprise**" means each of them.

"**Sole Director**" means any person appointed from time to time as sole director (*amministratore unico*) of the Issuer in accordance with the Issuer's statutory documents (*statuto*).

"**Sole Quotaholder**" means Stichting Amendola.

"**Solvency II Directive**" means the Directive 2009/138/EU adopted on 25 November 2009 by the European Parliament and the Council, as amended and supplemented from time to time.

"**Solvency II Regulation**" means the Delegated Act adopted on 10 October 2014 by the European Commission, as amended and supplemented from time to time.

"**Specific Criteria**" means the objective criteria for the identification of the Receivables comprised in each Portfolio, specified in schedule 3, part A (*Criteri Specifici per il Primo Portafoglio Iniziale*), schedule 3, part B (*Criteri Specifici per il Secondo Portafoglio Iniziale*) and schedule 3, part C (*Criteri Specifici per i Portafogli Ulteriori*), as the case may be, to the Transfer Agreement.

"**Stichting Amendola**" means Stichting Amendola, a Dutch law foundation with a sole quotaholder, incorporated under the laws of The Netherlands, whose registered office is at Locatellikade 1, 1076AZ, Amsterdam, The Netherlands, enrolment with The Netherlands Chamber of Commerce No. 74176994 and Italian fiscal code No. 97841420157.

"**Stichting Corporate Services Provider**" means WT or any other person acting as Stichting corporate services provider pursuant to the Stichting Corporate Services Agreement from time to time, and any of its permitted successors or transferees.

"**Stichting Corporate Services Agreement**" means the stichting corporate services agreement entered into on or about the Signing Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**STS Notification**" means the notification made in accordance with Article 27 of the EU Securitisation Regulation explaining how the Securitisation meets the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardized non-ABCP securitisations provided for by Articles 20, 21 and 22 of the EU Securitisation Regulation.

"**STS-Securitisation**" means a securitisation intended to qualify as a simple, transparent and standardised securitisation within the meaning of the EU Securitisation Regulation.

"**Subscription Agreements**" means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement and "**Subscription Agreement**" means each of them.

"**Successor Servicer**" means the entity which may be appointed by the Issuer to replace the Servicer pursuant to Article 9.4 (*Sostituto del Servicer*) of the Servicing Agreement.

"**Supervisory Regulations for Financial Intermediaries**" means the "*Istruzioni di Vigilanza per gli Intermediari Finanziari iscritti nell'Elenco Speciale*" issued by the Bank of Italy by Circular No. 216 of 5 August 1996, as amended and supplemented from time to time.

"**Surveillance Report**" means the report prepared by the Rating Agencies related to the Senior Notes as required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

"**Suspension Period**" means, with reference to each relevant Debtor, the period during which the payment of the relevant Instalments has been suspended in accordance with the provisions of the Servicing Agreement.

"**Target Amount**" means the amount calculated as of the end of each Quarterly Collection Period as the aggregate of:

(a) the principal component of the Collections;

(b) the Outstanding Principal of the Defaulted Receivables classified as such during the immediately preceding Quarterly Collection Period;

(c) the Principal Accumulation Amount as of the immediately preceding Payment Date;

(d) the Initial Expenses Instalment; and

(e) only with reference to the Incremental Instalment Date, the Incremental Target.

"**Tax Event**" shall have the meaning ascribed to it in Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*).

"**Terms and Conditions**" means these terms and conditions of the Notes as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental hereof.

"**Top 20 Debtors**" means the first 20 Debtors with the higher Outstanding Principal of the Receivables.

"**Transaction Documents**" means:

(a) the Transfer Agreement and the relevant Transfer Deeds;

(b) the Warranty and Indemnity Agreement;

(c) the Servicing Agreement;

(d) the Intercreditor Agreement;

(e) the Cash Allocation, Management and Payment Agreement;

(f) the Corporate Services Agreement;

(g) the Stichting Corporate Services Agreement;

(h) the Senior Notes Subscription Agreement;

(i) the Junior Notes Subscription Agreement;

(j) the Master Definitions Agreement;

(k) the Terms and Conditions; and

(l) any other deed, act, document or agreement executed in the context of the Securitisation or identified by the relevant parties as a "*Transaction Document*" in the context of the Securitisation.

"**Transfer Acceptance**" means the acceptance by the Issuer of the Offer relating to the Second Initial Portfolio or a Further Portfolio, as the case may be, made pursuant to the Transfer Agreement.

"**Transfer Agreement**" means the transfer agreement entered into on the Conclusion Date between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, including the Deed of Amendment to the Transfer Agreement.

"**Transfer Date**" means:

(a) in relation to the First Initial Portfolio, the Conclusion Date; and

(b) in relation to the Second Initial Portfolio and each Further Portfolio, the date on which the Originator has received the Transfer Acceptance of the relevant Offer from the Issuer in accordance with the Transfer Agreement.

"**Transfer Deed**" means each Offer and the relevant Transfer Acceptance thereto entered into by the Issuer and the Originator for the purpose of the transfer of the Second Initial Portfolio or a Further Portfolio in accordance with the Transfer Agreement.

"**Trigger Event**" means any of the events described in Condition 13.1 (*Trigger Events - Trigger Events*).

"**Trigger Notice**" means the notice delivered by the Representative of the Noteholders following a Trigger Event pursuant to Condition 13.2 (*Trigger Events - Trigger Notice*).

"**Umbrella Insurance Policy**" means the insurance policy entered into between Banca Valsabbina and Zurich Insurance Plc.

"**UK Securitisation Regulation**" means, collectively, the EU Securitisation Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA and the Financial Services and Markets Act 2000 (Securitisation) Regulations 2018 (SI 2018/1288), each as amended and supplemented from time to time.

"**Underwriters**" means, collectively, the Senior Notes Underwriter and the Junior Notes Underwriter.

"**Usury Law Decree**" means Law Decree No. 394 of 29 December 2000 (amending, deeming, and supplementing the Usury Law) converted in Law No. 24 of 28 February 2001.

"**Usury Law**" means collectively Italian law No. 108 of March 7, 1996, and Law Decree No. 394 of December 29, 2000, as converted by Law No. 24 of February 28, 2001 (therein expressly including

the provisions of Article 1, paragraphs 2 and 3 of the aforementioned decree), as subsequently supplemented and amended.

"**Valsabbina SME 4 SPV**" means Valsabbina SME 4 SPV S.r.l., a company with a sole quotaholder, incorporated as a *società a responsabilità limitata* under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri, No. 1, 31015 Conegliano (Treviso), Italy, share capital Euro 10,000 fully paid-up, fiscal code, VAT Code and enrolment with the Companies Register of Treviso-Belluno No. 05505400266.

"**Valuation Date**" means:

(a) in respect of the First Initial Portfolio, the 31 October 2024 at 23:59 Italian time;

(b) in respect of the Second Initial Portfolio, 31 March 2025 at 23:59 Italian time; and

(c) in respect of each Further Portfolio, the valuation date indicated in the relevant Offer, provided that no more than 3 months and 15 days shall elapse between such valuation date and the Transfer Date of the relevant Further Portfolio.

"**Volcker Rule**" means the provision under the Dodd-Frank Act which restricts the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain proprietary trading activities involving securities, derivatives, commodity futures, and options on those instruments for their own account.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on the Conclusion Date between the Issuer and Banca Valsabbina, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Weighted Average Guarantee**" means, in respect of the Non-Mortgage Portfolio which is covered by the FCG Guarantee, the average of the FCG Guarantee Ratio of each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"**Weighted Average Rate**" means, in respect of the Aggregate Portfolio, the average of the interest rate payable on each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"**Weighted Average Residual Life**" means, in respect of the Aggregate Portfolio, the average of the Residual Life of each Loan comprised in the Aggregate Portfolio (weighted by the Outstanding Principal of each loan).

"**Weighted Average Spread**" means, in respect of the Aggregate Portfolio paying a floating rate, the average of the margin over the relevant index payable on each Loan (weighted by the Outstanding Principal of each loan).

"**WT**" or "**Wilmington Trust**" means Wilmington Trust SP Services (London) Limited, a private limited liability company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom..

3. FORM, DENOMINATION AND TITLE

3.1 Form

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders.

3.2 Title

The Notes will be accepted for clearance by Euronext Securities Milan with effect from the Issue Date.

The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (a) Article 83-*bis* of the Financial Laws Consolidated Act and (b) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

3.3 **Denomination**

The denomination of the Notes will be Euro 100,000 with additional increments of Euro 1,000.

3.4 Partly Paid Notes

3.4.1 *Partly paid Notes*

The Notes will be issued on a partly-paid basis by the Issuer. On the Issue Date the full nominal amount of the Notes will be issued. Subject to these Terms and Conditions and the other Transaction Documents, on the Issue Date the Underwriters will pay the relevant Initial Instalment of the subscription price of each Class of Notes.

3.4.2 *Incremental Instalment payment*

Subject to and in accordance with the provisions of the Transaction Documents, on the Incremental Instalment Date the Issuer, should the Issuer Available Funds not be sufficient (in full or in part) for such purpose, will use the net proceeds of the payment of the Incremental Instalment made by the Noteholders in respect of the Notes as Issuer Available Funds to be applied, in accordance with the Pre-Enforcement Priority of Payment, in order to, *inter alia*, fund the Purchase Price of the Second Initial Portfolio from the Originator and to pay the Cash Reserve Increase Amount into the Cash Reserve Account, *provided that* no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing. No other further instalment will be paid on the Notes thereafter.

The payment of the Incremental Instalment shall be made in Euros to the Payments Account, *pro rata* on the basis of the Principal Amount Outstanding of the Notes at the time held by the relevant Noteholder and in accordance with the Incremental Instalment Request. Subject to Condition 3.5 (*Crystallisation of the Notes*) below, upon payment of the relevant Incremental Instalments by the Underwriters, the then current Paid-Up Amount of the Notes shall be increased accordingly.

Pursuant to the Subscription Agreements, the Issuer has undertaken that, at any time, the aggregate amount of (i) the Initial Instalment relating to each Class of Notes, and (ii) the increase of Principal Amount Outstanding in connection with the Incremental Instalment made in respect of each Class of Notes will not be higher than the Nominal Amount of the Notes of the relevant Class, irrespective of any repayment of principal (if any) on the Notes of the relevant Class which may have been made by the Issuer up to the date of the increase.

The amount of the Incremental Instalments in relation to each Class of Notes will be calculated in accordance with these Terms and Conditions and the other Transaction Documents, provided that the proportion of the Principal Amount Outstanding of the Notes will remain, as at the relevant Incremental Instalment Date, as follows:

(a) Senior Notes: 73%; and

(b) Junior Notes: 27%.

Under the Subscription Agreements, the Noteholders have agreed the terms and conditions for the payment and subscription of the Incremental Instalment.

3.5 Crystallisation of the Notes

If any Incremental Instalment in respect of each Class of Notes is not paid in full by 3:00 p.m. (Milan

time) on the Incremental Instalment Date by all the relevant Underwriters, each in respect of the relevant portion of the Incremental Instalment in relation to the relevant Class of Notes, the lower amount paid up by the relevant Underwriters in respect of the relevant Class of Notes on the Incremental Instalment Date shall be cancelled and, as a consequence, no further amounts as Incremental Instalment shall be due by the Underwriters in respect of each Class of Notes, it being understood that the portion of the Incremental Instalment already paid by the Underwriters in respect to the relevant Class of Notes shall (i) be immediately repaid to any such Underwriters, each for the relevant portion thereof, and (ii) not be registered by the Paying Agent with Euronext Securities Milan, provided that if any portion of the Incremental Instalment already paid by the Underwriters in respect of the relevant Class of Notes has been already registered with Euronext Securities Milan, it shall be immediately cancelled thereafter. Concurrently with the occurrence of the events set out in this Condition 3.5, the Revolving Period shall terminate.

No interest shall accrue on the amount of the Incremental Instalment (if any) which has been paid by the relevant Underwriters from the Incremental Instalment Date up to the date of repayment by the Issuer to the relevant Underwriters pursuant to this Condition 3.5.

On the Incremental Instalment Date (excluded), the Paid-Up Amount of the Notes of each Class of Notes calculated as at such date shall crystallise and, as a consequence: (i) the amount of Senior Notes and Junior Notes which is not paid-up by the relevant Underwriters up to such date shall be cancelled, and (ii) no further amounts shall be due by the Underwriters in respect of the relevant Class of Notes.

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Aggregate Portfolio and the Issuer's Rights, and is subject to payment of the amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding Notes, the Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including (but not limited to) the provisions of Article 1469 of the Italian Civil Code.

4.2 Segregation

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

4.3 Ranking

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

4.4 Conflict of interests

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of:

(a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only;

(b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

4.5 **Amendments to the Transaction Documents**

Any Transaction Document may only be modified with the consent of each party to such document and in accordance with the Intercreditor Agreement and any relevant provisions of the Rules of the Organisation of the Noteholders.

These Terms and Conditions may only be modified with the consent of the Issuer and the Representative of the Noteholders and in accordance with any relevant provisions of the Intercreditor Agreement and the Rules of the Organisation of the Noteholders.

5. **COVENANTS**

5.1 **Covenants by the Issuer**

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as provided in or contemplated by any of the Transaction Documents:

5.1.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Aggregate Portfolio or any part thereof or over any of its other assets (save for any security interest created in connection with any Further Securitisation and to the extent that such security interest is created over assets which form part of the segregated assets of such Further Securitisation), or sell, lend, part with or otherwise dispose of all or any part of the Aggregate Portfolio or any of its other assets; or

5.1.2 *Restrictions on activities*

(a) engage in any activity whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

(b) have any *società controllata* (as defined in Article 2359 of the Italian Civil Code) or any employees or premises; or

(c) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents, or do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

(d) become the owner of any real estate asset, including in the context of a foreclosure proceeding over a Real Estate Asset; or

5.1.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its

quotaholders, or increase its capital, save as required by the applicable law; or

5.1.4 *De-registrations*

ask for de-registration from the register of the *Società Veicolo* held by Bank of Italy, for so long as any other applicable law or regulation requires an issuer of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered therein; or

5.1.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for any indebtedness to be incurred in relation to any Further Securitisation) or give any guarantee in respect of indebtedness or of any obligation of any person; or

5.1.6 *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or

5.1.7 *No variation or waiver*

(a) permit any of the Transaction Documents to which it is a party to be amended, terminated or discharged if such amendment, termination or discharge may materially prejudice the interest of the Noteholders; or

(b) exercise any power of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is party which may materially prejudice the interest of the Noteholders; or

(c) permit any party to any of the Transaction Documents to which it is party to be released from such obligations, if such release may materially prejudice the interest of the Noteholders; or

5.1.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts and any bank account opened in the context of any Further Securitisation and make any investments with the funds on deposit in the Issuer's Accounts (including in any securities) or otherwise withdraw such amounts for any purpose other than as permitted under the Transaction Documents; or

5.1.9 *Statutory documents*

amend, supplement or otherwise modify its corporate object, its by-laws (*statuto*) or constitutive document (*atto costitutivo*) which is prejudicial to the interest of the Noteholders, except where such amendment, supplement or modification is required (i) by compulsory provisions of Italian law or by the competent regulatory authorities or (ii) in connection with a change of the Issuer's registered office; or

5.1.10 *Centre of main interest*

move its "centre of main interest" (as that term is used in Article 3(1) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.11 *Branch outside Italy*

establish any branch or "establishment" (as that term is used in Article 2(h) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.12 *Corporate formalities*

cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.1.13 *Derivatives*

enter into derivative contracts save as expressly permitted by Article 21(2) of the EU Securitisation Regulation.

5.2 **Further Securitisations**

For so long as any amount remains outstanding in respect of the Senior Notes, the Issuer shall not, save with the prior express consent of the Noteholders and the prior written notice to the Rating Agencies, carry out any other securitisation transaction pursuant to the Securitisation Law (each a "**Further Securitisation**").

6. **PRIORITY OF PAYMENTS**

6.1 **Pre-Enforcement Priority of Payments**

On each Payment Date, prior to (a) the service of a Trigger Notice, (b) the event of a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for taxation*), (c) the event of a an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional redemption*) or (d) the Final Maturity Date, the Issuer Available Funds shall be applied by the Issuer in making the following payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

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

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

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

(b) any amounts due and payable on such Payment Date to the Account Bank, the Computation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator and the Servicer (but excluding any amount to be paid under item *Tenth* below); and

(c) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest due and payable on the Class A Notes on such Payment Date;

(iv) *Fourth*, to pay the Required Cash Reserve Amount into the Cash Reserve Account;

(v) *Fifth*, on the Incremental Instalment Date, if applicable, to pay the Cash Reserve Increase Amount (if any) into the Cash Reserve Account;

(vi) *Sixth*, during the Revolving Period (i) to pay to the Originator any amount due as Purchase Price for the Second Initial Portfolio or the relevant Further Portfolio purchased in accordance with the provisions of the Transfer Agreement at the Transfer Date immediately after the end of the Collection Period, (ii) to pay to the Originator any amount due as Purchase Price for the Second Initial Portfolio or any Further Portfolio under (i) above and unpaid on the previous Payment Dates, and (iii) to credit to the Payments Account the difference, if positive, between the Aggregate Notes Formula Redemption Amount and the amounts set out under (i) and (ii) above, as Principal Accumulation Amount;

(vii) *Seventh*, following the end of the Revolving Period, to pay to the Originator any amount due as Purchase Price for the Second Initial Portfolio or any Further Portfolio under (v) (i) and (v) (ii) above and unpaid on the previous Payment Dates;

(viii) *Eighth*, to pay, following the end of the Revolving Period, *pari passu* and *pro rata* according to the respective amounts thereof the Class A Notes Redemption Amount;

(ix) *Ninth,* to pay all amounts due and payable as Adjustment Purchase Price;

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

(xi) *Eleventh,* to pay (*pro rata*) to Banca Valsabbina and the Other Issuer Creditors any amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xii) *Twelfth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Additional Return on the Junior Notes;

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

The Issuer shall, if necessary, make the payments set out under items *First* (i)(a) and *Second* (ii)(c) above also during the following Interest Period using the amounts standing to the credit of any Cash Eligible Account.

6.2 **Post-Enforcement Priority of Payments**

On each Payment Date, (a) following the service of a Trigger Notice, (b) in the event of a redemption for taxation pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for taxation*), (c) in the event of optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional redemption*) or (d) starting from the Final Maturity Date, the Issuer Available Funds shall be applied by the Issuer in making the following payments in the order of priority set out below (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*,

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

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

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

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

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

(c) (if the Trigger Event is not an Insolvency Event) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amount thereof, all amounts of interest due and payable on the Class A Notes;

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amount thereof, any Principal Amount Outstanding on the Class A Notes;

(v) *Fifth*, to pay to the Originator (i) all amounts due and payable as Adjustment Purchase Price, and (ii) any amount due as Purchase Price for the Second Initial Portfolio or any Further Portfolio and unpaid on the previous Payment Dates;

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

(vii) *Seventh*, to pay (*pro rata*) to Banca Valsabbina and the Other Issuer Creditors any amounts due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

(viii) *Eighth,* to pay, *pari passu* and *pro rata* according to the respective amount thereof, the Additional Return on the Junior Notes;

(ix) *Ninth,* subject to the Senior Notes having been redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amount thereof, the Class J Notes Redemption Amount and any other amount due in respect of the Class J Notes.

The Issuer shall, if necessary, make the payments set out under items *First* (i)(a) and *Second* (ii)(c) above also during the following Interest Period using the amounts standing to the credit of any Cash Eligible Account.

7. INTEREST

7.1 Payment Dates and Interest Periods

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date.

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments.

The first payment of interest in respect of the Senior Notes will be due on the First Payment Date in respect of the Initial Interest Period.

Interest 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.

7.2 **Rate of Interest**

The Rate of Interest payable from time to time in respect of the Senior Notes will be determined by the Paying Agent on each Interest Determination Date.

The Rate of Interest applicable to the Senior Notes for each Interest Period shall be the sum of the EURIBOR (except in respect of the Initial Interest Period where an interpolated interest rate based on 1 (one) month and 3 (three) months deposits in Euro will be substituted for the EURIBOR) plus a margin equal to 0.5% per cent. *per annum* (the "**Relevant Margin**").

In any event the Rate of Interest (equal to the EURIBOR plus the Relevant Margin) shall not be higher than 6%.

However, in the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

7.3 **Determination of Rates of Interest and Calculation of Interest Payments**

The Issuer shall, on each Interest Determination Date, determine (or cause the Paying Agent to determine) and notify (or cause the Paying Agent to notify) to the Representative of the Noteholders:

(a) the EURIBOR applicable to the Senior Notes;

(b) the rate of interest ("**Rate of Interest**") applicable to the Interest Period beginning after such Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Senior Notes; and

(c) the interest amount (the "**Interest Payment Amount**") payable as interest on the Senior Notes in respect of such Interest Period beginning after such Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date) in accordance with these Terms and Conditions.

The Interest Payment Amount payable in respect of any Interest Period in respect of the Senior Notes shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the Senior Notes on the Payment Date (or, in the case of the Initial Interest Period, the Issue Date) on which such Interest Period commences (after deducting therefrom any payment of principal due on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360 (threehundredsixty), and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.4 **Publication of the Rate of Interest and the Interest Payment Amount**

The Paying Agent will cause the Rate of Interest and the Interest Payment Amount applicable to the Senior Notes for each Interest Period and the Payment Date in respect of such Interest Payment Amount to be notified promptly after determination (and in any event not later than the first day of each relevant Interest Period) to the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Cash Manager, the Corporate Servicer, Euronext Securities Milan (for further distribution to Euroclear and Clearstream) and, with the signed written instructions of the Issuer, the Rating Agencies.

The Rate of Interest and the Interest Payment Amount applicable to the Senior Notes for each Interest Period and the Payment Date in respect of such Interest Payment Amount will be (i) notified to Borsa Italiana (by making it available a copy of the Paying Agent Report) and (ii) published in accordance with Condition 16 (*Notices*), by the Issuer on or as soon as possible after the relevant Interest Determination Date.

7.5 **Determination or calculation by the Representative of the Noteholders**

If the Paying Agent does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Payment Amount for the Senior Notes in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, shall:

(a) determine the Rate of Interest for the Senior Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

(b) calculate the Interest Payment Amount for the Senior Notes in the manner specified in Condition 7.3 (*Interest – Determination of Rates of Interest and Calculation of Interest Payments*) above, and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

The Representative of the Noteholders shall not be liable for failure in determining the Rate of Interest and/or calculate the Interest Payment Amount for the Senior Notes save in case of gross negligence (*colpa grave*) or wilful default (*dolo*).

7.6 **Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*) or manifest error) be binding on the Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all Senior Noteholders and (in such absence as aforesaid) no liability to the Senior Noteholders shall attach to the Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

7.7 **Paying Agent**

The Issuer shall ensure that, also in accordance with the Cash Allocation, Management and Payment Agreement, so long as any of the Senior Notes remain outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed a notice will be published in accordance with Condition 16 (*Notices*).

7.8 **Additional Return**

The Junior Notes will have a remuneration equal to the Additional Return which will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The Additional Return payable on each Payment Date shall be determined by the Computation Agent.

7.9 **Fallback Provisions**

The Representative of the Noteholders, with the consent of the Noteholders, may request the Issuer to agree to amend the EURIBOR (any such amended rate, an "**Alternative Base Rate**"), if any of the following events (each of them a "**Base Rate Modification Event**") has occurred:

(i) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or to be published; or

(ii) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed); or

(iii) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR

permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR or will be changed in an adverse manner); or

(iv) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner; or

(v) a public statement by the supervisor of the EURIBOR administrator which means that EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or

(vi) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Class A Notes and the Class J Notes; or

(vii) the reasonable expectation of the Issuer (which, in this respect, may rely on any written notice from the Paying Agent) that any of the events specified in sub-paragraphs (i), (ii), (iii), (iv), (v) or (vi) will occur or exist within six months of the proposed effective date of such Base Rate Modification,

provided that such Alternative Base Rate is:

(a) a base rate published, endorsed, approved or recognised by the European Central Bank, any regulator in Italy or the EU (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(b) the ESTER (or any rate which is derived from, based upon or otherwise similar to the foregoing); or

(c) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such interest rate modification; or

(e) such other base rate as the Representative of the Noteholders reasonably determines.

In the event that the Paying Agent should not be able to calculate the Rate of Interest because of the occurrence of any Base Rate Modification Event, it will promptly inform the Issuer, by way of a written notice.

If not provided with an Alternative Base Rate within the first Payment Date following the delivery of the foregoing notice, the Paying Agent shall determine the Interest Rate applicable to the relevant Interest Period based on the EURIBOR applied on the preceding Interest Determination Date. It remains understood that, following the occurrence of a Base Rate Modification Event, the Issuer shall provide the Paying Agent with an Alternative Base Rate by no later than the 2nd (second) Interest Determination Date following the delivery of foregoing notice.

7.10 **Unpaid Interest with respect to the Senior Notes**

Unpaid interest on the Senior Notes shall accrue no interest.

8. **REDEMPTION, PURCHASE AND CANCELLATION**

8.1 **Final Maturity Date**

8.1.1 *Principal Amount Oustanding*

Unless previously redeemed in full or cancelled in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*), the Notes are due to be repaid in full at their respective Principal Amount Outstanding (together with any accrued but unpaid interest thereon) on the Final Maturity Date.

8.1.2 *Redemption prior to the Final Maturity Date*

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for taxation*), but without prejudice to Condition 13 (*Trigger Events*).

8.2 **Mandatory Redemption**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on any Payment Date, in each case if and to the extent that, on the relevant Payment Date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*).

8.3 **Optional Redemption**

Unless previously redeemed in full, on any Payment Date falling after the Quarterly Servicer's Report Date on which the aggregate of the Outstanding Principal of the Aggregate Portfolio is equal to or less than 10% of the Reference Portfolio, the Issuer, having given not less than 30 (thirty) days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 16 (*Notices*), may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon up to and including the relevant Payment Date, in accordance with this Condition 8.3, provided that:

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

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

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

8.4 **Redemption for Taxation**

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

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

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

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

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

8.5 **Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding**

8.5.1 *Determination by the Computation Agent*

On each Calculation Date, the Issuer shall procure that the Computation Agent determines:

(a) the amount of the Issuer Available Funds;

(b) the principal payment (if any) due on the Notes on the next following Payment Date; and

(c) the Principal Amount Outstanding of the Notes on the next following Payment Date (after deducting any principal payment due to be made on such Payment Date).

8.5.2 *Final and binding*

Each determination by (or on behalf of) the Issuer of the Issuer Available Funds, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

8.5.3 *Notice of determination*

The Issuer will, on each Calculation Date, cause the determination of a principal payment on the Notes (if any) and Principal Amount Outstanding of the Notes to be notified by the Computation Agent (through the Payments Report) to the Representative of the Noteholders, the Rating Agencies, the Corporate Servicer, the Stichting Corporate Services Provider, the Account Bank, the Paying Agent, Borsa Italiana, Euronext Securities Milan, the Cash Manager and, in copy, the Servicer. The Issuer will cause notice of each determination of a principal payment on the Notes and of Principal Amount Outstanding of the Notes to be given to Euronext Securities Milan and in accordance with Condition 16 (*Notices*).

8.5.4 *Principal amount redeemable*

The principal amount redeemable in respect of each Note shall be a *pro rata* share of the aggregate amount determined in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) to be available for redemption of the Notes of the same Class as such Note on such date, calculated with reference to the ratio between (A) the then Principal Amount Outstanding of such Note and (B) the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

8.5.5 *Determination by the Representative of the Noteholders*

If no principal payment on the Notes or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5, such principal payment on the Notes and Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8 and each such determination or calculation shall be deemed to have been made by the Issuer.

8.5.6 *No information or delay*

In the event of the Computation Agent not receiving or receiving with delay (such a delay not enabling the Computation Agent to prepare the Payments Report in time for applying the Pre-Enforcement Priority of Payments on the relevant Payment Date) the information (in whole or in part) of any amount necessary for it to prepare the Payments Report in respect of any Calculation Date, but has evidence that the amounts standing to the credit of the Accounts (excluding the Quota Capital Account) are sufficient to pay the interests on the Senior Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Priority of Payments, the Computation Agent shall:

(a) promptly inform the Issuer and the Representative of the Noteholders;

(b) nonetheless prepare a Payments Report on or prior to the relevant Calculation Date based on the assumption that:

(i) the amounts to be retained into the Expense Account and the fees due and payable on the next following Payment Date pursuant to item *Second* of the Pre-Enforcement Priority of Payments, shall be equal to the amount specified in the last available Payment Report; and

(ii) no payments will be made on any item of the Pre-Enforcement Priority of Payments different from the interests on the Senior Notes and any other amount ranking in priority thereto (and, therefore, for the avoidance of doubt, no principal will be due and payable on the Notes on such Payment Date)

being understood (for the avoidance of any doubt) that, if the principal due under the Notes set out in such Payments Report results equal to zero, such circumstance shall not constitute in any event a Trigger Event.

It remains understood and agreed that any amount that will not be used and applied in accordance with the Pre-Enforcement Priority of Payments on each Payment Date shall remain credited onto the Payments Accounts and shall be considered as Issuer Available Funds and applied on the immediately following Payment Date.

The Computation Agent shall not be liable for any liability suffered or incurred by any party or any Other Issuer Creditors as a result of such assumption, being understood that should such assumptions be communicated to the Computation Agent to be wrong by the Party in charge to determine them, then the Computation Agent on the immediately following Calculation Date shall prepare a Payments Report which shall consider any incorrect assumed amounts with the purpose to set-off such amounts with any amounts due and payable on the next following Payment Date.

8.6 **Notice of redemption**

Any notice of redemption, including those as set out in Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), must be given in accordance with Condition 16 (*Notices*) and shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Notes in accordance with

this Condition 8.

8.7 **No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

8.8 **Cancellation**

8.8.1 *Cancellation Date*

The Notes shall be cancelled on the Cancellation Date, being the earlier of:

(a) the date on which the Notes have been redeemed in full; and

(b) the date on which the Servicer has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer.

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

8.8.2 *Notes upon cancellation*

Upon cancellation the Notes may not be resold or re-issued.

9. **NON PETITION AND LIMITED RECOURSE**

9.1 **Non Petition**

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

(a) *No enforcement of the Security*

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

(b) *No right against the Issuer*

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

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

shall be entitled, both before and following the delivery of a Trigger Notice, until the date falling 2 (two) years and 1 (one) day after the date on which all the Notes and any other notes issued by (or loans advanced to) the Issuer in the context of any other securitisation carried out by the Issuer have been redeemed (or repaid, as the case may be) in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

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

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

9.2 **Limited recourse obligations of Issuer**

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

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

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

(b) *Sums to the Noteholders*

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

(c) *No further claim against the Issuer*

upon the Representative of the Noteholders (also upon consultation with the Servicer) giving written notice in accordance with Condition 16 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Notes and the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

10. **PAYMENTS**

10.1 **Payments through Euronext Securities Milan, Euroclear and Clearstream**

Repayment of principal and payment of interest in respect of the Notes will be credited, according to the instructions of Euronext Securities Milan, by the Paying Agent on behalf of the Issuer to the accounts of the Euronext Securities Milan Account Holders in whose accounts with Euronext Securities Milan the Notes are held and thereafter credited by such Euronext Securities Milan Account Holders from such aforementioned accounts to the accounts of the beneficial owners of such Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of such Notes, in accordance with the rules and procedures of Euronext Securities Milan, Euroclear or Clearstream, as the case may be.

10.2 **Payments subject to tax laws**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

10.3 **Variation of Paying Agent**

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint another paying agent. The Issuer will cause at least 30 (thirty) days' prior notice of any replacement of the Paying Agent to be given to the Noteholders in accordance with Condition 16 (*Notices*) and to the Rating Agencies.

11. TAXATION

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

12. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

13. TRIGGER EVENTS

13.1 Trigger Events

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

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

(i) (1) the amount of interest accrued on the Most Senior Class of Notes; or

(2) the amount of principal due and payable on the Most Senior Class of Notes (as set out in the relevant Payments Report)

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

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

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (a) above) which is in the Representative of the Noteholders' sole and absolute opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 (thirty) days will be given); or

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

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

(e) *Unlawfulness*: it is or will become unlawful (in any respect deemed to be material by the Representative of the Noteholders) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party.

13.2 Trigger Notice

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

(a) in the case of a Trigger Event under Condition 13.1 (a) or (e) above, shall; and/or

(b) in the case of a Trigger Event under Condition 13.1 (b) or (c) above, shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders; and/or

(c) in the case of a Trigger Event under Condition 13.1 (d) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall,

serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Notes will be due and payable at their Principal Amount Outstanding and the Issuer Available Funds shall be applied in accordance with Condition 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

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

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

14. ACTIONS FOLLOWING THE SERVICE OF A TRIGGER NOTICE

14.1 Actions of the Representative of the Noteholders

At any time after a Trigger Notice has been served, the Representative of the Noteholders may or shall, if so requested or authorised by an Extraordinary Resolution of the Most Senior Class of Noteholders, take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.2 (*Priority of Payments - Post-Enforcement Priority of Payments*).

14.2 Notifications, determinations and liability of the Representative of the Noteholders

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13 (*Trigger Events*) or this Condition 14 by the Representative of the Noteholders shall, in the absence of wilful default (*dolo*), gross negligence (*colpa grave*) or manifest error, be binding on the Issuer and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

14.3 Actions against the Issuer

No Noteholder shall be entitled to proceed directly against the Issuer save as provided in these Terms and Conditions and the Rules of the Organisation of the Noteholders.

14.4 Limited claims against the Issuer

If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Aggregate Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under these Terms and Conditions and the Intercreditor Agreement, the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the

Noteholders' rights in respect of the Aggregate Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith, then the Senior Notes will continue to rank in priority to the Junior Notes in accordance with the Post-Enforcement Priority of Payments and, if the Servicer certifies to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer in accordance with Condition 8.8 (*Cancellation*), the obligations of the Issuer to the Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Notes will be finally and definitively cancelled.

14.5 **Disposal of the Aggregate Portfolio**

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

15. THE REPRESENTATIVE OF THE NOTEHOLDERS

15.1 **The Organisation of the Noteholders**

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

15.2 **Appointment of the Representative of the Noteholders**

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

16. NOTICES

16.1 **Notices**

Any notice regarding the Notes, as long as the Notes are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan and, in relation to the Notes and as long as the Notes are admitted to trading on the Euronext Access Milan Professional, in accordance with the rules of such multilateral trading facility. In addition, any notice to the Noteholders given by or on behalf of the Issuer shall also be published on the website https://www.securitisation-services.com. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in one of the manners referred to above.

16.2 **Alternative methods of notice**

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the

Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Notes are then listed.

17. GOVERNING LAW AND JURISDICTION

17.1 Governing law of the Notes

The Notes and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian Law.

17.2 Governing law of the Transaction Documents

All the Transaction Documents and all non-contractual obligations arising in any way whatsoever out of or in connection with them, are governed by, and shall be construed in accordance with Italian Law.

17.3 Jurisdiction

Any dispute arising from the interpretation and execution of these Terms and Conditions or from the legal relationships established by the Notes and these Terms and Conditions will be submitted to the exclusive jurisdiction of the Courts of Brescia.

EXHIBIT 1

TO THE TERMS AND CONDITIONS

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1 General

1.1 *Establishment*

The Organisation of the Noteholders is created concurrently with the issue by Valsabbina SME 4 SPV S.r.l. and subscription for the € 802,300,000 Class A Asset Backed Partly Paid Notes due January 2062 and the € 296,700,000 Class J Asset Backed Partly Paid Notes due January 2062 and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

1.2 *Validity*

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 *Integral part of the Notes*

These Rules are deemed to be an integral part of each Note issued by the Issuer.

2 Definitions and interpretations

2.1 *Interpretation*

2.1.1 *Definitions*

Unless otherwise provided in these Rules, any capitalised term shall have the same meaning attributed to it in the Terms and Conditions.

2.1.2 *Reference to an Article*

Any reference herein to an "Article" shall be a reference to an Article of these Rules.

2.1.3 *Headings and subheadings*

Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2 *Definitions*

In these Rules, the terms set out below shall have the following meanings:

"**Basic Terms Modification**" means any proposal to:

(a) change the date of maturity of the Notes of any Class;

(b) change any date fixed for the payment of principal or interest in respect of the Notes of any Class;

(c) reduce or cancel the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(d) change the quorum required at any Meeting or the majority required to pass any Resolution;

(e) change the currency in which payments are due in respect of any Class of Notes;

(f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Senior Notes;

(g) effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(h) a change to this definition.

"**Blocked Notes**" means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

"**Block Voting Instruction**" means in relation to a Meeting, the document issued by the Paying Agent stating *inter alia*:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;

(b) that the Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and

(c) authorising a Proxy to vote in accordance with such instructions.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 (*Chairman of the Meeting*) of these Rules.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18 (*Extraordinary Resolutions*).

"**Meeting**" means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

"**Euronext Securities Milan Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream.

"**Ordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17 (*Ordinary Resolutions*).

"**Proxy**" means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

"**Resolution**" means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

"**Terms and Conditions**" means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto, and any reference to a numbered "**Condition**" is to the corresponding numbered provision thereof.

"**Voter**" means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued by the Euronext Securities Milan Account Holder in accordance with Regulation 13 August 2018, as subsequently amended and supplemented, stating *inter alia*:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and

(b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office.

"**48 hours**" means 2 consecutive periods of 24 hours.

3 Purpose of the Organisation

3.1 *Membership*

Each Noteholder is a member of the Organisation of the Noteholders.

3.2 *Purpose*

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF NOTEHOLDERS

4 Voting Certificates and Validity of the Proxies and Voting Certificates

4.1 *Participation in Meetings*

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

4.2 *Validity*

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

4.3 *Mutually exclusive*

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.4 *Blocking and release of Notes*

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5 Convening the Meeting

5.1 *Meetings convened by the Representative of the Noteholders*

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders shall convene separate or combined Meetings of any Class or Classes at any time it is requested to do so in writing by (a) the Issuer, or (b) Noteholders of the relevant Class or Classes representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

5.2 *Request from the Issuer*

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting and the items to be included in the agenda.

5.3 *Time and place of the Meeting*

Every Meeting will be held on a date and at a time and place (located in the European Union) selected or approved by the Representative of the Noteholders.

Every Meeting may be held where there are Voters located at different places (located in the European Union) connected via audio-conference or video-conference, provided that:

(a) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(b) the person drawing up the minutes may hear well the meeting events being the subject matter of the

minutes;

(c) each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

(e) for the avoidance of doubt, the Meeting is deemed to take place (located in the European Union) where the Chairman and the person drawing up the minutes will be.

6 Notice of Meeting and Documents Available for Inspections

6.1 *Notice of meeting*

At least 10 days' notice (but not exceeding 60 (sixty) days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place (which shall be in the European Union) of the Meeting, must be given by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders.

6.2 *Content of the notice*

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

(a) day, time and place (located in the European Union) of the Meeting, on first and second call;

(b) agenda of the Meeting; and

(c) nature of the Resolution.

6.3 *Validity notwithstanding lack of notice*

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

6.4 *Documentation Available for Inspection*

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 (seven) days before the date set for the relevant Meeting.

7 Chairman of the Meeting

7.1 *Appointment of the Chairman*

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines or is not present within 15 minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman.

7.2 *Duties of the Chairman*

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate and defines the terms for voting.

7.3 *Assistance*

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

8 Quorum

8.1 *Quorum and Passing of Resolution*

The quorum (*quorum costitutivo*) at any Meeting shall be:

(a) in respect of a Meeting convened to vote on an Ordinary Resolution:

(i) on first call, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9 (*Adjournment for lack of quorum*), such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;

(b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9 (*Adjournment for lack of quorum*), such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;

(c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9 (*Adjournment for lack of quorum*), one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened.

8.2 *Passing of a Resolution*

A Resolution shall be deemed validly passed if voted by the following majorities:

(a) in respect of an Ordinary Resolution, a majority of the votes cast; and

(b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

9 Adjournment for lack of quorum

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

(b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 (fourteen) days and no later than 42 (fortytwo) days after the original date of such Meeting, and to such place (which shall be in the European Union) and time as the Chairman determines with the approval of the Representative of the Noteholders, provided however that no meeting may be adjourned more than once for want of quorum.

10 Adjourned Meeting

Except as provided in Article 9 (*Adjournment for lack of quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another new date no earlier than 14 (fourteen) days and no later than 42 (fortytwo) days after the original date of such Meeting, and to such place (which shall be in the European Union). No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

11 Notice following adjournment

11.1 *Notice required*

If a Meeting is adjourned in accordance with the provisions of Article 9 (*Adjournment for lack of quorum*), Articles 5 (*Convening the Meeting*) and 6 (*Notice of Meeting and Documents Available for Inspections*) above shall apply to the resumed meeting except that:

(a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

11.2 *Notice not required*

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9 (*Adjournment for lack of quorum*).

12 Participation

The following categories of persons may attend and speak at a Meeting:

(a) Voters;

(b) the director(s) and the auditors of the Issuer;

(c) the Representative of the Noteholders;

(d) financial and/or legal advisers to the Issuer, the Representative of the Noteholders and the Noteholders; and

(e) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

13 Voting by show of hands

13.1 *First instance vote*

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

13.2 *Demand of poll*

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14 (*Voting by poll*). No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

13.3 *Approval of a resolution*

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all the Voters at the Meeting. The Chairman’s declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

14 Voting by poll

14.1 *Demand for a poll*

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

14.2 *Conditions of a poll*

The Chairman sets the conditions for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the conditions set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall

announce to the Meeting the outcome of the vote.

15 Votes

15.1 *Votes*

Each Voter shall have:

(a) one vote, when voting by a show of hands; and

(b) one vote for each Euro 1,000 of face amount of each Note represented or held by the Voter, when voting by poll.

15.2 *Exercise of multiple votes*

Unless the terms of any Block Voting Instruction or Voting Certificate borne by a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner.

15.3 *Voting tie*

In case of a voting tie, the Chairman shall have the casting vote.

15.4 *Votes Cast*

The Noteholders can cast their votes "in favour of" or "against" any proposed Resolution.

The Noteholders that do not intend to cast their votes and abstain from voting shall be ignored and not be included in the computation of the votes cast.

16 Voting by Proxy

16.1 *Validity*

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked provided that none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

16.2 *Adjournment of Meeting*

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9 (*Adjournment for lack of quorum*). If a Meeting is adjourned pursuant to Article 9 (*Adjournment for lack of quorum*), any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

17 Ordinary Resolutions

Save as provided by Article 18 (*Extraordinary Resolution*) and subject to the provisions of Article 19 (*Relationship between Classes and conflict of interests*), a Meeting shall have the power exercisable by Ordinary Resolution to:

(a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;

(b) determine any other matters submitted to the Meeting, other than matters required to be subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and

(c) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18 Extraordinary Resolutions

The Meeting, subject to Article 19 (*Relationship between Classes and conflict of interests*), shall have power exercisable by Extraordinary Resolution to:

(a) approve any Basic Terms Modification;

(b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;

(c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;

(d) save as provided by Article 29 (*Amendments to the Transaction Documents*), approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(e) discharge or exonerate (including prior or retrospective discharge or exoneration) the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Terms and Conditions or any other Transaction Document;

(f) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 13 (*Trigger Events*));

(g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(i) appoint and remove the Representative of the Noteholders;

(j) authorise or object to individual actions or remedies of Noteholders under Article 23 (*Individual Actions and Remedies*); and

(k) approve any other relevant matter (that should be expressly approved by the Noteholders) pursuant to the Intercreditor Agreement and any other Transaction Document.

19 Relationship between Classes and conflict of interests

19.1 *Basic Terms Modification*

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes (to the extent that there are Notes outstanding in any of such other Class).

19.2 *Extraordinary Resolution other than in respect of a Basic Terms Modification or Ordinary Resolution*

No Extraordinary Resolution of any Class of Notes to approve any matter other than a Basic Terms Modification or a matter to be approved by an Ordinary Resolution shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking at that time senior to such Class with respect to the repayment of the principal pursuant to Condition 4.3 (*Ranking*) and in accordance with the applicable Priority of Payments (to the extent that there are Notes outstanding ranking senior to such Class), save as provided in Article 19.5 (*Resolution of the Junior Noteholders*) below.

19.3 *Binding nature of the Resolutions*

Any Resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

19.4 *Conflict between Classes*

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interest of

(a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only;

(b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

19.5 *Resolution of the Junior Noteholders*

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or any other interest or rights of the Senior Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of the Senior Notes.

19.6 *Joint Meetings*

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the Senior Noteholders and of the Junior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

19.7 *Separate and combined Meetings of the Noteholders*

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

(a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

(b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion; and

(c) business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any Resolution.

19.8 *Notice of Resolution*

Within 5 Business Days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 16 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Paying Agent and the Representative of the Noteholders.

20 Challenge of Resolution

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

21 Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be prima facie evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

22 Written Resolution

Notwithstanding the formalities required by Article 6 (*Notice of Meeting and Documents Available for Inspections*), a Meeting is validly held if a resolution in writing is signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders (the "**Written Resolution**").

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Ordinary Resolution.

23 Individual Actions and Remedies

23.1 *Individual actions of the Noteholders*

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non-petition provisions of Condition 9 (*Non petition and limited recourse*). Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

(d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

23.2 *Individual actions subject to Resolution*

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

23.3 *Breach of Condition 9*

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9 (*Non petition and limited recourse*).

23.4 *Exclusive power of the Representative of the Noteholders*

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security Interest and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

24 Further Regulations

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

25 Appointment, Removal and Remuneration

25.1 *Appointment*

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of the Noteholders which will be Banca Finint.

25.2 *Requirements for the Representative of the Noteholders*

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act; or

(c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

25.3 *Directors and auditors of the Issuer*

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

25.4 *Duration of appointment*

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

25.5 *Removal*

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

25.6 *Office after termination*

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2 (*Requirements for the Representative of the Noteholders*), paragraphs (a), (b), and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

25.7 *Remuneration*

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments.

26 Duties and Powers of the Representative of the Noteholders

26.1 *Legal representative of the Organisation of the Noteholders*

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

26.2 *Meetings and implementation of Resolutions*

Subject to Article 28.9 (*Illegality*), the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

26.3 *Delegation*

26.3.1 The Representative of the Noteholders may also, whenever it considers it expedient and in the interest

of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid.

26.3.2 The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interest of the Noteholders.

26.3.3 The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate (*culpa in eligendo*).

26.3.4 As soon as reasonably practicable, the Representative of the Noteholders shall give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

26.4 *Judicial proceedings*

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

27 Resignation of the Representative of the Noteholders

27.1 *Resignation*

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

27.2 *Effectiveness*

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment provided that if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25 (*Appointment, Removal and Remuneration*).

28 Exoneration of the Representative of the Noteholders

28.1 *Limited obligations*

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

28.2 *Other limitations*

Without limiting the generality of Article 28.1 (*Limited obligations*), the Representative of the Noteholders:

(i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;

(ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all their respective obligations;

(iii) except as otherwise required under these Rules or the Transaction Documents, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

(iv) shall not be responsible for (or for investigating) the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(1) the nature, status, creditworthiness or solvency of the Issuer;

(2) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(4) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Aggregate Portfolio; and

(5) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agent or any other person in respect of the Aggregate Portfolio or the Notes;

(v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(vi) shall have no responsibility to procure that the Rating Agencies or any other credit or rating assessment institution or any other subject maintain the rating of the Senior Notes;

(vii) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating to thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Aggregate Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(x) shall not be under any obligation to guarantee or procure the repayment of the Aggregate Portfolio or any part thereof;

(xi) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;

(xii) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(xiii) shall not be responsible for reviewing or investigating any report relating to the Aggregate Portfolio provided by any person;

(xiv) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Aggregate Portfolio or any part thereof;

(xv) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Aggregate Portfolio and the Notes;

(xvi) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders; and

(xvii) save as expressly provided in the Transaction Documents, shall not be under any obligation to give notice to any person in relation to the execution of these Rules or any other Transaction Document or any transaction contemplated hereby or thereby.

28.3 *Discretion*

28.3.1 The Representative of the Noteholders:

(i) save as expressly otherwise provided herein and in the Intercreditor Agreement, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);

(ii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right - but not the obligation - to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

(iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;

(iv) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents;

28.3.2 Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

28.3.3 The Representative of the Noteholders may, prior to taking any action (as well as prior to deciding not to take any action) in the execution and exercise of its powers and authorities and discretions under the Conditions, these Rules and the Transaction Documents, request in writing the Noteholders to determine in its sole discretion acting in good faith, whether any such action (or decision not to take any such action) would be prejudicial to, or have a negative impact on, the interests of the Noteholders. Upon determination by the Noteholders that any such action (or decision not to take any such action) of the Representative of the Noteholders would be materially prejudicial to, or have a material negative impact on, the interests of the Noteholders, the Representative of the Noteholders shall comply with the written instructions received by the Noteholders. On the contrary, in case the Noteholders will consider any such action (or decision not to take any such action) as no materially prejudicial to, or with no material negative impact on their interests, then the Representative of the Noteholders will act in accordance with the Conditions, these Rules and the provisions of the Intercreditor Agreement.

28.4 *Certificates*

The Representative of the Noteholders:

(i) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;

(ii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;

(iii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor or by a Rating Agency. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so.

28.5 *Ownership of the Notes*

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued by any authorised institution listed in Article 83-*sexies* of the Financial Law Consolidated Act, which certificates are conclusive proof of the statements attested to therein.

28.5.2 The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

28.6 *Certificates of Euronext Securities Milan Account Holders*

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Euronext Securities Milan Account Holder in accordance with Regulation 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

28.7 *Certificates of Clearing Systems*

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

28.8 *Rating Agencies*

The Representative of the Noteholders shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules, that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agencies have confirmed that the then current rating of the Senior Notes would not be adversely affected by such exercise or have otherwise given their consent. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the rating of the Senior Notes, the Representative of the Noteholders shall so inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders, unless the Representative of the Noteholders wishes to seek and obtain the valuation itself.

28.9 *Illegality*

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion,

be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

29 Amendments to the Transaction Documents

29.1 *Consent of the Representative of the Noteholders*

The Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

(i) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or

(ii) save as provided under paragraph (i) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of "Basic Terms Modification") is not materially prejudicial to the interest of the Most Senior Class of Noteholders.

29.2 *Binding nature of amendments*

Any such amendment or modification shall be binding on the Noteholders and the Other Issuer Creditors and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such amendment or modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter.

30 Indemnity

30.1 *Indemnification*

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) on written demand, to the extent not already reimbursed, paid or discharged by any Noteholder or any Other Issuer Creditor, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authority and discretion and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Subscription Agreements, these Rules of the Organisation of the Noteholders and the other Transaction Documents, or against the Issuer or any other person for enforcing any obligations due hereunder, or under the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud, gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders or the abovementioned appointed persons. It remains understood and agreed that such costs, expenses and liabilities shall be reasonably incurred.

30.2 *Liability*

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

31 Powers

It is hereby acknowledged that, upon the service of a Trigger Notice, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled - also in the interest of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian

Civil Code - to exercise certain rights in relation to the Aggregate Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

32 Governing law and Jurisdiction

32.1 *Governing law*

These Rules and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of the Republic of Italy.

32.2 *Jurisdiction*

Any dispute arising from the interpretation and execution of these Rules or from the legal relationships established by these Rules will be submitted to the exclusive jurisdiction of the Courts of Brescia.

SUBSCRIPTION AND SALE

1. THE SENIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date, Banca Valsabbina has agreed to subscribe for the Senior Notes, subject to the terms and conditions set out thereunder.

The Issuer has agreed to indemnify the Senior Notes Underwriter against certain liabilities in connection with the issue of the Senior Notes.

2. THE JUNIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Junior Notes Subscription Agreement entered into on or about the Issue Date, Banca Valsabbina has agreed to subscribe for the Junior Notes, subject to the terms and conditions set out thereunder.

In respect of the obligation of the Issuer to make payment on the Notes, under the Terms and Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Senior Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

No commission, fee or concession shall be due by the Issuer to Banca Valsabbina in respect of its subscription of the Junior Notes.

3. SELLING RESTRICTIONS

3.1 General

Under the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, each of the Issuer, the Senior Notes Underwriter and the Junior Notes Underwriter:

3.1.1 No action to permit public offering

has acknowledged that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Senior Notes and/or the Junior Notes, or possession or distribution of any offering material in relation to the Senior Notes and/or the Junior Notes, in any country or jurisdiction where action for that purpose is required;

3.1.2 Compliance with laws

has represented and warranted to the Issuer that it has complied with and will undertake that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Senior Notes and/or the Junior Notes or has in its possession, distributes or publishes such offering material, in all cases at its own expense; and

3.1.3 Publicity

has represented and warranted to the Issuer that it has not made or provided and undertakes that it will not make or provide any representation or information regarding the Issuer or the Senior Notes and/or the Junior Notes save as contained in the Information Memorandum or as approved for such purpose by the Issuer or which is a matter of public knowledge.

3.2 United States

The Senior Notes and/or the Junior Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account

or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Senior Notes Underwriter and the Junior Notes Underwriter has represented and agreed that it has not offered and sold the Senior Notes and/or the Junior Notes, and will not offer and sell the Senior Notes and/or the Junior Notes (i) as part of their distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of the Senior Notes and/or the Junior Notes, and then only in accordance with Rule 903 of Regulation S promulgated under the Securities Act. Neither the Senior Notes Underwriter nor the Junior Notes Underwriter nor their affiliates nor any persons acting on the behalf of the Senior Notes Underwriter and/or the Junior Notes Underwriter or their affiliates' behalf have engaged or will engage in any directed selling efforts with respect to the Senior Notes and/or the Junior Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Senior Notes and/or the Junior Notes, each of the Senior Notes Underwriter and/or the Junior Notes Underwriter will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Senior Notes and/or Junior Notes from it during the restricted period a confirmation or notice to substantially to the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(111) (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by us, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in this selling restriction have the meaning given to them by Regulation S under the Securities Act.

3.3 **United Kingdom**

3.3.1 **Prohibition of sales to United Kingdom retail investors**

Under the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, each of the Senior Notes Underwriter and the Junior Notes Underwriter has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Senior Notes and/or Junior Notes which are the subject of the offering contemplated by the Information Memorandum to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Senior Notes and/or the Junior Notes to be offered so as to enable an investor to decide to purchase or subscribe the Senior Notes and/or the Junior Notes.

3.3.2 **Other regulatory restrictions in the United Kingdom**

Under the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, each of the Senior Notes Underwriter and the Junior Notes Underwriter has represented, warranted and undertaken to the Issuer that:

(a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Senior Notes and/or the Junior Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Senior Notes and/or the Junior Notes in, from or otherwise involving the United Kingdom.

3.4 **Republic of Italy**

Under the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, each of the Senior Notes Underwriter and the Junior Notes Underwriter has represented, warranted and undertaken to the Issuer that:

3.4.1 **No offer to public**

the offering of the Senior Notes and the Junior Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, neither the Senior Notes nor the Junior Notes have been or may be offered, sold or delivered, nor may copies of the Information Memorandum or any other document relating to the Senior Notes and/or the Junior Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined under Article 2 of Regulation (EU) No. 1129 of 14 June 2017 as amended and supplemented from time to time (the "**Prospectus Regulation**"), any applicable provisions of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time (the "**Financial Laws Consolidated Act**") and any implementing Italian law and regulation; or

(b) in any other circumstances where an exemption from the rules governing public offers of securities applies, to be made to the public pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations;

provided that, in any case, the offer or sale of the Senior Notes and/or the Junior Notes in the Republic of Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;

3.4.2 **Offer to Qualified Investors**

any offer, sale or delivery of the Senior Notes and/or the Junior Notes in the Republic

of Italy or distribution of copies of the Information Memorandum or any other document relating to the Senior Notes and/or the Junior Notes in the Republic of Italy under paragraph 3.4.1 (a) and (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Laws Consolidated Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 as amended and supplemented from time to time (the "**Consolidated Banking Act**");

(b) made in compliance with any other applicable law and regulation or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that, in accordance with Article 5 of the Prospectus Regulation, where no exemption under paragraph 3.4.1, letter (a) or (b) above applies, the subsequent distribution of the Senior Notes and/or the Junior Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Prospectus Regulation and the applicable Italian laws. Failure to comply with such rules may result, inter alia, in the sale of the Senior Notes and/or the Junior Notes being declared null and void and in the liability of the intermediary transferring the Senior Notes and/or the Junior Notes for any damages suffered by the investors.

3.5 **Prohibition of Sales to EEA Retail Investors**

Each of the Senior Notes Underwriter and the Junior Notes Underwriter has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Senior Notes and/or the Junior Notes which are the subject of the offering contemplated by the Information Memorandum to any retail investor in the European Economic Area (**EEA**). For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Senior Notes and/or the Junior Notes to be offered so as to enable an investor to decide to purchase or subscribe the Senior Notes and/or the Junior Notes.

GENERAL INFORMATION

Listing and admission to trading

As of the date of this Information Memorandum, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Senior Notes to be admitted to trading on the professional segment Euronext Access Milan Professional of multilateral trading facility Euronext Access Milan. The Issuer does not have any intention to file any request for the listing or admission to trading of the Notes or any other market or multilateral trading facility, other than the Euronext Access Milan.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The Issuer is managed by a Sole Director. Therefore, in accordance with Italian law, the issue of the Notes could be authorised by such Sole Director without the need of any formal meeting or resolution. However, the issue of the Notes and the entering into of the Transaction Documents was authorised by the Sole Quotaholder through the resolutions of the Issuer's meetings passed on 8 November 2024 and 21 November 2024.

Clearing of the Notes

The Notes have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream as follows:

Class	***ISIN***
Class A	IT0005623407
Class J	IT0005623415

No material litigation

There have been no governmental, litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues in the last twelve months, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material, which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability.

No material adverse change

Since 3 September 2024 (being the date of incorporation of the Issuer) there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), business, prospects or general affairs of the Issuer that is material.

Documents available for inspection

Copies of the following documents are available in physical and electronic form for inspection during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders:

(i) Memorandum and Articles of Association of the Issuer;

(ii) Transaction Documents;

(iii) Information Memorandum; and

(iv) Issuer's annual audited financial statements.

Post issuance reporting

So long as any of the Notes remains outstanding, pursuant to Clause 6.2.3 (*Investors Report*) of the Cash Allocation, Management and Payment Agreement, each Investors Report will be made available on the

website www.securitisation-services.com.

Financial statements available

The Issuer will produce financial statements in respect of each financial year. So long as any of the Senior Notes remains outstanding, upon publication, copies of the Issuer's annual audited financial statements shall be made available in physical and/or electronic form for collection at the registered offices of the Issuer and of the Representative of the Noteholders.

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator and the Issuer shall be responsible for compliance with Article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator has been designated and will act as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation. Should the Originator cease to act as Reporting Entity and the Issuer (or any entity which may be designated as reporting entity pursuant to Article 7(2) of the EU Securitisation Regulation and the Intercreditor Agreement) be designated as Reporting Entity, the Originator has agreed to notify without delay such events to the Noteholders and the competent authorities referred to in Article 29 of the EU Securitisation Regulation.

In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) (if applicable) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information through the Securitisation Repository pursuant to Article 7(2), paragraph 1 of the EU Securitisation Regulation.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to publish and make available through the Securitisation Repository the information required to be disclosed to the Noteholders, the competent authorities referred to in Article 29 of the Securitisation Regulation and perspective noteholders, in accordance with Article 7 of the EU Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority). In particular, the Reporting Entity has undertaken to make available, as the case may be, on the Securitisation Repository to such investors and entities, upon request, the information under point (a) of the first subparagraph of Article 7(1) as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation.

The Reporting Entity has also undertaken to promptly inform the Noteholders, the competent authorities and the perspective noteholders in case of replacement of the Securitisation Repository.

Pre-pricing information

As to pre-pricing information:

(a) the Originator (also as initial holder of the Notes) has confirmed that it has been, before pricing, in possession of:

  (i) data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation), as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, at least in draft form pursuant to Article 22(5) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

  (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at

least 5 (five) years, pursuant to Article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

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

(b) the Originator has confirmed that it has made available to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and potential investors in the Notes, through the Securitisation Repository before pricing:

(i) the information and documentation under point (a) of the first subparagraph of Article 7(1) upon request, as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, at least in draft form pursuant to Article 22(5) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

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

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

Post-closing information

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

(a) the Servicer shall:

(i) (1) prepare, on a quarterly basis by no later than the ESMA Report Date, the ESMA Loan Report setting out certain information in compliance with Article 7(1)(a) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and (2) submit such ESMA Loan Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make it available (simultaneously with the Annex 12 Report and the Annex 14 Report) to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the ESMA Report Date; and

(ii) (1) prepare the Annex 14 Report, setting out all the information with respect to the Notes, required to comply with Articles 7(1)(f) (if applicable) and (g) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and (2) submit such Annex 14 Report to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the ESMA Report Date or, in case an inside information or significant event (within the respective meanings of Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation) has occurred, without delay;

(b) the Computation Agent shall (i) prepare the Annex 12 Report, setting out all the information with respect to the Notes, required to comply with Article 7(1)(e) of the EU Securitisation Regulation and

the applicable Regulatory Technical Standards and (ii) submit such Annex 12 Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make it available (simultaneously with the ESMA Loan Report and the Annex 14 Report) to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes by no later than the ESMA Report Date;

(c) the Issuer shall deliver to the Reporting Entity (i) a copy of the final Information Memorandum and the other final Transaction Documents (which are all underlying documents that are essential for the understanding of the Securitisation) in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and, upon request, the potential investors in the Notes pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties); and

(d) the Originator shall make available the final Transaction Documents and all the other documents listed under Article 7(1)(b) and 7(1)(d) to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date,

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

Cash flow model

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

Designation of the first contact point

Under the Intercreditor Agreement, the Issuer and the Originator have agreed that the Originator has been designated as first contact point for investors and competent authorities pursuant to the third subparagraph of Article 27(1) of the EU Securitisation Regulation.

Acknowledgments by the relevant parties

Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed that:

(a) in no event Banca Valsabbina, in its capacity as Reporting Entity, shall be liable to the other parties thereto for any failure or delay in preparing or delivering the information required to be disclosed under Article 7 of the EU Securitisation Regulation if such failure is caused by the non-delivery or late delivery by any of the parties thereto of any information to be provided to the Reporting Entity pursuant to Article 13 (*EU Securitisation Regulation*) of the Intercreditor Agreement (unless such non-delivery or late delivery is attributable to the non-delivery or late delivery of information to be provided by Banca Valsabbina to such parties);

(b) in no event Banca Valsabbina, in its capacity as Reporting Entity, shall be liable to the other parties thereto for the accuracy and completeness of any information or data that has been provided to it pursuant to Article 13 (*EU Securitisation Regulation*) of the Intercreditor Agreement nor for the compliance of any such information with the requirements of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (unless any inaccuracy, incompleteness or non-compliance is attributable to the inaccuracy, incompleteness or non-compliance of information

provided by Banca Valsabbina to such parties); and

(c) Banca Valsabbina, in its capacity as Reporting Entity, will not be under any obligation to verify, reconcile or recalculate any information or data provided to it by any party thereto pursuant to Article 13 (*EU Securitisation Regulation*) of the Intercreditor Agreement and it shall be entitled to rely conclusively on such information and data for the purpose of fulfilling the information requirements provided for by Article 7 of the EU Securitisation Regulation (without prejudice to Banca Valsabbina's liability for the information provided by it to the relevant parties thereto). In case the information or data provided by a party thereto pursuant to Article 13 (*EU Securitisation Regulation*) of the Intercreditor Agreement appears to be *prima facie* incomplete or to include any material mistakes, Banca Valsabbina shall liaise with the relevant party to discuss in good faith such circumstance and obtain a new delivery of such information or data.

Cooperation undertakings in relation to EU Securitisation Rules

Under the Intercreditor Agreement, the relevant parties thereto (in relation to the respective role performed under the Securitisation) have undertaken to:

(a) provide all reasonable cooperation to the Issuer and the Originator in order to ensure that the Securitisation is designated as "simple, transparent and standardised non-ABCP securitisation" and complies with the EU Securitisation Regulation and the STS Requirements;

(b) (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient for the purposes of paragraph (a) above.

On or about the Issue Date, the STS Notification in respect of the Securitisation will be publicly available on the ESMA STS Register.

Under the Subscription Agreements, the Originator has covenanted and agreed with the Issuer, the Arrangers and the Representative of the Noteholders that it shall notify, on or about the Issue Date, the ESMA with the STS Notification.

Competent authorities

Under the Intercreditor Agreement, Banca Valsabbina, in its capacity as Originator, has undertaken to provide the Bank of Italy and CONSOB with the information and documentation set out in the Bank of Italy Supervisory Regulations and CONSOB resolution No. 22833 (*Adozione delle Disposizioni di attuazione dell'articolo 4-septies.2, del d.lgs. 24 febbraio 1998, n. 58*) as the case may be.

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 150,000 (excluding servicing fees and any VAT, if applicable) and the estimated total expenses related to the admission to trading of the Senior Notes amount approximately to Euro 4,000 (excluding VAT, if applicable).

ISSUER

VALSABBINA SME 4 SPV S.R.L.
Via V. Alfieri, No. 1
31015 Conegliano (Treviso)
Italy

ORIGINATOR, CO-ARRANGER, SERVICER, REPORTING ENTITY, CASH MANAGER, SENIOR NOTES UNDERWRITER AND JUNIOR NOTES UNDERWRITER

Banca Valsabbina S.C.p.A.
Via XXV Aprile, No. 8
25121 Brescia
Italy

LEAD ARRANGER, COMPUTATION AGENT, CORPORATE SERVICER, BACK-UP SERVICER FACILITATOR AND REPRESENTATIVE OF THE NOTEHOLDERS

Banca Finanziaria Internazionale S.p.A.
Via V. Alfieri, No. 1
31015 Conegliano (Treviso)
Italy

ACCOUNT BANK AND PAYING AGENT

The Bank of New York Mellon SA/NV, Milan Branch
Via Mike Bongiorno, No. 13
20124 Milan
Italy

STICHTING CORPORATE SERVICES PROVIDER

Wilmington Trust SP Services (London) Limited
Third Floor, 1 King's Arms Yard
London EC2R 7AF
United Kingdom

LEGAL ADVISER TO THE ARRANGERS

Bird & Bird
Via Porlezza, No. 12
20123 Milan
Italy