PROSPECTUS DATED 30 JUNE 2021

pursuant to article 2, paragraph 3, of Italian Law no. 130 of 30 April 1999

LANTERNA FINANCE S.R.L.

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

Euro 320,000,000 Class A Asset Backed Notes due April 2050

Euro 62,700,000 Class B Asset Backed Notes due April 2050

Issue Price: 100.00%

This prospectus (the "**Prospectus**") contains information relating to the issue by Lanterna Finance S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated pursuant to Italian Law no. 130 of 30 April 1999 (hereafter the "**Securitisation Law**"), whose registered office is located in Genoa, at Via Cassa di Risparmio, No. 15, Italy, fiscal code and enrolment with the companies register of Genoa number 08703420961 and registered in the register of special purpose vehicles held by the Bank of Italy in accordance with the regulation of the Bank of Italy dated 7 June 2017 (*Disposizioni di vigilanza in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) (the "**Issuer**") of Euro 320,000,000 Class A Asset Backed Notes due April 2050 (the "**Class A Notes**" or the "**Senior Notes**") and Euro 62,700,000 Class B Asset Backed Notes due April 2050 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Class A Notes, the "**Notes**").

This document constitutes a "*prospetto informativo*" for the Notes for the purposes of Article 2, paragraph 3 of the Securitisation Law. This Prospectus constitutes also the admission document of the Senior Notes for the admission to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive (Directive 2014/65/EC (the "**MIFID II**")), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). The Junior Notes are not being offered pursuant to this Prospectus and no application has been made to list the Junior Notes on any stock exchange.

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

The Notes will be issued on 30 June 2021 (the "**Issue Date**") by the Issuer in the context of a securitisation of receivables (the "**Transaction**") arising out of loan agreements (the "**Loan Agreements**") secured by, *inter alia*, guarantees (the "**MCC Guarantees**") granted by the Central Guarantee Fund for SMEs (the "**CGFS Fund**") managed by Mediocredito Centrale S.p.A. ("**MCC**" or the "**CGFS Manager**"), established under Italian Law 662/1996, entered into by Banca Carige S.p.A. ("**Banca Carige**") or Banca del Monte di Lucca S.p.A. ("**BML**" and, together with Banca Carige, the "**Originators**" and each an "**Originator**") with their clients, including small and medium enterprises and/or other entities referred to in article 13, paragraph 1, letter (m) of the Italian Law Decree 8 April 2020, no. 23, converted with amendments into law 5 June 2020, no. 40 (as from time to time amended and supplemented, the "**Liquidity Decree**"). On 8 June 2021 the Issuer purchased (i) from Banca Carige, the Banca Carige's Receivables and (ii) from BML, the BML's Receivables (each an "**Individual Portfolio**", and collectively the "**Portfolio**"), pursuant to the Transfer Agreement. The Purchase Price of the Portfolio will be financed by the Issuer through the issuance of the Notes. Pursuant to a repurchase agreement entered into on 21 June 2021 (the "**Repurchase Agreement**"), the Originators repurchased from the Issuer certain Receivables which did not comply with the principles relating, *inter alia*, to the green, social and sustainability aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance, in accordance with Clause 8.1 (b) of the Transfer Agreement (as amended pursuant to the Amendment Agreement to the Transfer Agreement).

The principal source of payment of interest and repayment of principal on the Notes, as well as payment of the Premium (if any) on the Junior Notes, will be the Collections received or recovered in respect of the 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 Portfolio, any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those fund will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law in the context of any other securitisation transaction) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an Insolvency Proceeding or otherwise) to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction.

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date, being the 28th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business

Day, provided that the first Payment Date will fall on 28 October 2021. In accordance with Condition 5 (*Interest*), the rate of interest applicable to the Notes for each Interest Period, including the Initial Interest Period, shall be:

(i) with respect to the Senior Notes, the rate equal to 0.4% *per annum*

(ii) with respect to the Junior Notes, the rate equal to 3% *per annum*.

The Class A Notes are expected, on issue, to be rated "A3 (sf)" by Moody's Italia S.r.l. ("**Moody's**") and "A (sf)" by S&P Global Ratings Europe Limited ("**S&P**" and, together with Moody's, the "**Rating Agencies**"). It is not expected that the Junior Notes will be assigned a credit rating. As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time (the "**CRA Regulation**"), as evidenced in the latest update of the list of credit rating agencies registered in accordance with the CRA Regulation published by ESMA on its website (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus).

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.

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

As of the Issue Date, 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 Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depositary for Euroclear and Clearstream. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book-entries in accordance with the provisions of article 83-*bis* and following of the Legislative Decree No. 58 dated 24 February 1998, as amended (the "**Consolidated Financial Act**") and the Regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB (as subsequently amended). No physical document of title will be issued in respect of the Notes.

Before the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes will be redeemed on the Final Maturity Date, being the Payment Date falling in April 2050.

Each of Banca Carige and BML, in their capacity as Originators, will retain on an on-going basis for the entire life of the Transaction, a material net economic interest of not less than 5% in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements) as required by Article 6(1) of the Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**Securitisation Regulation**") and the relevant applicable Regulatory Technical Standards, in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, the Originators will meet this obligation by retaining an interest that constitute an interest in the first-loss tranche, being the Junior Notes, as required by Article 6(3)(d) of the Securitisation Regulation.

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

UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in the MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK MiFIR**"); and (ii) all channels for distribution of

the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "*distributor*") should take into consideration the manufacturer's target market assessment; however, a distributor subject to UK MiFIR is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

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

STS SECURITISATION – The Transaction is intended to qualify as a simple, transparent and standardised securitisation ("**STS-securitisation**") within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originators intend to submit on or about the Issue Date a notification to the ESMA for the Securitisation to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originators of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA's website at https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation.

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).

This document constitutes a "*prospetto informativo*" for the Notes for the purposes of Article 2, paragraph 3 of the Securitisation Law and article 7, paragraph 1, letter (c) of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**Securitisation Regulation**") in connection with the issuance of the Notes. This Prospectus does not constitute a prospectus with regard to the Issuer and the Notes for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") or under the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA in respect of the UK (the "**UK Prospectus Regulation**").

This Prospectus (i) comprises a "transaction summary" for the purposes of Article 7(1)(c) of the Securitisation Regulation and the transaction described in this Prospectus is structured to satisfy the risk retention, due diligence or other requirements of the Securitisation Regulation and (ii) does not comprise a "transaction summary" for the purposes of Article 7(1)(c) of the Securitisation Regulation as it forms part of UK domestic law by virtue of the EUWA as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (and as may be further amended, supplemented or replaced, from time to time) (the "**UK Securitisation Regulation**") and the transaction described in this Prospectus is not structured to satisfy any risk retention, due diligence or other requirements of the UK Securitisation Regulation.

The Originators and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction

complies with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 of the Regulation (EU) No. 575 of 26 June 2013, as amended from time to time (the "**CRR**" and the "**CRR Assessment**") and the compliance with such requirements is expected to be verified by PCS on the Issue Date. When performing a CRR Assessment, PCS is not confirming or indicating that the securitisation subject to such assessment will be allowed to have lower capital allocated to it under the CRR. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met; therefore, no investor should rely on such CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. It is expected that the STS Verification and the CRR Assessment prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, these PCS websites and the contents thereof do not form part of this Prospectus.

The STS status of a transaction is not static and under the Securitisation Regulation ESMA is entitled to update the list should the Transaction be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the Originators. The investors should verify the current status of the Transaction on ESMA's website from time to time. **As at the date of this Prospectus, no assurance can however be provided that the Transaction (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation.** None of the Issuer, the Originators, the Arranger or any other party to the Transaction Documents makes any representation or accepts any liability in that respect. Please refer to the section entitled "*Compliance with STS Requirements*" for further information.

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

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

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*".

Arranger

Intesa Sanpaolo S.p.A. - IMI CIB

Responsibility statements

None of the Issuer, the Arranger or any other party to the Transaction Documents has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by each Originator to the Issuer; nor has any of the Issuer, the Arranger or any other party to the Transaction Documents undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the issuance and offering of the Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

Each of Banca Carige and BML accepts responsibility for the information relating to itself and the relevant Individual Portfolio contained in the sub-sections entitled "The Principal Parties" of the section entitled "Transaction Overview", "The Portfolio", "The Collection Policies", "The Originators, the Servicers, the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers", "Regulatory Disclosure and Retention Undertaking" and "Compliance with STS Requirements" and any other information relating to itself and the relevant Individual Portfolio contained in this Prospectus. To the best of the knowledge and belief of each of Banca Carige and BML (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of Banca Carige and BML has provided the historical data used as assumptions to make the calculations contained in the section headed "Estimated Weighted Average Life of the Senior Notes" on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of each of Banca Carige and BML (each of which has taken all reasonable care to ensure that such is the case), the information and data in relation to which each is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data.

The Bank of New York Mellon SA/NV, Milan Branch accepts responsibility for the information relating to itself contained in the sections entitled "The Principal Parties" and "The Account Bank and the Paying Agent". To the best of the knowledge and belief of The Bank of New York Mellon SA/NV, Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bank of New York Mellon, London Branch accepts responsibility for the information relating to

itself contained in the sections entitled "The Principal Parties" and "The Calculation Agent". To the best of the knowledge and belief of The Bank of New York Mellon, London Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Zenith Services S.p.A., accepts responsibility for the information relating to itself contained in the sections entitled "The Principal Parties" and "The Back-up Servicer and the Representative of the Noteholders". To the best of the knowledge and belief of Zenith Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Representations about the Notes

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

The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform it about, and to observe, any such restrictions.

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

No action has or will be taken which would allow an offering (or an "offerta al pubblico di prodotti finanziari") of the Notes to the public in the Republic of Italy unless in compliance with the relevant securities, tax and other applicable laws, orders, rules and regulations. Accordingly, the Notes may not be offered, sold or delivered and neither this document nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy. For a description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "Subscription, Sale and Selling Restrictions" below.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

None of the Issuer, the Originators, the Arranger or any of their representatives is making any

representation to any purchaser of the Notes described by this Prospectus regarding the legality of an investment by such purchaser under appropriate legal, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of purchase of the Notes.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS *-The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MIFID II**"); or (ii) a customer within the meaning Directive 2016/97/EC (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) number 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.*

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

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

*Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in the MiFID II as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to UK MiFIR 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.*

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

Limited Recourse

The Notes constitute direct limited recourse obligations 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 Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law in the context of any other securitisation transaction) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an Insolvency Proceeding or otherwise), to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

Interest material to the offer

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

Interpretation

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

*All references in this Prospectus to "**Euro**", "**€**" 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.*

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

This Prospectus has been prepared in accordance with article 2, paragraph 3 of the Securitisation Law.

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RISK FACTORS

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

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

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

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

Risk factors and special considerations related to the Issuer and the Transaction Documents

Limited liability under the Notes

The Notes constitute direct, secured and limited recourse obligations solely of the Issuer. The Issuer will be the only entity which has obligations to pay any amount due in respect of the Notes. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity. Accordingly, nobody other than the Issuer has or accepts any liability whatsoever to the Noteholders related to any failure by the Issuer to pay any amount due and payable under the Notes. If not repaid in full on the Final Maturity Date, amounts outstanding under the Notes will be written off.

Limited resources of funds to make payments under the Notes

The Issuer is a special purpose entity with no business operations other than the issue of the Notes, the entering into of the Transaction Documents and the transactions ancillary thereto. The assets of the Issuer will themselves be limited. The Issuer has no operating history, other than the business relating to the First Securitisation, the Second Securitisation and the Third Securitisation.

The Issuer will not have any significant assets to be used for making payments under the Notes other than the Receivables, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents.

Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes (including, without limitation, those costs and expenses required to preserve the corporate existence and status of the Issuer, maintain it in good standing, or comply with any applicable law or regulation). Consequently, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the 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 the Issuer is required to comply with certain obligations under applicable law or regulation (including, without limitation, EMIR and/or FATCA) which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Notes.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, *inter alia*, (i) the timely payment of amounts due under the Loans by the Debtors, (ii) the receipt by the Issuer of the Collections received on its behalf by the Servicers in respect of the Receivables comprised in the Portfolio, (iii) the amounts standing to the credit of the Cash Reserve Account, (iv) as well as on the receipt of any other amounts required to be paid to the Issuer by the various agents and counterparties to the Issuer pursuant to terms of the Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party (for further details please refer to the risk factor entitled "*Administration and reliance on third parties*" below).

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the scheduled instalment dates and the actual receipt of payments from the Debtors; furthermore, the Portfolio is, at the date of this Prospectus, in pre-amortization phase and therefore subject to liquidity risk. This risk is mitigated in respect of the Senior Notes through the support provided to the Issuer in respect of interest payments on the Senior Notes by the establishment of a cash reserve into the Cash Reserve Account.

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

However, in each case, there can be no assurance that the level of Collections received from the Portfolio, also during the pre-amortization phase, together with the credit support and the liquidity support provided by respectively the subordination of the Junior Notes and the cash reserve, will be adequate to ensure timely and full receipt of amounts due under the Notes.

Commingling risk

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

In addition, pursuant to article 3, paragraph 2-*ter*, of the Securitisation Law, no actions by the creditors of the servicer or any sub-servicer can be brought on the sums credited to the accounts opened in the name of the servicer or any such sub-servicer with a third party account bank, save for any amount which exceeds the sums collected by the servicer or any such sub-servicer and due from time to time to the special purpose vehicle. In case of any insolvency proceeding (*procedura concorsuale*) in respect of the servicer or any sub-servicer, the sums credited to such accounts (whether before or during the relevant insolvency proceeding), up to the amounts collected by the servicer or any such sub-servicer and due to the special purpose vehicle, will not be deemed to form part of the estate of the servicer or any such sub-servicer and shall be immediately and fully repaid to the special purpose vehicle, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

However, such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application of article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law.

Prospective investors should note that, in order to mitigate any possible risk of commingling, the Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, each of the Servicers has undertaken to pay all Collections – including Collections deriving from the enforcement of the MCC Guarantees – into accounts of the Issuer by no later than 3 p.m. CET of the Business Day following the relevant collection.

Finally, pursuant to the Servicing Agreement, if the appointment of any of the Servicers is terminated, the Debtors will be instructed to pay any amount due in respect of the Receivables directly into the Collection Account or such other account denominated in Euro designated by the Issuer and opened in its name in Italy.

Limited recourse obligations of the Issuer

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.

The Notes will be limited recourse obligations of the Issuer. Noteholders will receive payment in respect of principal and interest on the Notes only if, and to the extent that, the Issuer has sufficient funds to make such payment. If there are not sufficient funds available to the Issuer to pay in full all principal and interest 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.

Subordination

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide for the respective priority and subordination of the different Classes of Notes. In this respect, Noteholders should have particular regard to the sub-section headed "*Credit Structure*" in the section *"Transaction Overview"* below in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest and or repayment of principal on the Notes.

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.

Claims of unsecured creditors of the Issuer

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the right, title and interest of the Issuer in and to the Portfolio and under the Transaction Documents will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer in the context of the First Securitisation, the Third Securitisation and/or any further securitisation pursuant to the Securitisation Law) and amounts deriving therefrom (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be only available, both prior to and on or following a winding up of the Issuer, in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment 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 Transaction. Amounts deriving from the Portfolio (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer whose costs were not incurred in connection with the Transaction. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued in the context of the First

Securitisation and the Third Securitisation nor to finance any other securitisation transaction or to general creditors of the Issuer.

Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the Transaction would have the right to claim in respect of the Portfolio and the other segregated asset, even in the event of bankruptcy of the Issuer.

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

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to initiate or join any person in initiating an insolvency proceeding against the Issuer until the date falling on the later of (i) the date falling two years and one day after the Final Maturity Date or, in case of early redemption in full or cancellation of the Notes, two years and one day after the date of the early redemption in full or cancellation of the Notes, and (ii) the date falling two years and one day after the final maturity date of the notes issued by the Issuer in the context of the First Securitisation, the Third Securitisation and any further securitisation or, in case of early redemption in full or cancellation of such notes, two years and one day after the date of the early redemption in full or cancellation of such notes.

The Issuer is unlikely to have a large number of creditors unrelated to the Transaction, the First Securitisation, the Third 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) the Issuer must comply with certain covenants provided for by the Conditions, the terms and conditions of the First Securitisation Notes and the terms and conditions of the Third Securitisation Notes 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 Transaction and, subject to the satisfaction of Condition 3(xiii) (*Further securitisations*), further securitisations. Accordingly, The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any other securitisation, 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 party 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 Expense, the Issuer has established the Expenses Account into which, respectively, the Retention Amount shall be credited on the Issue Date and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or

cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned Expenses shall be made during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned Expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item (i) (*First*) of the Priority of Payments. Notwithstanding the foregoing, there can be no assurance that, if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Reliance on agents

Certain of the business activities of the Issuer are to be carried out on behalf of the Issuer by agents appointed by the Issuer for such purpose. Neither the Issuer nor the Corporate Servicer will have any role in determining or verifying the data received from the Master Servicer, the Additional Servicer, the Account Banks, the Calculation Agent, the Paying Agent, the Cash Manager, the Representative of the Noteholders and any calculations derived therefrom.

Rights available to holders of Notes of different Classes

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

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of all of the Noteholders as a Class. Where there is a conflict between the interests of the holders of one Class of Notes and the holders of another Class of Notes, the Representative of the Noteholders will only have regard to the interests of the holders of the Most Senior Class of Notes in respect of which the conflict arises, as provided in the Intercreditor Agreement and the Conditions. For these purposes, the interests of individual Noteholders will be disregarded and the Representative of the Noteholders will determine interests viewing the holders of any particular Class of Notes as a whole.

Prospective investors in more junior Class of Notes should, therefore, be aware that conflicts with more senior Class of Notes will be resolved in favour of the latter Class.

Risks relating to the deferral of interest on certain Classes of Notes

If, on any Payment Date prior to delivery of a Trigger Notice, there are insufficient funds available to the Issuer to pay accrued interest on any Class of Notes, other than accrued interest on the Senior Notes then outstanding, such failure to pay interest will not constitute a Trigger Notice and the Issuer's liability to pay such accrued interest will be deferred until the earlier of (a) the next following Payment Date on which the Issuer has, in accordance with the relevant Priority of Payments, sufficient funds available to pay such deferred amounts and (b) the date on which the relevant Notes are due to be redeemed in full.

There is a risk that any deferred interest may not be paid to the relevant Noteholders on maturity of

the Notes (please see the risk factor entitled "*Limited resources of funds to make payments under the Notes*" above).

Change of counterparties

The parties to the Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Account Banks and the Paying Agent) are required to satisfy certain criteria in order to remain a counterparty to the Issuer. These criteria include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by certain rating agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase.

This may reduce amounts available to the Issuer to make payments of interest on the Notes. Furthermore, it may not be possible to identify an entity with the requisite rating which will agree to act as a replacement entity at all.

First Securitisation, Second Securitisation, Third Securitisation and further securitisations

In December 2015 the Issuer carried out the First Securitisation through the issuance of the First Securitisation Notes. In addition, in May 2018 the Issuer has carried out the Second Securitisation through the issuance of the Second Securitisation Notes, which have been redeemed on 27 May 2020 and the Second Securitisation has been unwound. In addition, in June 2020 the Issuer carried out the Third Securitisation through the issuance of the Third Securitisation Notes (for further details please make reference to the section "*The Issuer*").

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the portfolio securitised in the context of the First Securitisation, the Third Securitisation and the Portfolio, subject to compliance with terms and conditions of the First Securitisation Notes, terms and conditions of the Third Securitisation Notes and the Conditions of the Notes.

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

Risk factors related to the Portfolio and the Loans

Right to future Receivables

Under the Transfer Agreement, each of the Originators has transferred to the Issuer also the claims relating to any indemnities or any other amounts payable upon early repayment of the Loans or termination of the Loan Agreements (if any). If any of the Originators 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 such Originator's admission to the relevant insolvency proceeding might not be effective and enforceable against the insolvency receiver of such Originator.

Performance of the Portfolio

The Portfolio comprises Loans which were classified as performing (*crediti in bonis*) by the Originators at the Valuation Date (see the section entitled "*The Portfolio*" below). There can be no guarantee that the Debtors will not default under such Loans or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Debtors to repay the Loans.

In particular, Debtors may default on their obligations due under the Loans for a variety of reasons. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors (including general economic conditions and other similar factors) may lead to an increase in default by and bankruptcies of the Debtors and could ultimately have an adverse impact on their ability to repay the Loans. Overall economic recession and a further decline in the national and international economic outlook, or a general deterioration of economic conditions in any industry in which the Debtors operate may negatively impact the solvency of the Debtors and therefore the recovery of Loans.

The recovery of amounts due in respect of the Defaulted Loans will be affected by the length of enforcement proceedings in respect of the Loans, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken and on several other factors, including the following: (a) proceedings in certain courts involved in the enforcement of the Loans may take longer than the national average; (b) 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.

Given the peculiarity of the Portfolio, which is entirely secured by the MCC Guarantees, in case of default by the Debtors and subsequent successful enforcement of the MCC Guarantee by the Issuer, the Issuer would recover the amounts due under the Loans directly by the CGFS Fund (for further information on the enforcement of the MCC Guarantees, please make reference to the risk factor headed "*Management of the MCC Guarantees*"); therefore, in such cases, the above enforcement proceedings would apply in the relationship between the Debtors and the CGFS Fund.

Management of the MCC Guarantees

The Portfolio is composed of Loans which have been granted by the relevant Originators pursuant to the provisions of article 13, paragraph 1, letter (m) of the Liquidity Decree and which at the Valuation Date are secured by the guarantee granted by the CGFS Fund (the "**MCC Guarantee**") (see the section entitled "*The Portfolio*" below). The MCC Guarantee covers 100% of the amount of the relevant Loan.

The main characteristics of the MCC Guarantee are regulated by the Liquidity Decree and, as applicable, under the operational provisions of the CGFS Fund (the "**Operational Provisions**"). The Operational Provisions include, *inter alia*, provisions on the enforcement, confirmation, ineffectiveness and revocation of the guarantees generally granted or issued by the CGFS Fund, which also applies in respect of the MCC Guarantees. As a consequence, for the maintenance and, if applicable, the successful enforcement of the MCC Guarantees, the Issuer – through the Servicers and/or the Back-Up Servicer – needs to carry out all necessary formalities and actions provided under the Operational Provisions.

Even though the Operational Provisions have been applied and tested to other guarantees issued in the past years by the CGFS Fund, given the fact that the MCC Guarantees are regulated by the recent Liquidity Decree, the application of the Operational Provisions remains partly untested with reference to the MCC Guarantees. Therefore, it is uncertain which events may have an impact on the possibility to successfully enforce the MCC Guarantees.

In order to mitigate the risk arising from such uncertainty, under the Transaction, (i) the Servicers – in the Servicing Agreement – undertook to carry out, on behalf of the Issuer, or, if necessary, to cooperate with the Issuer, to carry out all the formalities and actions necessary to (a) ensure that the MCC Guarantees remain fully effective in favour of the Issuer, in accordance with the applicable laws and regulations and the Operational Provisions, and (b) ensure the enforcement of the MCC Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the Operational Provisions.

Furthermore, the Servicer, under the Back-Up Servicing Agreement, undertook to take all actions to allow the step in of the Back-up Servicer also in respect of the management of the MCC Guarantees, and the Back-Up Servicer undertook to take over the role of the Servicer and to promptly carry out the necessary steps to manage the MCC Guarantees also vis-à-vis the CGFS Fund.

Laws relating to the MCC Guarantees

In the context of Covid-19 pandemic, the Italian Government has adopted several measures in order to support corporates and enterprises whose business has been damaged due to the COVID-19 pandemic emergency, such as the guarantee of the CGFS Fund pursuant article 13, paragraph 1, letter m) of the Liquidity Decree.

According to Article 13, paragraph 1, letter m) of Liquidity Decree, the MCC Guarantees may be granted in favour of SMEs; the scope of the MCC Guarantee includes certain categories of previously ineligible borrowers, specifically:

(i) natural persons operating in business, arts or professions;

(ii) professional associations;

(iii) natural persons engaged in activities under Section K of the ATECO code;

(iv) borrowers which, as at the date of the application for the MCC Guarantee, have exposures (1) classified as unlikely-to-pay or overdue and/or overdrawn exposures within the meaning of paragraph 2, Part B of the Bank of Italy's Circular No. 272 of 30 July 2008 (as amended), provided that the above classification has been made prior to 31 January 2020 and (2) not classified as non-performing exposures within the meaning of Article 47-bis (4) and/or (6) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the date of the request for the loan.

The conversion law of 5 June 2020, no. 40, which converted into law the Italian Law Decree 8 April 2020, no. 23, provided, among other things, that the MCC Guarantee could also be issued to guarantee transactions with a duration of up to 10 years (the maximum duration of the MCC Guarantee under the original Law Decree was 6 years). For transactions already concluded at the time of the conversion law and that had a duration of 6 years or less, an extension of the duration of the relevant MCC Guarantee could be requested up to the limit of 10 years.

Pursuant to Article 1, paragraphs 216 and 217 of the Budget Law 2021, from 1 January 2021 until 30 June 2021, the duration of the financings eligible for the MCC Guarantee has been increased from 120 months (10 years) to 180 months (15 years). For transactions already concluded before 1 January 2021 and that had a duration of 10 years or less, an extension of the duration of the relevant MCC Guarantee could be requested up to the limit of 15 years.

Furthermore, the Law Decree of 25 May 2021, no 73 (the "**Sostegni-bis Decree**") provides for certain changes to the MCC Guarantee scheme mainly:

(i) the extension until 31 December 2021 of the timeframe in which the MCC Guarantee may be issued;

(ii) starting from 1 July 2021 (without retroactive effects and so only with respect to the transactions carried out after such date):

- the percentage coverage of the MCC Guarantee (i.e. loan of a nominal amount lower than Euro 30,000.00), will be reduced from 100% to 90% of the amount of the relevant loan;
- the MCC guarantee would remain reserved for SMEs as defined by European legislation.

As the date of this Prospectus, (i) the specific authorisation to be issued by the European Commission for the extension of the duration of the MCC Guarantee has not been issued yet, and (ii) the Sostegni-bis Decree has not been converted into law.

Under Italian law, law decrees come into force immediately after the relevant publication in the Official Gazette of the Italian Republic (or the following day), but the effects produced may be provisional, since law decrees lose their effectiveness (so-called *decadenza*) if the Italian Parliament does not convert them into law within 60 days of their publication. Furthermore, the law which converts a law decree into law may include amendments to the provisions of the law decree itself.

In light of the above, Prospective investors should be aware that, as at the date of this Prospectus, the impact of the conversion – or lack thereof – of the Sostegni-bis Decree on the MCC Guarantee cannot be predicted; furthermore, most of the provisions of the Liquidity Decree and of the Sostegni-bis

Decree and have not been tested in any case law nor specified in any further regulation and, therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

Insolvency Proceedings

A company or individual qualifying as commercial entrepreneur (*imprenditore che esercita un'attività commerciale*) under Article 1 of the Bankruptcy Law may be subject to insolvency proceedings (*procedure concorsuali*). Insolvency proceedings (*procedure concorsuali*) under Bankruptcy Law may take the form of, inter alia, bankruptcy (*fallimento*) or a composition with creditors (*concordato preventivo*).

Bankruptcy proceedings are applicable to commercial entrepreneurs (companies or individuals) that are in state of insolvency (*stato di insolvenza*) pursuant to Article 5 of the Bankruptcy Law. A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors) if it is not able to timely and duly fulfil its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver (*curatore fallimentare*), and the creditors' claims have been approved, the sale of the Debtor's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur that is in a crisis situation (*stato di crisi*) may propose, pursuant to Articles 160 and following of the Bankruptcy Law, to its creditors a creditors' composition (*concordato preventivo*). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, inter alia, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible.

A proposal for a composition plan is approved if it receives the favourable vote of creditors representing the majority of the claims admitted to vote; in case of classes of creditors, such majority shall be verified also in respect of the majority of the classes. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

Pursuant to the newly introduced Italian Law 27 January 2012, No. 3 (*Disposizioni in materia di usura e di estorsione, nonchè di composizione delle crisi da sovraindebitamento*), a debtor who is not eligible to be adjudicated bankrupt under the Bankruptcy Law is entitled to file to the competent court a restructuring plan, to be approved by its creditors representing at least 60% of the outstanding debts,

in order to request, among others, up to a one-year suspension of the payments of the outstanding debts and a rescheduling of any other payments.

Given the peculiarity of the Portfolio, which is entirely secured by the MCC Guarantees, in case of default by the Debtors and subsequent successful enforcement of the MCC Guarantee by the Issuer, the Issuer would recover the amounts due under the Loans directly by the CGFS Fund (for further information on the enforcement of the MCC Guarantees, please make reference to the risk factor headed "*Management of the MCC Guarantees*"); therefore, in such cases, the above provisions on insolvency proceedings would apply in the relationship between the Debtors and the CGFS Fund.

Recent Amendment to Enforcement and Bankruptcy Proceedings

On June 30, 2016, the Italian Parliament approved Law no. 119 ("**Conversion Law n. 119**"), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on May 3, 2016 introducing "urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up" ("**Law Decree n. 59**"). The Conversion Law n. 119 has been published on the Official Gazette no. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law n. 119 confirmed almost in full the content of the Law Decree n. 59, with certain amendments and integrations. The Law Decree n. 59 has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorization of credits recovery. The main relevant changes introduced by the Law Decree n. 59 and by the Conversion Law n. 119 relate to:

1. the enforcement proceedings regulated by the Italian Code of Civil Procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree n. 59, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree n. 59 provides that certain provisions shall apply:

1. only to enforcement proceedings commenced after the entry into force of the Conversion Law n. 119;

2. also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree n. 59 shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law n. 119.

The Law Decree n. 59 demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

1. to optimize the overall functioning of the judicial offices with a progressive implementation of their computerization - especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;

2. to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;

3. to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;

4. to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

Given the peculiarity of the Portfolio, which is entirely secured by the MCC Guarantees, in case of default by the Debtors and subsequent successful enforcement of the MCC Guarantee by the Issuer, the Issuer would recover the amounts due under the Loans directly by the CGFS Fund (for further information on the enforcement of the MCC Guarantees, please make reference to the risk factor headed "*Management of the MCC Guarantees*"); therefore, in such cases, the above provisions on bankruptcy proceedings would apply in the relationship between the Debtors and the CGFS Fund.

Prepayments under Loan Agreements

Pursuant to article 65 ("**Article 65**") of Royal Decree No. 267 of 16 March 1942 (the "**Bankruptcy Law**"), 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 prior to the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the payer regardless of whether the debtor was insolvent at the time when the payment was made. In this respect, it should be noted that the Securitisation Law, provides that (i) the claw-back provisions set forth in Article 67 of the Bankruptcy Law do not apply to payments made by Debtors to the Issuer in respect of the securitised Receivables and (ii) prepayments made by Debtors under securitised Receivables are not subject to the

declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law.

Potential Conflict of Interests

Certain parties to the Transaction – such as, *inter alios*, the Originators – may perform multiple roles. In particular, (i) Banca Carige is, in addition to being an Originator, also Master Servicer, Notes Initial Subscriber, Account Bank In Relation to the Banca Carige Account, Corporate Servicer, Subordinated Loan Provider and Quotaholder; (ii) BML is, in addition to being an Originator, also Additional Servicer, Notes Initial Subscriber and Subordinated Loan Provider; (iii) Zenith is Representative of the Noteholders and Back-Up Servicer; (iv) BNYM, Milan Branch is Account Bank In Relation to BNYM Accounts and Paying Agent.

The Arranger is a global financial institution that provides a wide range of financial services to a diversified global client base. As such, the Arranger may be involved in a broad range of transactions both for its own account and that of other persons which may result in actual or potential conflicts of interest arising in the ordinary course of business.

These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this Transaction: (a) having previously engaged or in the future engaging in transactions with other parties to the Transaction; (b) having multiple roles in this Transaction; and/or (c) carrying out other transactions for third parties.

The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. The aforementioned parties may engage in commercial relationships, in particular, be lender and provide general banking, investment and other financial services to the Debtors and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. In addition, the Originators in their capacity as, present or future, holders of any Notes, may exercise the relevant voting rights in respect of the Notes held by it also in a manner that may be prejudicial to other Noteholders.

No independent investigation in relation to the Portfolio

None of the Issuer, the Arranger nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any loan file review, searches or other actions to verify the details of the Receivables and the Portfolio, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor or any other debtor thereunder. There can be no assurance that the assumptions used in the modelling of the cash flows of the Receivables and the Portfolio accurately reflect the status of the underlying Loans.

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a

breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the relevant Originator indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement. There can be no assurance that the Originators will have the financial resources to honour such obligations.

Claw-Back of the Sale of the Portfolio

Assignments executed under the Securitisation Law may be clawed-back (i) pursuant to article 67, paragraph 1, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to article 67, paragraph 2, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such originator is able to demonstrate that the issuer was aware of the insolvency of the originator. Please note that under the Securitisation Law the 2 years and 1 year suspect periods provided by article 67 of the Bankruptcy Law are reduced to 6 months and 3 months respectively.

In order to mitigate such risk, (a) according to the Transfer Agreement, each of the Originators has provided the Issuer with the following certificates: (i) a certificate of good standing (*certificato di vigenza*) issued by the competent Chamber of Commerce (*Camera di Commercio*) with non-insolvency statement (*con dicitura di non insolvenza*), and (ii) a solvency certificate issued by a legal representative of the Originator, stating that, *inter alia*, the Originator is not subject to any insolvency proceeding; and (b) under the Transaction Documents, each Originator has represented and warranted that it was and it will be solvent as of the date of execution of the Transfer Agreement, the Valuation Date and the Issue Date.

On 11 October 2017, the Italian Parliament approved Law No. 155 of 19 October 2017 (*Legge Delega*) conferring to the Government the powers to enact certain amendments to the Bankruptcy Law including, *inter alia*, to the claw-back discipline. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017 and introducing the "Company Crisis and Insolvency Code" (*Codice della Crisi di Impresa e dell'Insolvenza*) containing the reform of bankruptcy law, has been published on the Official Gazette of the Republic of Italy. It will enter into force as of 1 September 2020 except for certain amendments related, among others, to corporate governance and directors' liability which have entered into force as of 16 March 2019. It should be noted that originally, the reform should have entered into force on 15 August 2020. However, due to a pandemic emergency caused by a new form of coronavirus (for further details see section "*Risks related to Covid-19*"), the reform should have entered into force during such epidemiological emergency, and for this reason by Law Decree No. 20/2020 it has delayed to 1 September 2021.

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

Claw-Back Action against the payments made to companies incorporated under the Securitisation Law

According to article 4, paragraph 3, of the Securitisation Law, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action (*revocatoria fallimentare*) according to article 67 of the Bankruptcy Law, nor to any declaration of ineffectiveness (*declaratoria di inefficacia*) according to article 65 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the year/six months suspect period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 paragraphs 1 or 2, as applicable, of the Bankruptcy Law. In case of application of article 67, paragraph 1, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the Issuer does not give evidence that it did not have knowledge of the state of insolvency of the relevant party to the Transaction Documents when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the receiver gives evidence that the Issuer had knowledge of the state of insolvency of the relevant party to the Transaction Documents when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

Changes in the Portfolio composition

During the life of the Transaction, the characteristics of the Portfolio may become different from the ones that the Portfolio had as at the Valuation Date. Such a change in the composition of the Portfolio may occur, *inter alia*, due to the following circumstances:

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

(ii) *Repurchase rights* – the Originators have been granted (i) an option right to repurchase the Portfolio, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under, respectively, the Intercreditor Agreement and the Transfer Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originators and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originators may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Transfer Agreement provides that the Originators may exercise the repurchase option of individual Receivables only for the purposes and within the thresholds set out therein.

Italian Usury Law

The interest payments and other remuneration paid by the Debtors under the Loans are subject to Italian law No. 108 of 7 March, 1996 (the "**Usury Law**"), which introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree having been issued on 26 March 2020 and being applicable for the quarterly period from 1 April 2020 to 30 June 2020). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular, the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*"), related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, the *Sezioni Unite* of the Italian Supreme Court, with the decision number 16303 of the 20 June 2018, have clarified the necessity to make the comparison between homogeneous elements taking into account for the *commissione di massimo scoperto* the portion of Usury Rate corresponding to the *commissione di massimo scoperto.* With reference to the loan agreements, the Italian Supreme Court ("***Corte di Cassazione***"), with the decision number 350 of 9 January 2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay them was, at the time it made such payment or undertook the obligation, 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 specified with law decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time

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

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

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

The Italian Supreme Court, under decision number 350/2013, as recently confirmed by decision number 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.

In addition, the joint sections of the Italian Supreme Court (with decision no. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the 'type' of rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.

Prospective Noteholders should note that whilst each of the Originators has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses and reasonable costs, charges and/or expenses that may be incurred by the Issuer in connection with any

breach of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Senior Notes may be adversely affected as a result of a Loan being found to be in contravention with the Usury Law or with the Usury Law Decree, 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.

Each of the Originators has represented that the interest rates applicable to the Loans are in compliance with the then applicable Usury Rate.

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian Civil Code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices (*usi normativi*) to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/1999 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*"). In this respect, it should be noted that article 25, paragraph 2, of the decree number 342 of 4 August 1999 ("**Decree 342**") has delegated to the interministerial committee of credit and saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of Decree 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Decree 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the delegated law, and article 25 paragraph 3 of Decree 342 has been declared unconstitutional by decision number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above-mentioned decision and, therefore, that a negative effect on the returns generated from the loans could derive.

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

Article 17-*bis* of law decree number 18 of 14 February 2016 (as converted into law with amendments by law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Banking Law, providing

that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2, of the Banking Law delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the provision of article 120 of the Banking Law, interests are due as from 1 March of the year following the year of the relevant accrual (in any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day the debtor is aware of the amount to be paid); and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor's account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount). The regulation was applicable to the Intermediaries as of 1 October 2016. Each of the Originators has timely complied with the regulation.

Administration and reliance on third parties

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 Originators (in any capacity) and the other parties to the Transaction Documents of their respective obligations under the Transaction Documents to which they are parties. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of each Servicer to service the relevant Portfolio and, in particular, to recover the amounts relating to Defaulted Receivables (if any) and Delinquent 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 Originators of its obligations under the Transfer Agreement in respect of the Portfolio.

The performance by such parties of their respective obligations under the relevant Transaction Documents is also dependent on the solvency of each relevant party and, in each case, the performance by the Issuer of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, the Issuer itself.

If a termination event occurs in relation to any of the Servicers pursuant to the terms of the Servicing Agreement, then the Issuer may terminate the appointment of such Servicer. It is not certain that a suitable alternative servicer could be found to service the Portfolio if any of the Servicers becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof and/or the ability of the Issuer to make payments related to the Notes.

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

In addition, the Issuer is subject to the risk that, in the event of insolvency of any of the Servicers, the

Collections then held by such Servicer and not yet credited into the Collection Account are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as the obligation of each of the Servicers in the Servicing Agreement to credit any Collections to the Collection Account (which shall at all times be maintained with an Eligible Institution) within 3 p.m. CET of the Business Day immediately following the day of receipt thereof.

Rights of set-off of Debtors

Under general principles of Italian law, a borrower of an SME loan is entitled to exercise rights of set-off in respect of amounts due under such loan against any amounts payable by the relevant originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the receivables in the Official Gazette pursuant to article 58, second paragraph, of the Banking Law and the registration of such sale with the competent companies' register have been made. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Debtors shall not be entitled to exercise any set-off right against their claims against each of the Originators which arises after the date of such publication and registration.

On 24 December 2013, Decree No. 145 came into force providing expressly that, from the date of publication of the notice of transfer of the receivables in the Official Gazette, the debtors will not be entitled to set-off any claim arisen after such date with the amounts due to the special purpose vehicle in relation to the receivables. Decree No. 145 has been converted into Italian Law No. 9 of 21 February 2014.

The transfer of the Receivables from the Originators to the Issuer has been (i) published in the Official Gazette No. 70, Part II, of 15 June 2021 and (ii) registered on the Companies Register of Genoa on 16 June 2021.

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

Italian laws and regulations protecting the loan debtors and promoting competitiveness in the Italian banking sector

In the last years, the Italian Legislator has introduced certain provisions aimed at, *inter alia*, protecting the loan debtors and promoting competitiveness in the Italian banking sector. The key features of such provisions are set out in the following paragraphs.

Convention between the Ministry of Economy and Finance, the Italian Banking Association and associations of the representative of the companies

On 3 August 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies struck by the financial crisis (the "**PMI Convention**").

The PMI Convention provides, *inter alia*, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on the 30th of September 2008 were solvent (*in bonis*), and (ii) at the moment of the submission of the request, had no financings classified as "*restructured*" (*ristrutturato*) or as "*non-performing*" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted within the 30th of June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies has extended the date within which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended.

On 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

On 1 July 2013, ABI and the associations of the representative of the companies signed a new further convention (the "**July 2013 PMI Convention**"). The July 2013 PMI Convention provides for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the suspension under the New PMI Convention. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested a suspension under the New PMI Convention to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above shall be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

Pending the implementation of the above measures of the July 2013 PMI Convention, the date within which the request for the Suspension pursuant to the New PMI Convention could be submitted has

been further extended to 30 September 2013.

On 8 August 2013 further clarifications with respect to the implementation of the July 2013 PMI Convention have been issued by the ABI. In particular, ABI (*Associazione Bancaria Italiana*) has clarified that the securitised claims are not expressly excluded from the object of the July 2013 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the July 2013 PMI Convention in respect of securitised claims. In any case ABI (*Associazione Bancaria Italiana*) has further clarified that in case a suspension or extension under the July 2013 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses (also considering the costs that would have been incurred in case the suspension or extension had been granted with respect to the original loan).

On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the July 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention provides for three different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long term loans which are outstanding as at 31 March 2015 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that the instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24 months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 31 March 2015) for a period equal to 100% of the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above was to be submitted by 31 December 2017.

On 12 June 2015 further clarifications with respect to the implementation of the 2015 PMI Convention have been issued by the ABI. In particular, ABI has clarified, similarly for what has been done with reference to the previous convention, that the securitised claims are not expressly excluded from the object of the 2015 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the 2015 PMI Convention in respect of securitised claims. In any case ABI has further clarified that in case a suspension or extension under the 2015 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses, considering the costs that would have been applied in the event the assigning bank would have not securitised the relevant loan.

On 15 November 2018, ABI and the associations of the representative of the companies signed a new further convention (the "**2019 PMI Convention**"). The 2019 PMI Convention provides for two different initiatives addressed to certain small and middle-sized companies, including the initiative providing for, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of

medium and long term loans which are outstanding as at 15 November 2018 and did not benefit, in the previous 24 months from other suspension other than those granted by law. The suspension applies on the condition that the instalments are not yet due or are due (and not paid in full or in part) for not more than 90 (ninety) days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested, in the previous 24 months, for a suspension or the extension of the duration of the relevant loan (other than those granted by law) to request an extension of the duration of the relevant loans (to the extent still outstanding as at 15 November 2018) for a period equal to 100% of the residual duration of the relevant loans. Any requests under item (i) and (ii) above to be submitted by 31 December 2020.

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

In addition, on 22 May 2020, ABI and the associations of representatives of the companies signed a second addendum to the 2019 PMI Convention (the "**Second Addendum to the 2019 PMI Convention**"), according to which, *inter alia*, the initiatives provided under (i) and (ii) above relating to the 2019 PMI Convention have been extended, until 30 September 2020, to loans outstanding as at 31 January 2020 granted in favour of companies damaged by the epidemiological emergency "COVID-19". The Second Addendum to the 2019 PMI Convention provides that all other conditions set out under the 2019 PMI Convention, as modified by the Addendum to the 2019 PMI Convention, are not modified.

In addition, on 17 December 2020, ABI and the associations of representatives of the companies signed a new addendum to the 2019 PMI Convention (the "**New Addendum to the 2019 PMI Convention**" and, together with the Addendum to the 2019 PMI Convention and the Second Addendum to the 2019 PMI Convention, the "**Addenda to the 2019 PMI Convention**"), according to which, *inter alia*, the 12-months suspension of payments provided under (i) above relating to the 2019 PMI Convention, as modified by the Addendum to the 2019 PMI Convention and the Second Addendum to the 2019 PMI Convention, has been shortened to a 9-months suspension.

It should be considered that the Originators have adhered to the 2019 PMI Convention and to the Addenda to the 2019 PMI Convention.

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes, the impact on the cash flows deriving from the Loans and, consequently, on the amortisation of the Notes, cannot be predicted.

Eligible Investments

Following its opening in accordance with the provisions of the Cash Management and Agency Agreement, amounts standing to the credit of the Investment Account may be invested in Eligible Investments (in accordance with the instruction provided by the Master Servicer). The investments

must have appropriate ratings depending on the term of the investment and the term of the investment instrument, as provided by the Eligible Investment definition. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency of the debtor under the investment.

None of the Issuer, the Arranger, the Master Servicer and/or any other party to the Transaction Documents will be responsible for any loss or shortfall deriving therefrom.

However such risk is mitigated by the provisions of the Cash Management and Agency Agreement according to which if one or more investments are no longer Eligible Investments, the Cash Manager, upon instructions of the Master Servicer, shall direct the account bank with which the Investment Account is opened, (i) in case of Eligible Investments consisting of securities, to liquidate such securities within the immediately following 30 (thirty) days (unless a loss would result from such liquidation, in which case such securities shall be allowed to mature), or (ii) in case of Eligible Investments consisting of deposits, transfer such deposits, within the immediately following 30 (thirty) days, into another account denominated in Euro opened with an Eligible Institution in Italy or in the United Kingdom and subject to a first ranking security has been created thereon in favour of the Other Issuer Creditors (and, in case such account is opened in the United Kingdom, a legal opinion has been provided to the Issuer confirming the validity and the enforceability of the first ranking security created thereon, at cost of the account bank with which the relevant deposits were held).

Risks relating to the Notes

Secondary market and liquidity risk

There is not at present an active and liquid secondary market for the Senior Notes. Although an application has been made for the Senior Notes to be admitted to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT" managed by Borsa Italiana S.p.A., there can be no assurance that a secondary market for the Senior Notes will develop or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of the Senior Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any purchaser of Senior Notes may be unable to sell such Notes to any third party and it may therefore have to hold the Senior Notes until final redemption or cancellation thereof.

Limited liquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of the Notes by the Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Prospective investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), which could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Senior Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Senior

Notes in secondary resales even if there is no decline in the performance of the Portfolio.

The Notes may not be suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) consider all of the risks of an investment in the Notes; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

No communication (written or oral) received from the Issuer, the Servicers, the Originators or the Arranger or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in any Class of Notes: consequently, prospective investors must not rely on any communication (written or oral) of the Issuer, the Servicers, the Originators or the Arranger as investment advice or as a recommendation to invest in the Senior Notes.

Interest rate risk

The Receivables as at the Valuation Date derive from Loan Agreements with a fixed interest rate, and the Notes will bear interest at a fixed rate of interest. However, the Loan Agreements may have

(following, *inter alia*, renegotiations) interest payments calculated on a floating rate basis, whilst the Notes will continue to bear interest at a fixed rate, subject to and in accordance with the Conditions. As a result, there could be a residual rate mismatch between interest accruing on the Senior Notes and on the Portfolio, and a mismatch between the interest rate on the Loans and the interest rate on the Notes, which could determine a residual potential negative impact on the ability of the Issuer to timely and fully pay interest amounts due under the Notes.

In any case, the residual rate mismatch described above is mitigated by:

(i) the credit enhancement due to the subordination of the different Classes of Notes. The Transaction benefits from a single priority of payments that combines interest and principal proceeds: the principal proceeds generated by the amortisation of the Portfolio can be used to cover also the interest payments due on the Senior Notes; and

(ii) with reference to the Senior Notes only, a cash reserve into the Cash Reserve Account has been established to cover an interest shortfall on such Notes and, if used, can be replenished on the subsequent Payment Dates (for further details, please make reference to the Risk Factor entitled "*Liquidity and Credit Risk*").

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

Although the Issuer believes that the structural features of the Transaction and the characteristics of the Portfolio are such that the credit enhancement furnished by the above elements adequately mitigate the above-described risks, there can, however, be no assurance that any such features will ensure timely and full receipt of interest amounts due under the Notes.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicers with respect to the servicing, administration, collection and renegotiation of, and other recoveries on, the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Portfolio and the weighted average life of the Senior Notes. The weighted average life of the Senior Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicers with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent.

No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity 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 on the actual date (if any)

of exercise of the optional redemption pursuant to Condition 6.3 (*Optional Redemption*). Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Loans.

The level of prepayment, delinquency and default on payment of the relevant instalments or request for suspension or renegotiation under the Loans cannot be predicted and is influenced by a wide variety of economic, market industry, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation that may affect refinancing terms. Prepayments may also arise in connection with refinancing, repurchases, sales of properties by Debtors voluntarily or as a result of enforcement proceedings under the relevant Loans, as well as the receipt of proceeds from the Insurance Policies.

Given the peculiarity of the Portfolio, which is entirely secured by the MCC Guarantees, in case of default by the Debtors and subsequent successful enforcement of the MCC Guarantee by the Issuer, the Issuer would recover the amounts due under the Loans directly by the CGFS Fund (for further information on the enforcement of the MCC Guarantees, please make reference to the risk factor headed "*Management of the MCC Guarantees*").

See for further details the section of this Prospectus headed "*Expected weighted average life of the Senior Notes*".

Eurosystem eligibility criteria

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

Limited nature of credit ratings assigned to the Senior Notes

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

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

(i) the possibility of the imposition of Italian or European withholding tax;

(ii) the marketability of the Senior Notes, or any market price for the Senior Notes; or

(iii) 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. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor or the Tax-exempt nature or taxability of payments made in respect of any security.

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

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

Risks relating to tax considerations

Tax treatment of the Issuer

According to the guidelines issued by the Italian tax authorities with the Circular Letter of 6 February 2003, No. 8/E, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the securitisation transaction. Such conclusion is based on the fact that, during the securitisation process, the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

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

Registration tax on transfer of receivables

A transfer of receivables falls within the scope of VAT in the event and to the extent that (i) it has a "financial purpose" pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above mentioned Presidential Decree. Should the Italian tax authorities argue that the transfer of receivables does not fall within the scope of VAT, a 0.5% registration tax (pursuant to the provisions of article 6 of Tariff – Part I attached to Presidential Decree of 26 April 1986, No. 131 and article 49 of the above mentioned Presidential Decree) would be payable on the nominal value of the transferred receivables

in case of registration (even in case of use pursuant to article 6 of the Presidential Decree of 26 April 1986, No. 131) of the transfer agreement or of any other agreement recalling the transfer agreement which is executed by the same parties and subject to registration, pursuant to *enunciazione* principle provided for by article 22 of the same Presidential Decree.

Substitute tax under the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed "Taxation" of this Prospectus, be subject to a Decree 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Decree 239 Deduction. Decree 239 Deduction, if applicable is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty if applicable.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer shall not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders shall receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

U.S. foreign account tax compliance act withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements.

A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Holders of Notes should consult their own tax advisors about the application of FATCA and how rules may apply to, or affect payments to be received under the Rated Notes or any other payments to be made by parties to this transaction. If a FATCA Withholding were to be deducted with respect to payments on the Notes, no person will be required to pay additional amounts. As a result, investors may receive amounts that are less than expected.

The Proposed European Financial Transactions Tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Such proposal was approved by the European Parliament on 3 July 2013. However, Estonia has stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Risks related to the Regulations affecting investors in the securitisations and other legal and regulatory concerns

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset backed securities industry. This has resulted in a number 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 Corporate Servicer, the Representative of the Noteholders, the Account Bank, the Calculation Agent, the Paying Agent, the Cash Manager, the Arranger, the Additional Servicer, the Back-up Servicer, the Master Servicer makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the relevant Issue Date or at any time in the future.

Prospective investors should be aware that certain European 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 regulated investors (including, *inter alia*, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds, credit institutions, investment firms or other financial institutions) 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. Such requirements are provided, *inter alia,* by the European regulations described below (without prejudice to any other applicable EU regulations).

Noteholders should consider the risk that in the event that additional risk weight on the Notes acquired by the relevant investor is imposed the return on the Notes may be reduced.

Risks related to the Securitisation Regulation

General uncertainty in relation to the Securitisation Regulation

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards: (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. These requirements apply in respect of the Notes.

The risk retention, transparency, due diligence and underwriting criteria requirements set out in the Securitisation Regulation apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originators for the purposes of complying with any relevant requirements and none of the Issuer, the Originators, the Reporting Entity, the Arranger, 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.

However, there is at present some uncertainty in relation to some of these requirements, including with regard to the risk retention requirements under article 6 (*Risk retention*) of the Securitisation Regulation and transparency obligations imposed under article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation. The Regulatory Technical Standards relating to the risk retention requirements are not yet in final form. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Transaction with the same is not assured. 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. On the other hand, the Regulatory Technical Standards relating to the transparency obligations have been adopted by the EU Commission and have been transposed in Delegated Regulation (EU) 2020/1224.

Prospective investors' compliance with due diligence requirements under the Securitisation Regulation

Prospective investors should be aware of the due diligence requirements under article 5 of the 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 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 Securitisation Regulation are being complied with; and

  (iii) information required by article 7 of the 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 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 investor due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the 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.

Default Risk in relation to the Securitisation Regulation

In the event that the Originators breach their undertaking to retain on an ongoing basis a material net economic interest in the Transaction of not less than 5% in accordance with the requirements of the Securitisation Regulation the Transaction would cease to be compliant with the Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes. In this regard, prospective investors should note that it is expected that the Originators will use the Notes retained by them as collateral for secured funding purposes in a manner permitted under the Securitisation Regulation. It is possible that the Transaction may cease to satisfy the requirements of article 6 of the Securitisation Regulation should the enforcement of that security or any consequences arising from those dealings result in the Originators ceasing to retain the requisite level of material net economic interest in the Transaction.

Disclosure requirements under Securitisation Regulation and CRA Regulation are uncertain in some respects

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**"). According to the CRA Regulation, such disclosure needs to be made via a website to be set up by ESMA. The Commission Delegated Regulation (EU) 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 (EU) 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 Securitisation Regulation. Accordingly, pursuant to the obligations set forth in article 7(2) of the 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 Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the 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 Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the

repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates" (the "**Opinion RTS**"). On 16 October 2019, the Regulatory Technical Standards relating to the transparency obligations have been adopted by the EU Commission and have been transposed in Delegated Regulation (EU) 2020/1224.

Risks relating to qualifying as an STS-securitisation under the Securitisation Regulation

The Securitisation Regulation has been published on 28 December 2017 in the Official Journal of the European Union and applies to new note issuances since 1st January 2019. The Securitisation Regulation lays down "*a general framework for securitisation. It defines securitisation and establishes due- diligence, risk-retention and transparency requirements for parties involved in securitisations, criteria for credit granting, requirements for selling securitisations to retail clients, a ban on re-securitisation, requirements for SSPEs as well as conditions and procedures for securitisation repositories. It also creates a specific framework for simple, transparent and standardised ("**STS**") securitisation*". It applies to "*institutional investors and to originators, sponsors, original lenders and securitisation special purpose entities*".

The Transaction is intended to qualify as a STS-securitisation within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation (an "**STS-securitisation**"). Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originators, each as "originator" within the meaning set out in the Securitisation Regulation, intends to submit on or about the Issue Date a notification to the ESMA for the securitisation transaction described in this Prospectus to be included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to Article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originators of how each of the STS criteria set out in articles 19 to 22 is intended to be complied with. The STS Notification will be available for download on the ESMA's website at https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation.

As at the date of this Prospectus, no assurance can however be provided that the Transaction (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation. None of the Issuer, the Originators, the Arranger or any other party to the Transaction Documents makes any representation or accepts any liability in that respect.

The designation of the Transaction as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the Transaction as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes.

Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Notification or other disclosed information.

Non-compliance with the status of an STS-securitisation may result in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originators. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Reliance on verification by PCS

The Originators, each as "originator" within the meaning set out in the Securitisation Regulation, and the Issuer, as "SSPE" within the meaning set out in the Securitisation Regulation, have used the services of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the date of this Prospectus.

The verification by PCS does not affect the liability of the Originators, as originator, and the Issuer, as SSPE, in respect of their legal obligations under the Securitisation Regulation. Furthermore, such verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria as set out in article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. Investors must not solely or mechanistically rely on any STS notification or PCS' verification to this extent.

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, only limited interpretation of the application of the Securitisation Law, as subsequently amended from time to time, has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the

impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents as at the date of this Prospectus.

Bank Recovery and Resolution Directive

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

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

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

Implementation of, and amendments to, the Basel III framework may affect the regulatory capital and

liquidity treatment of the Notes

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

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

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

floor of 15%.

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

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

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

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

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

There can be no assurance that the use of proceeds will be suitable for the investment criteria of an investor

The Issuer's intention is to allocate the net proceeds from the issue of Notes to pay the purchase price of receivables arising from the Eligible Social Asset (such terms as defined in the "*Use of Proceeds*" section). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes, together with any other investigation such investor deems necessary. In particular, no assurance is given that the use of such net proceeds for any Eligible Social Asset satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Social Asset. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "social" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "social" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. The EU Taxonomy Regulation establishes a basis for the determination of such a definition in the EU. However, the EU Taxonomy Regulation remains subject to the implementation of delegated regulations by the European Commission on technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Accordingly, no assurance is or can be given to investors that any projects or uses which are the subject of, or related to, any Eligible Social Asset will meet any or all investor expectations regarding such "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses which are the subject of, or related to, any Eligible Social Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party which may be made available in connection with the issue of the Notes and in particular with any Eligible Social Asset to fulfil any social and/or other criteria. For the avoidance of doubt, any such opinion, report or certification is not, nor shall be deemed to be, incorporated in to and/or form part of this Prospectus. Any such opinion, report or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Notes. Any such opinion, report or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in the Notes. Currently, the providers of such opinions, report and certifications are not subject to any specific regulatory or other regime or oversight.

Other Considerations

Risks arising from the sovereign debt crisis

A severe or extended downturn in the Republic of Italy's economy could adversely affect the results of operations and the financial condition of the Originators which could in turn affect the ability to perform their obligations under the Transaction Documents to which they are parties and, solely with reference to macro-economic conditions affecting the Republic of Italy, the ability of Debtors to repay the Receivables.

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

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

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

Brexit risk

On 23 June 2016, in a public referendum, the UK voted to leave the EU (the "**Brexit**"). On 29 March 2017, by formal notice of the British Prime Minister, the UK triggered official exit negotiations with the EU. In accordance with Article 50 of the Lisbon Treaty, the EU negotiated a withdrawal agreement with the UK. On 24 January 2020, it was announced that the government of the UK and the EU had executed and entered into a withdrawal agreement (the "**Withdrawal Agreement**"). On 29 January 2020, the European Parliament voted to consent to the Withdrawal Agreement, and on 30 January 2020, the European Council adopted, by written procedure, the decision on the conclusion of the Withdrawal Agreement on behalf of the EU.

On 31 January 2020 ("**exit day**"), the UK withdrew from the EU. Pursuant to Articles 126 and 127 of the Withdrawal Agreement that entered into force on exit day, the UK entered an implementation period during which it negotiated its future relationship with the EU under the political declaration that accompanied the Withdrawal Agreement. During such implementation period – which ended at 11 p.m.

UK time (midnight CET) on 31 December 2020 (the implementation period completion day, or "**IP completion day**") – EU law generally continued to apply in the UK.

Following such negotiations, on 24 December 2020 the UK and the EU concluded a free trade agreement known as the 'UK-EU Trade and Cooperation Agreement' (the "**TCA**"), which has been approved by the European Parliament on 27 April 2021. The TCA, which entered into force (initially on a temporary basis) on IP completion day, is principally a free trade agreement in goods. It does not address in any detail a number of areas, including the cross-border provision of services, the 'passporting' of UK and EU financial institutions, the determination of equivalence between EU and UK financial market regulations, or judicial cooperation in civil matters. In addition, on IP completion day, as a unilateral matter and in order to mitigate the effect of the EU Treaties no longer applying to the UK, the UK incorporated into its law (*i.e.* grandfathered) the majority of EU law as it stood at IP completion day ("**EU retained law**").

Notwithstanding the conclusion of the Withdrawal Agreement and the TCA by the EU and the UK, and the implementation by the UK of EU retained law, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU and there are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services) following the UK's exit from the EU.

There is a risk that other EU Member States could hold referenda as to their membership of, and ultimately leave, the EU, as did the UK, and that one or more EU Member States that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or that there is a prolonged period of uncertainty connected to these eventualities. These risks if they materialised could have a significant negative impact on global economic conditions and the stability of the international financial markets. This could include further volatility in equity markets, in the value of sterling and/or the Euro and in financial markets generally, a reduction in global market liquidity with a potential negative impact on asset prices, operating results and capital including as may impact the financial position of the Originators and the market value and/or liquidity of the Notes in the secondary market.

In addition to the above, and in consideration of the fact that at the date of this Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Eurozone, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a negative impact on the Issuer's ability to pay interest and repay principal under the Notes, as well as the market value and/or the liquidity of the Notes in the secondary market.

Risks related to Covid-19

The outbreak during the first half of 2020 of coronavirus disease (COVID-19) was declared as a pandemic by the World Health Organization, and the Health and Human Services Secretary declared a

public health emergency in the United States in response to the outbreak; likewise, the Italian Government also declared a state of emergency and passed a number of emergency measures to deal with the outbreak, including restrictions on travel, people free circulation and possible institutional closure, and continued during the second half of 2020 and the beginning of 2021 with "second wave" and "third wave" restrictions. This outbreak (and any future outbreaks) of has led (and may continue to lead) to disruptions in the economies of those nations where the COVID-19 has arisen and may in the future arise, among which Italy, and may result in adverse impacts on the global economy in general.

These circumstances have led to volatility in the capital markets, which may lead to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes. The potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. If the spread of COVID-19 persists for a significant period of time, or other measures are put in place, this could have a materially negative impact on the global economy.

Moreover, the outbreak of COVID-19 and the measures taken in relation thereto, will directly or indirectly result in increases of defaults under the Loans. Payment holidays have been granted and could be granted in the future pursuant to emergency legislation to borrowers in distress due to the COVID-19 outbreak, under which borrowers are allowed to defer making payments for certain amounts of time. This may result in payment disruptions and possibly higher losses under the Loans. The impact will strongly depend on the duration and severity of the COVID-19 outbreak.

Investors should note the risk that the virus, or any governmental or societal response to the virus, may impact the functioning of the financial system(s) needed to make regular and timely payments under the Receivables, and therefore the ability of the Issuer to pay interest and repay principal under the Notes.

Change of Law

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

Projections, forecasts and estimates

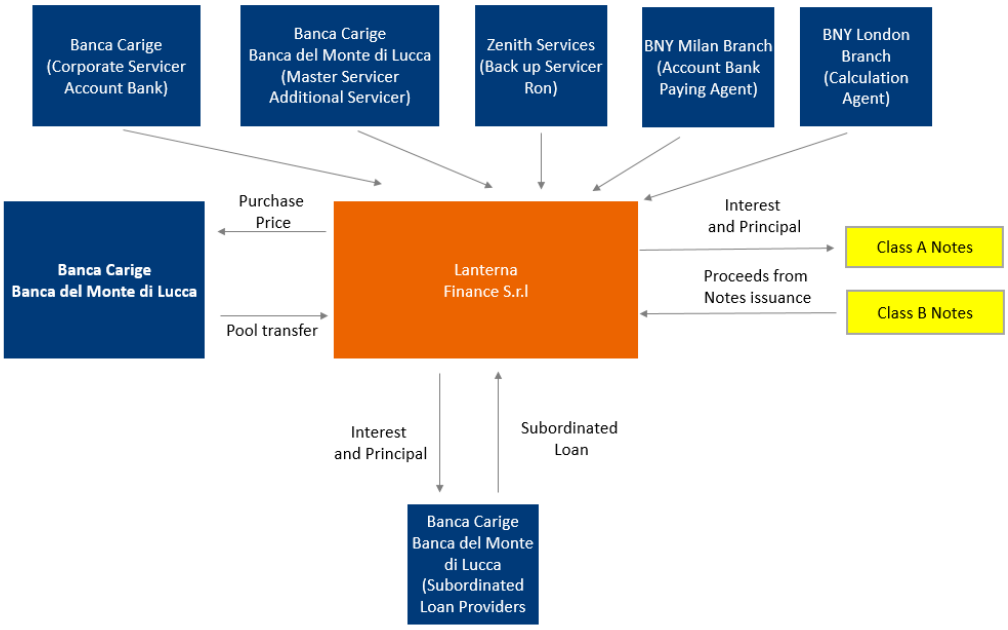
Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results.

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

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

TRANSACTION DIAGRAM

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



TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transaction, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information presented elsewhere in this Prospectus and in the other Transaction Documents. All capitalised words and expressions used in this transaction overview and not otherwise defined shall have the meanings ascribed to such words and expressions in the section entitled "Terms and Conditions of the Notes" of this Prospectus.

1. THE PRINCIPAL PARTIES

ISSUER

Lanterna Finance S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under article 3 of the Italian law no. 130 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*) (as amended from time to time, the "**Securitisation Law**"), having its registered office in Via Cassa di Risparmio 15, Genoa, Italy, enrolled with the companies' register of Genoa under no. 08703420961, quota capital of Euro 10,000 fully paid-up, enrolled with the register of the special purpose vehicles held by the Bank of Italy pursuant to the regulation of the Bank of Italy dated 7 June 2017 (*Disposizioni di vigilanza in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) under no. 35213.8 (the "**Issuer**").

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of one or more securitisation transactions pursuant to the Securitisation Law and subject to the terms and conditions specified under Condition 3 (*Covenants*). The issued quota capital of the Issuer is equal to Euro 10,000 fully paid-up and is owned by the Quotaholders.

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already carried out more securitisation transactions, in accordance with the Securitisation Law.

In December 2015 the Issuer has carried out a securitisation transaction (the "**First Securitisation**") involving the issue of the following asset backed securities: (a) Euro 385,000,000 Class A Asset Backed Notes due October 2065 (the "**First Securitisation Class A Notes**") and (b) Euro 331,800,000 Class B Asset Backed Notes due October 2065 (the "**First Securitisation Class B Notes**" and, together with the First Securitisation Class A Notes, the "**First Securitisation Notes**"). In May 2018, following the redemption of the First

Securitisation Class A Notes, a restructuring of the First Securitisation took place. In particular, a retranching of the First Securitisation Notes was carried out through the cancellation of the First Securitisation Class B Notes issued in December 2015 and the issue of the new Class A Asset Backed Notes for an amount of Euro 200 million and the new Class B Asset Backed Notes for an amount of Euro 137.1 million.

In addition, in May 2018, the Issuer carried out a second securitisation transaction pursuant to the Securitisation Law (the "**Second Securitisation**"). In the context of the Second Securitisation, the Issuer has purchased two portfolios of receivables deriving from mortgage loans and unsecured loans originated by each of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A. Under the Second Securitisation, the Issuer issued the following notes: (a) Euro 260,000,000 Class A Asset Backed Notes due January 2060 (the "**Second Securitisation Class A Notes**") and (b) Euro 153,000,000 Class B Asset Backed Notes due January 2060 (the "**Second Securitisation Class B Notes**", and, together with the Second Securitisation Class A Notes, the "**Second Securitisation Notes**"). The Second Securitisation Notes have been redeemed or cancelled on 27 May 2020 and on 21 May 2020 the parties of the Second Securitisation entered into an unwinding and termination agreement, according to which the relevant parties agreed to unwind the Second Securitisation and terminate the Second Securitisation transaction documents.

In addition, in June 2020, the Issuer carried out a third securitisation transaction pursuant to the Securitisation Law (the "**Third Securitisation**"). In the context of the Third Securitisation, the Issuer has purchased two portfolios of receivables deriving from loan agreements and mortgage loan agreements originated by each of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A. Under the Third Securitisation, the Issuer issued the following notes: (a) Euro 205,000,000 Class A1 Asset Backed Notes due January 2060 (the "**Third Securitisation Class A1 Notes**"); (b) Euro 20,000,000 Class A2 Asset Backed Notes due January 2060 (the "**Third Securitisation Class A2 Notes**" and, together with the Third Securitisation Class A1 Notes, the "**Third Securitisation Class A Notes**") and (c) Euro 137,000,000 Class B Asset Backed Notes due January 2060 (the "**Third Securitisation Class B Notes**" and, together with the Third Securitisation Class A Notes, the "**Third Securitisation Notes**").

ORIGINATORS	**Banca Carige S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Cassa di Risparmio 15, Genoa, Italy, registered with the Companies' Register of Genoa under number 03285880104 and registered with the Bank of Italy pursuant to article 13 of Legislative Decree No. 385/1993 (as amended from time to time, the "**Banking Law**") under number 6175, share capital of Euro 1,915,163,696 fully paid up and which is the parent company of the Banca Carige Group registered with the Bank of Italy pursuant to article 64 of the Banking Law under number 6175 (an "**Originator**" or "**Banca Carige**"). **Banca del Monte di Lucca S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Piazza S. Martino 4, Lucca, Italy, registered with the Companies' Register of Lucca under number 01459540462, registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 6915, share capital of Euro 44,140,000 fully paid up, belonging to the Banca Carige Group registered with the Bank of Italy pursuant to article 64 of the Banking Law under number 6175 and subject to the direction and coordination of Banca Carige (an "**Originator**" or "**BML**" and, together with Banca Carige, the "**Originators**").
MASTER SERVICER	**Banca Carige** will act as master servicer pursuant to the provisions of the Servicing Agreement (the "**Master Servicer**").
ADDITIONAL SERVICER	**BML** will act as additional servicer pursuant to the provisions of the Servicing Agreement (the "**Additional Servicer**" and, together with the Master Servicer, the "**Servicers**").
BACK-UP SERVICER	**Zenith Service S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office in Via Vittorio Betteloni, No. 2, 20131 Milano, Italy, enrolled with the companies' register of Rome under no. 02200990980, share capital equal to Euro 2,000,000.00 paid up, enrolled with register held by Bank of Italy pursuant to article 106 of the Banking Law under no. 30 and ABI code no. 32590.2 ("**Zenith**" or the "**Back-up Servicer**"). The Back-up Servicer will act as such pursuant to the Back-up Servicing Agreement.
SUBORDINATED LOAN PROVIDERS	Each of the Originators will act as subordinated loan provider pursuant to the relevant Subordinated Loan Agreement, each with respect to the relevant Portfolio transferred to the Issuer (each of the

	Originators, a "**Subordinated Loan Provider**" and together, the "**Subordinated Loan Providers**").
CORPORATE SERVICER	**Banca Carige** will act as corporate servicer in the context of the Securitisation pursuant to the Extension and Amendment Agreement to the Corporate Services Agreement (the "**Corporate Servicer**").
PAYING AGENT	**The Bank of New York Mellon SA/NV, Milan Branch**, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 – B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the Companies' Register of Milan 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 Banking Law ("**BNYM, Milan branch**" or the "**Paying Agent**"). The Paying Agent will act as such pursuant to the Cash Management and Agency Agreement.
ACCOUNT BANKS	**BNYM, Milan Branch** will act as account bank pursuant to the Cash Management and Agency Agreement in relation to the Cash Reserve Account, the Collection Account and the Payments Account (the "**Account Bank In Relation To BNYM Accounts**"); **Banca Carige** will act as account bank pursuant to the Cash Management and Agency Agreement in relation to the Expenses Account and the Quota Capital Account (the "**Account Bank In Relation To Banca Carige Accounts**" and, together with the Account Bank In Relation To BNYM Accounts, the "**Account Banks**").
CALCULATION AGENT	**BNYM, Milan Branch** ("**BNYM, Milan Branch**" or the "**Calculation Agent**"). The Calculation Agent will act as such pursuant to the Cash Management and Agency Agreement.
REPRESENTATIVE OF THE NOTEHOLDERS	**Zenith** will act as representative of the Noteholders pursuant to the Subscription Agreements and the Intercreditor Agreement (the "**Representative of the Noteholders**").
QUOTAHOLDERS	**Stichting Rossini**, a company incorporated under the laws of The Netherlands, having its registered office at Locatellikade 1, Amsterdam 1076AZ, with registration No. 60752734, holding 95% of the quota capital of the Issuer (the "**Majority Quotaholder**"). Banca Carige, holding 5% of the quota capital of the Issuer (the

	"**Minority Quotaholder**" and, together with the Majority Quotaholder, the "**Quotaholders**").
ARRANGER	**Intesa Sanpaolo S.p.A.**, a bank incorporated in Italy as a joint stock company (*società per azioni*) whose registered office is at Piazza San Carlo 156, 10121, Turin, Italy, enrolment in the Companies' Register of Turin under number 00799960158, registered under number 5361 in the register held by the Bank of Italy pursuant to article 13 of the Banking Law ("**ISP**" or the "**Arranger**").
SENIOR NOTES	Each of the Originators.
INITIAL SUBSCRIBERS	
JUNIOR NOTES	Each of the Originators.
INITIAL SUBSCRIBERS	
REPORTING ENTITY	Banca Carige S.p.A. (the "**Reporting Entity**").
RATING AGENCIES	Moody's Italia S.r.l. ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**" and, together with Moody's, the "**Rating Agencies**", and each a "**Rating Agency**").
CONTROL AND OWNERSHIP RELATIONS BETWEEN THE PARTIES OF THE TRANSACTION	There are no control or ownership relations between the parties of the Transaction beside the ones expressly identified in this Prospectus.

2. PRINCIPAL FEATURES OF THE NOTES

NOTES	The Notes will be issued by the Issuer on 30 June 2021 (the "**Issue Date**") in the following classes: (i) Euro 320,000,000 Class A Asset Backed Notes due April 2050 (the "**Class A Notes**" or the "**Senior Notes**"); (ii) Euro 62,700,000 Class B Asset Backed Notes due April 2050 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**" and each a "**Class**").
ISIN CODES	Class A Notes: IT0005450710 Class B Notes: IT0005450728
COMMON CODES	Class A Notes: 236010414

Class B Notes: 236010449

FISN CODES

Class A Notes: LANTERNA FIN/ABS 20500301 SEN CLA

Class B Notes: LANTERNA FIN/ABS 20500301 JUN CLB

CFI CODES

Class A Notes: DAFNBB

Class B Notes: DAFQBB

ISSUE PRICE

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

Class	*Issue Price*
Class A Notes	100%
Class B Notes	100%

INTEREST ON THE NOTES

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date as follows:

(i) with respect to the Senior Notes, at the rate equal to 0.40 per cent. per annum;

(ii) with respect to the Junior Notes, at the rate equal to 3 per cent. per annum,

(the "**Rate of Interest**")

Interest in respect of the 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 on the Notes will be due on the Payment Date falling in October 2021 in respect of the period from (and including) the Issue Date up to (but excluding) such Payment Date.

PREMIUM ON THE JUNIOR NOTES

A Premium may be payable on the Junior Notes in Euro on each Payment Date following repayment in full of the Senior Notes, in accordance with the applicable Priority of Payments. The Premium payable on the Junior Notes will be equal to the Issuer Available Funds available after making all payments due under items from (i) *First* to (xiv) *Fourteenth* (both included) of the Pre-Enforcement Priority of Payments or under items from (i) *First* to (xii) *Twelfth*

(both included) of the Post-Enforcement Priority of Payments (as applicable) and, on the Final Maturity Date, after making payments to be made in priority thereto, it shall include any surplus remaining on the balance of the Accounts (other than the Quota Capital Account). On or prior to each Calculation Date, the Calculation Agent will calculate the Premium (if any) payable on the Junior Notes.

FORM AND DENOMINATION OF THE NOTES

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

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of article 83-*bis* and following of the Italian Legislative Decree No. 58 dated 24 February 1998 (as amended from time to time, the "**Consolidated Financial Act**") and the Regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB (as subsequently amended). No physical document of title will be issued in respect of the Notes.

RANKING AND SUBORDINATION

The Notes of each Class will at all times rank *pari passu* and without preference or priority among themselves.

In respect of the obligations of the Issuer to pay interest and to repay principal on the Notes, the Conditions and the Intercreditor Agreement provide as follows:

(i) in respect of the obligations of the Issuer to pay interest on the Notes prior to the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, and in priority to to repayment of principal on the Class A Notes and to payment of interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes;

(ii) in respect of the obligations of the Issuer to repay principal on the Notes prior to the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, but subordinated to the payment of interest on the Class A Notes and in priority to payment of interest and repayment of principal on the Class B Notes;

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

(iii) in respect of the obligations of the Issuer to pay interest on the Notes following the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the repayment of principal on the Class A Notes and to payment of interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes;

(iv) in respect of the obligations of the Issuer to repay principal on the Notes following the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest on the Class A Notes and in priority to payment of

interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and to payment of interest on the Class B Notes.

TAXATION

All payments in respect of the Notes will be made free and clear of, and without any withholding or deduction for or on account of, any present or future taxes, duties or charges imposed, levied, collected, withheld or assessed by or within the Republic of Italy, or any authority therein or thereof having power to tax, unless such withholding or deduction (including, for the avoidance of doubt, any Decree 239 Deduction) is required to be made by applicable law. The Issuer shall not be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

MANDATORY REDEMPTION

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date starting from (and including) the Payment Date falling on October 28, 2021, in each case if and to the extent that there are sufficient Issuer Available Funds which may be applied for such purpose in accordance with the applicable Priority of Payments.

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on the Final Maturity Date, will be cancelled in accordance with the Conditions.

OPTIONAL REDEMPTION

Starting from:

(i) with respect to the Payment Dates falling before the date on which a Trigger Notice has been delivered, the Payment Date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date; or

(ii) with respect to the Payment Dates falling after the date on

which a Trigger Notice has been delivered, the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date,

the Issuer may redeem respectively, the Class A Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, provided that:

(a) the Issuer has given no more than 60 (sixty) days and no less than 30 (thirty) days' prior notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 14 (*Notices*), of its intention to redeem such Notes;

(b) upon or prior to the delivery of the notice referred to in paragraph (a) above, the Issuer has provided evidence satisfactory to the Representative of the Noteholders that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge at least all of its outstanding liabilities in respect of, as the case may be, the Class A Notes and any other payment in priority to or *pari passu* with, as the case may be, the Class A Notes in accordance with the applicable Priority of Payments; and

(c) the Rating Agencies have been notified in advance of such redemption.

Under the Intercreditor Agreement, the Issuer has irrevocably granted to the Originators an option right, pursuant to article 1331 of the Italian Civil Code, to repurchase (in whole but not in part) the Portfolio then outstanding on any date following the Payment Date on which:

(a) prior to the delivery of a Trigger Notice, the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10 % of the Principal Amount Outstanding of the Class A Notes as at the Issue Date; or

(b) following the delivery of a Trigger Notice, the date on which the Principal Amount Outstanding of the Senior Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date,

in order to finance the early redemption of, as the case may be, the Class A Notes (and, to the extent there are sufficient Issuer Available Funds, of all or part of the Junior Notes).

OPTIONAL REDEMPTION FOR TAXATION REASONS

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, on any Payment Date after the date on which (i) the Portfolio, the Collections and the other Issuer's rights would become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or (ii) amounts payable in respect of the Notes would be subject to withholding or deduction (other than a Decree 239 Deduction) for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein (such events, hereinafter, a "**Tax Event**"), provided that:

(a) the Issuer has given no more than 60 (sixty) days and no less than 30 (thirty) days' prior notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 14 (*Notices*), of its intention to redeem the Notes;

(b) upon or prior to the delivery of the notice referred to in paragraph (a) above, the Issuer has provided evidence satisfactory to the Representative of the Noteholders that:

(i) the occurrence of the Tax Event could not be avoided;

(ii) the Issuer will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge at least all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to, or *pari passu* with, the Senior Notes in accordance with the applicable Priority of Payments; and

(c) the Rating Agencies have been notified in advance of such

redemption.

Following the occurrence of a Tax Event and provided that no Trigger Notice has been served on the Issuer, 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 Portfolio in accordance with Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*) and the Intercreditor Agreement. In case of such disposal, subject to certain conditions the Originators will have the right to purchase the Portfolio with preference to any third party potential purchaser.

SOURCE OF PAYMENTS OF THE NOTES

The principal source of payment of interest and repayment of principal on the Notes will be the Collections received or recovered in respect of the Portfolio.

SEGREGATION OF THE PORTFOLIO

The Issuer has no assets other than the Receivables and the Issuer's Rights (as described in this Prospectus), as well as the portfolios acquired in the context of the First Securitisation, the Third Securitisation and the agreements entered into by the Issuer in relation to the First Securitisation and the Third Securitisation which, however, do not constitute collateral for the Notes and are not available to the Noteholders and the Other Issuer Creditors for any purpose.

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any claim of the Issuer which has arisen in the context of the Transaction, all cash-flows deriving from both of them and the financial assets purchased using those funds (the "**Segregated Assets**") are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Portfolio and the other Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction.

The Portfolio and the other Segregated Assets may not be seized or attached in any form by creditors of the Issuer, other than the Noteholders, the Other Issuer Creditors and any other creditors of

the Issuer in respect of any fees, costs and expenses in relation to the Transaction, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise any of the Issuer's Rights or obligations under certain Transaction Documents, to exercise such Issuer's Rights or obligations taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the other Segregated Assets and the Issuer's Rights and in accordance with the Transaction Documents. Italian law governs the delegation of such power.

LIMITED RECOURSE

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders (other than the payment of the Purchase Price of each Individual Portfolio to each Originator) are limited in recourse as set out below:

(a) 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 any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lower 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 sums payable to such Noteholder; and

(c) upon the Master Servicer having certified to the Representative of the Noteholders and the Representative of the Noteholders having given notice to the Noteholders on the basis of such certificate pursuant to Condition 14 (*Notices*) that there is no reasonable likelihood, following the application of all the Issuer Available Funds, of there being any further realisations in respect of the Portfolio or the other Issuer's Rights which would be available to pay unpaid

amounts outstanding under the Transaction Documents (whether arising from judicial enforcement proceedings or otherwise), each Noteholder shall have no further claim against the Issuer in respect of any such outstanding amounts and any unpaid amounts shall be cancelled and deemed discharged in full. The provisions of this paragraph (c) are subject to none of the Most Senior Class of Noteholders objecting to such determination of the Master Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Most Senior Class of Noteholders objects such determination within such term, the Representative of the Noteholders may request an independent third party expert to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio which would be available to pay any amount outstanding under the Notes. Such determination shall be definitive and binding for all the Noteholders.

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

(a) no Noteholder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents or the Rules of the Organisation of the Noteholders, to direct the Representative of the Noteholders to take any proceedings against the Issuer;

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

(c) until the later of (i) the date falling two years and one day after the Final Maturity Date or, in case of early redemption in full or cancellation of the Notes, two years and one day after the date of the early redemption in full or cancellation of the

Notes, and (ii) the date falling two years and one day after the final maturity date of the notes issued by the Issuer in the context of the First Securitisation and any further securitisation (including the Second Securitisation and Third Securitisation) or, in case of early redemption in full or cancellation of such notes, two years and one day after the date of the early redemption in full or cancellation of such notes, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) following the occurrence of a Trigger Event and only if the representatives of the noteholders of the First Securitisation, the Third Securitisation and all further securitisation transactions carried out by the Issuer, if any, have been so directed by an extraordinary resolution of their respective most senior class of noteholders following the occurrence of a trigger event under the relevant securitisation transaction) shall initiate or join any person in initiating an insolvency proceeding in relation to the Issuer; and

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

ORGANISATION OF THE NOTEHOLDERS AND REPRESENTATIVE 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 redemption 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, who has been appointed on or about the Issue Date under the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

STS-SECURITISATION

The Transaction is intended to qualify as a simple, transparent and standardised securitisation ("**STS-securitisation**") within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (as amended and supplemented from time to time, the "**Securitisation Regulation**"). Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originators intend to submit on or about the Issue Date a notification to the ESMA for the Securitisation to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originators of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA's website at https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation.

The Originators and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction complies with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 of the Regulation (EU) No. 575 of 26 June 2013 (as amended from time to time, the "**CRR**" and the "**CRR Assessment**") and the compliance with such requirements is expected to be verified by PCS on the Issue Date. When performing a CRR Assessment, PCS is not confirming or indicating that the securitisation subject to such assessment will be allowed to have lower capital allocated to it under the CRR. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met; therefore, no investor should rely on such CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. It is expected that the STS Verification and the CRR Assessment prepared by PCS will be available on the

PCS website (https://pcsmarket.org/sts-verification-transactions/#disc) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, these PCS websites and the contents thereof do not form part of this Prospectus.

The STS status of a transaction is not static and, under the Securitisation Regulation, ESMA is entitled to update the list should the Securitisation be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the relevant originators. The investors should verify the current status of the Securitisation on ESMA's website from time to time.

As at the date of this Prospectus, no assurance can however be provided that the Securitisation (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation.

None of the Issuer, the Originators, the Arranger or any other party to the Transaction Documents makes any representation or accepts any liability in that respect.

ESG NOTES

The net proceeds deriving from the issue of the Notes will be used by the Issuer to finance the purchase of receivables arising from loans granted to small and medium enterprises whose business has been damaged due to the COVID-19 pandemic emergency, as described in the framework document prepared by Banca Carige (the "**Framework**").

For further details, see the section entitled "*Use of proceeds*".

LISTING AND ADMISSION TO TRADING

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

S.p.A.

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

RATING

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

Class	*Moody's*	*S&P*
Class A Notes	A3 (sf)	A

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 organisation.

As at the date of this Prospectus, each of Moody's and S&P is established in the European Union and is registered in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended from time to time, the "**CRA Regulation**"), as evidenced in the latest update of the list of credit rating agencies registered in accordance with the CRA Regulation published by ESMA on its website (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus).

PURCHASE OF THE NOTES BY THE ISSUER

The Issuer may not purchase any Notes at any time.

GOVERNING LAW AND JURISDICTION OF THE NOTES

The Notes are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

3. ACCOUNTS AND DESCRIPTION OF CASH FLOWS

ACCOUNTS

The Issuer has directed the Account Banks to establish and maintain the following accounts:

(i) with Banca Carige:

(a) the Expenses Account; and

(b) the Quota Capital Account;

(ii) with BNYM, Milan Branch:

(a) the Cash Reserve Account;

(b) the Collection Account; and

(c) the Payments Account.

After the Issue Date, on the terms and subject to the conditions of the Cash Management and Agency Agreement and the additional terms which may be defined between the relevant parties (which, in any case, shall not conflict with the provisions of the Cash Management and Agency Agreement), the Issuer may:

(i) appoint a Cash Manager for the purposes of making Eligible Investments which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents; and

(ii) open a cash account and/or a securities account with a bank being an Eligible Institution which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents (respectively, the "**Investment Account**" and the "**Investment Account Bank**"), as separate account in the name of the Issuer and in the interest of the Other Issuer Creditors, which will be operated in accordance with the provisions of the Cash Management and Agency Agreement,

in each case, upon instructions of the Master Servicer and with the prior notice to the Representative of the Noteholders and the Rating Agencies.

The Accounts will be operated in accordance with the provisions of the Cash Management and Agency Agreement.

COLLECTION ACCOUNT

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with Clause 3.5 (*Closure of the Accounts*), a Euro denominated account with IBAN IT36O0335101600009785669780 (the "**Collection Account**"),

(i) **into which:**

(A) the amounts to be transferred by the Master Servicer and the Additional Servicer into the Collection Account, pursuant to the Servicing Agreement, shall be credited;

(B) all Collections collected from time to time by the Servicers pursuant to the Servicing Agreement, as well as any other amount received by the Issuer in respect of the Portfolio, shall be transferred by the relevant Servicer on each Business Day;

(C) any other amount received by the Issuer in respect of the Portfolio (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer in respect of the Portfolio, any proceeds deriving from the repurchase of individual Receivables comprised in each of the Individual Portfolios pursuant to the Transfer Agreement and any indemnity paid by the Originators or the Servicers in respect of the Portfolio pursuant to the Transfer Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement, but excluding the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Intercreditor Agreement which shall be credited to the credit of the Payments Account) shall be credited, if not to be credited to other Accounts pursuant to the Transaction Documents;

(D) any interest accrued on the Collection Account shall be credited; and

(ii) **out of which:**

(A) the amounts standing to the credit of the Collection Account may be transferred to the Investment Account and invested into Eligible Investments upon direction of the Cash Manager (as instructed by the Master Servicer) and in accordance with the provisions of the Cash Management and Agency Agreement;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Collection Account (to the extent not transferred to the

Investment Account and invested into Eligible Investments) shall be transferred into the Payments Account.

EXPENSES ACCOUNT

The Issuer has opened and shall maintain with Banca Carige, in accordance with the provisions of the Cash Management and Agency Agreement, a Euro denominated account with IBAN IT27N0617501400000008159380 (the "**Expenses Account**"),

(i) **into which:**

(A) on the Issue Date, the Retention Amount financed with the proceed of the subordinated loans granted by the Subordinated Loan Providers to the Issuer pursuant to the Subordinated Loan Agreements, shall be credited;

(B) to the extent, on any Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, the amount standing to the credit of the Expenses Account is lower than the Retention Amount, the Issuer Available Funds shall be credited, in accordance with the applicable Priority of Payments, to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(C) any interest accrued on the Expenses Account shall be credited; and

(ii) **out of which:** on any Business Day during each Interest Period, the amounts standing to the credit of the Expenses Account shall be used by the Issuer to pay the Expenses pursuant to the Intercreditor Agreement.

QUOTA CAPITAL ACCOUNT

The Issuer has already opened and shall maintain with Banca Carige, in accordance with the provisions of the Cash Management and Agency Agreement, a Euro denominated account with IBAN IT70V0617501400000007221580 (the "**Quota Capital Account**").

CASH RESERVE ACCOUNT

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with the provisions of the Cash Management

and Agency Agreement, a Euro denominated account with IBAN IT18K0335101600009785709780 (the "**Cash Reserve Account**"),

(iii) **into which:**

(A) on the Issue Date, the Cash Reserve Initial Amount financed with the proceed of the subordinated loans granted by the Subordinated Loan Providers to the Issuer pursuant to the Subordinated Loan Agreements, shall be credited;

(B) on each Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Issuer Available Funds shall be credited, in accordance with the Pre-Enforcement Priority of Payments, to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Target Amount;

(C) any interest accrued on the Cash Reserve Account shall be credited; and

(iv) **out of which:**

(A) the amounts standing to the credit of the Cash Reserve Account may be transferred to the Investment Account and invested into Eligible Investments upon direction of the Cash Manager (as instructed by the Master Servicer) and in accordance with the provisions of the Cash Management and Agency Agreement;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Cash Reserve Account (to the extent not transferred to the Investment Account and invested into Eligible Investments) shall be transferred into the Payments Account.

PAYMENTS ACCOUNT

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with the provisions of the Cash Management and Agency Agreement, a Euro denominated account with IBAN IT88P0335101600009785679780 (the "**Payments Account**"),

(v) **into which:**

(A) on the Issue Date, the proceeds deriving from the

subscription of the Notes (to the extent not subject to set-off with the Purchase Price due to each Originator under the Transfer Agreement pursuant to the Subscription Agreements) shall be credited;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Collection Account, Cash Reserve Account and Investment Account shall be credited;

(C) the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Intercreditor Agreement shall be credited;

(D) in case any of the Other Issuer Creditors receives any payment in violation, or in contravention, of the applicable Priority of Payments prior to the delivery of a Trigger Notice, the relevant amount shall be credited pursuant to the Intercreditor Agreement;

(E) any interest accrued on the Payments Account shall be credited; and

(vi) **out of which:**

(A) on the Issue Date, an amount equal to the relevant Purchase Price due to each Originator under the Transfer Agreement (to the extent not subject to set-off with the subscription moneys due by the relevant Originator pursuant to the Subscription Agreements) shall be paid to each Originator;

(B) on each Payment Date, the Issuer Available Funds relating to the Collection Period immediately preceding such Payment Date standing to the credit of the Payments Account shall be applied to make the payments due by the Issuer in accordance with the applicable Priority of Payments.

INVESTMENT ACCOUNT

The Issuer may open and shall maintain with the Investment Account Bank, in accordance with the provisions of the Cash Management and Agency Agreement, a Euro denominated account (the "**Investment Account**"),

(vii) **into which:**

(A) the amounts standing to the credit of the Collection

Account during any Collection Period and the amounts standing to the credit of the Cash Reserve Account from any Payment Date to the subsequent Eligible Investment Maturity Date shall be credited in order to be invested into Eligible Investments in accordance with the Cash Management and Agency Agreement;

(B) all amounts on account of principal, interest, premium or other profit deriving from the Eligible Investments made in accordance with the Cash Management and Agency Agreement, including any amount resulting from the realisation or liquidation of such Eligible Investments, shall be credited;

(C) any interest accrued on the Investment Account shall be credited; and

(viii) **out of which:** 2 (two) Business Days prior to each Payment Date, any amount standing to the credit of the Investment Account shall be transferred into the Payments Account.

4. CREDIT STRUCTURE

ISSUER AVAILABLE FUNDS

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

(a) all Collections received by the Issuer during the immediately preceding Collection Period in respect of the Portfolio;

(b) any other amount credited or transferred into the Collection Account during the immediately preceding Collection Period in respect of the Portfolio (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer in respect of the Portfolio and any indemnity paid by the Originators or the Servicers in respect of the Portfolio pursuant to the Warranty and Indemnity Agreement or the Servicing Agreement);

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

(d) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after

making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the first Payment Date, the Cash Reserve Initial Amount);

(e) the proceeds deriving from the disposal (if any) of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(f) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Master Servicer to deliver the Quarterly Master Servicer's Report to the Calculation Agent in accordance with the Cash Management and Agency Agreement in a timely manner;

(g) all amounts on account of interest, premium or other profit received up to the immediately preceding Eligible Investments Maturity Date from any Eligible Investments made using the funds standing to the credit of the Collection Account and the Cash Reserve Account in the immediately preceding Collection Period;

(h) any other amount standing to the credit of the Payments Account as at the immediately preceding Calculation Date and not already included in any of the other items of this definition of Issuer Available Funds; and

(i) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Master Servicer's Report to the Calculation Agent by the relevant Quarterly Master Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Issuer Available Funds in respect of the relevant Payment Date will comprise only the amounts necessary to make payments under items from (i) (*First*) to (vii) (*Seventh*) (inclusive and item (v) (*Fifth*) excluded) of the Pre-Enforcement Priority of Payments. For further details, see the section entitled "*Description of the Cash Management and Agency Agreement*".

For the avoidance of doubt, following the delivery of a Trigger

Notice, the Issuer Available Funds in respect of the relevant Payment Date will comprise all amounts standing to the credit of the Accounts (other than the Quota Capital Account).

TRIGGER EVENTS

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

(a) *Non-payment:*

(i) the Issuer defaults in the payment of the amount of interest due on the Senior Notes on a Payment Date and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(ii) the Senior Notes or the Junior Notes are not redeemed in full on the Final Maturity Date;

(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its other obligations under the Notes (other than any obligation under paragraph (a) above) or the Transaction Documents (in any respect which is material for the interests of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) and such default remains unremedied for 10 (ten) 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 opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 10 (ten) days will be given);

(c) *Breach of representations and warranties:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated (in any respect which is material for the interests of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) and in respect of which no remedy has been taken within 10 (ten) calendar days from the discovery that such representations and warranties were untrue, incorrect or erroneous;

(d) *Insolvency of the Issuer:*

an Insolvency Event occurs in respect of the Issuer;

(e) *Unlawfulness:*

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

then the Representative of the Noteholders:

(i) in the circumstances set out under paragraph (a), (d) and (e) shall; or

(ii) in the circumstances set out under paragraph (b) and (c) may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders),

serve a written notice on the Issuer, with copy to the Originators, the Servicers, the Calculation Agent, the Corporate Servicer, the Noteholders and the Rating Agencies stating that a Trigger Event has occurred (the "**Trigger Notice**").

Following the delivery of a Trigger Notice, the Notes will become immediately due and repayable at their Principal Amount Outstanding in accordance with the Post-Enforcement Priority of Payments.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) direct the Issuer to dispose of the Portfolio in accordance with the Intercreditor Agreement. In case of such disposal, subject to certain conditions, the Originators will have the right to purchase the Portfolio with preference to any third party potential purchaser. It is understood that no provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter (d), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Finally, following the delivery of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with

the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21, paragraph 4, letter (a), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

PRE-ENFORCEMENT PRIORITY OF PAYMENTS

Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

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

(ii) *Second*, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

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

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Paying Agent and the Cash Manager;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicers;

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Principal Amount Outstanding of the Class A Notes;

(vii) *Seventh*, up to (but excluding) the Payment Date on which

the Senior Notes are redeemed in full or cancelled, to credit into the Cash Reserve Account the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Target Amount;

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

(ix) *Ninth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due (if any) by the Issuer to the relevant Originator pursuant to clause 4.3(b) of the Transfer Agreement;

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

(xi) *Eleventh*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Subordinated Loans;

(xii) *Twelfth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay, *pari passu* and *pro rata* according to the respective amounts thereof, principal under the Subordinated Loans;

(xiii) *Thirteenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay interest due and payable on the Principal Amount Outstanding of the Junior Notes;

(xiv) *Fourteenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to Euro 100,000;

(xv) *Fifteenth*, to pay the Premium (if any) on the Junior Notes;

(xvi) *Sixteenth*, to repay the Principal Amount Outstanding of the Junior Notes.

POST-ENFORCEMENT PRIORITY OF PAYMENTS

Following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

(ii) *Second*, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

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

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent and the Paying Agent and the Cash Manager;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicers;

(vi) *Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Principal Amount Outstanding of the Senior Notes;

(vii) *Seventh*, to repay, *pari passu* and *pro rata* according to the respective amounts thereof, the Principal Amount Outstanding of the Senior Notes;

(viii) *Eighth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due (if any) by the Issuer to the relevant Originator pursuant to clause 4.3(b) of the Transfer Agreement;

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

(x) *Tenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest and repay principal of the Subordinated Loans;

(xi) *Eleventh*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay interest due and payable on the Principal Amount Outstanding of the Junior Notes;

(xii) *Twelfth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to Euro 100,000;

(xiii) *Thirteenth*, to pay the Premium (if any) on the Junior Notes;

(xiv) *Fourteenth*, to repay the Principal Amount Outstanding of the Junior Notes.

CASH RESERVE

The Subordinated Loans granted by the Subordinated Loan Providers under the Subordinated Loan Agreements (in an amount equal to the Cash Reserve Initial Amount and the Retention Amount) shall be credited by the Subordinated Loan Providers on the Issue Date into the Cash Reserve Account (with respect to the Cash Reserve Initial Amount) and the Expenses Account (with respect to the Retention Amount).

The amounts standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date and will be available to the Issuer, together with the other Issuer Available Funds, to pay amounts due under the applicable Priority

of Payments.

On each Payment Date (other than the Payment Date on which the Senior Notes are redeemed in full or cancelled), the Issuer shall, in accordance with item (vii) (*Seventh*) of the Pre-Enforcement Priority of Payments, credit into the Cash Reserve Account the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Target Amount.

5. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

TRANSFER OF THE PORTFOLIO

Pursuant to the Transfer Agreement, each Originator has assigned without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, the relevant portfolio of Receivables (each, an "**Individual Portfolio**").

The purchase of the Portfolio will be financed by the Issuer through the proceeds deriving from the issuance of the Notes.

The Receivables comprised in the Portfolio have been selected by the relevant Originator on the basis of the Criteria.

Pursuant to a repurchase agreement entered into on 21 June 2021 (the "**Repurchase Agreement**"), the Originators repurchased from the Issuer certain Receivables which did not comply with the principles relating, *inter alia*, to the green, social and sustainability aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance, in accordance with Clause 8.1 (b) of the Transfer Agreement (as amended pursuant to the Amendment Agreement to the Transfer Agreement).

On 23 June 2021, Banca Carige sent to the Issuer (with copy to BML and the Representative of the Noteholders) a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Transfer Agreement, as certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria (the "**Communication of Erroneous Identification**"). In accordance with the provisions of the Transfer Agreement, under the Communication of Erroneous Identification, Banca Carige informed thereof the Issuer, BML and the Representative of the Noteholders and Banca Carige and the Issuer have consequently: (i) adjusted the Purchase Price relating to the Banca Carige Receivables

Portfolio; and (ii) replaced the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement with the one attached to the Communication of Erroneous Identification.

The definitive lists of the Receivables are attached to the Intercreditor Agreement.

WARRANTIES IN RELATION TO THE PORTFOLIO

Pursuant to the Warranty and Indemnity Agreement, each Originator (i) has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables comprised in the relevant Individual Portfolio and (ii) has agreed to indemnify the Issuer in respect of certain liabilities incurred in connection with the purchase and ownership of such Individual Portfolio.

SERVICING AGREEMENT

Pursuant to the Servicing Agreement, each Servicer has agreed to perform certain servicing duties in connection with the Receivables respectively assigned by it, and, in general, each of the Servicers has agreed to be responsible for the management of the Receivables respectively assigned by it and for cash and payment services in accordance with the requirements of the Securitisation Law.

In addition, the Master Servicer has agreed to be responsible for verifying the compliance of the transactions with the laws and this Prospectus pursuant to article 2, paragraph 3(c), and 6-*bis* of the Securitisation Law and to provide certain monitoring activities in relation to the Receivables transferred by each of the Originators to the Issuer.

The Master Servicer has undertaken to prepare and submit on each Quarterly Report Date:

(i) the Quarterly Master Servicer's Report to the Issuer, the Reporting Entity, the Corporate Servicer, the Calculation Agent, the Back-up Servicer, the Arranger, the Additional Servicer, the Cash Manager, the Account Banks, the Paying Agent, the Rating Agencies and the Representative of the Noteholders, in the form set out in the Servicing Agreement, containing information as to all the amounts collected from time to time by the Servicers in respect of the Collections, as a result of the activity of each of the Servicers pursuant to the Servicing Agreement during the preceding Collection Period;

(ii) the Loan-by-Loan Report to the Issuer, the Reporting Entity,

the Representative of the Noteholders, the Additional Servicer and the Rating Agencies,

both to be prepared also in compliance in all respects with the Securitisation Regulation and the Regulatory Technical Standards and in order to include the information necessary for the preparation of the reports requested under article 7, paragraph 1 of the Securitisation Regulation and the applicable Regulatory Technical Standards and in line with the templates made available in the ESMA's website.

BACK-UP SERVICING AGREEMENT Pursuant to the Back-up Servicing Agreement, the Back-up Servicer has agreed to replace each Servicer upon termination of the appointment of the relevant Servicer under the Servicing Agreement.

6. REGULATORY CAPITAL REQUIREMENTS

RETENTION HOLDERS AND RETENTION OPTION Each of Banca Carige and BML, in their capacity as Originators, will retain on an on-going basis for the entire life of the Transaction, a material net economic interest of not less than 5% in the Transaction (calculated for each Originator in relation to the proportion of the Receivables comprised in the relevant Individual Portfolio sold by it to the Issuer pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements) as required by Article 6(1) of the Securitisation Regulation and the relevant applicable Regulatory Technical Standards, in accordance with Article 6(3)(d) of the Securitisation Regulation. As at the Issue Date, the Originators will meet this obligation by retaining an interest in the Junior Notes, being the first-loss tranche of the Transaction, as required by Article 6(3)(d) of the Securitisation Regulation.

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

REPORTING ENTITY Under the Intercreditor Agreement, each of the Issuer and the Originators has agreed that Banca Carige is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity as Reporting Entity, Banca Carige shall fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information on the Data Repository (as defined below).

"**Data Repository**" means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

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

7. OTHER TRANSACTION DOCUMENTS

CASH MANAGEMENT AND AGENCY AGREEMENT

Pursuant to the Cash Management and Agency Agreement between, *inter alios*, the Issuer, the Representative of the Noteholders, the Account Banks, the Calculation Agent, the Paying Agent, the Master Servicer, the Additional Servicer and the Back-up Servicer, the Issuer, *inter alia*, will appoint: (a) the Account Banks, for the purpose of, *inter alia*, establishing and maintaining the Accounts; (b) the Paying Agent, for the purpose of, *inter alia*, providing directions as to the payment of interest and the repayment of principal in respect of the Notes and payment to the Other Issuer Creditors; and (c) the Calculation Agent, for the purpose of, *inter alia*, determining certain Issuer's liabilities and the funds available to pay the same.

INTERCREDITOR AGREEMENT

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders) and the Other Issuer Creditors have agreed, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the applicable Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer under the Transaction Documents, and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights and powers in relation to the Portfolio and the Transaction Documents.

SUBORDINATED LOAN AGREEMENTS

Pursuant to the Subordinated Loan Agreements each Originator, in its capacity as Subordinated Loan Provider, has agreed to grant to the Issuer a subordinated loan in order to finance the Cash Reserve Initial Amount and the Retention Amount (the "**Subordinated Loans**").

EXTENSION AND AMENDMENT AGREEMENT TO THE CORPORATE SERVICES AGREEMENT

Pursuant to the Extension and Amendment Agreement to the Corporate Services Agreement, the Corporate Servicer has agreed to make certain amendments and extend to the Transaction the provisions of the Corporate Services Agreement in respect of the corporate and administrative services provided in favour of the

	Issuer, 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 applicable to the Issuer) provided for in the Corporate Services Agreement.
EXTENSION AND AMENDMENT AGREEMENT TO THE QUOTAHOLDERS' AGREEMENT	Pursuant to the Extension and Amendment Agreement to the Quotaholders' Agreement, the Quotaholders have agreed to make certain amendments and extend to the Transaction the undertakings provided for under the Quotaholders' Agreement in relation to the management of the Issuer and the exercise of their rights as Quotaholders.
SENIOR NOTES SUBSCRIPTION AGREEMENT	Pursuant to the Senior Notes Subscription Agreement, the Senior Notes Initial Subscribers have agreed to subscribe for the Senior Notes, subject to the terms and conditions provided for thereunder.
JUNIOR NOTES SUBSCRIPTION AGREEMENT	Pursuant to the Junior Notes Subscription Agreement, the Junior Notes Initial Subscribers have agreed to subscribe for the Junior Notes, subject to the terms and conditions provided for thereunder.

THE PORTFOLIO

Introduction

On 8 June 2021 the Issuer purchased (i) from Banca Carige, the Banca Carige Receivables, and (ii) from BML, the BML Receivables (the BML Receivables and the Banca Carige Receivables, the "**Portfolio**"), pursuant to the Transfer Agreement.

The Portfolio comprises Receivables arising from Loan Agreements guaranteed by, *inter alia*, MCC guarantees (the "**MCC Guarantees**") granted by the Central Guarantee Fund for SMEs (the "**CGFS Fund**") managed by Mediocredito Centrale S.p.A. ("**MCC**" or the "**CGFS Manager**"), established under Italian Law 662/1996, entered into by each relevant Originator with their clients, including micro, small and medium enterprises and/or other entities referred to in article 13, paragraph 1, letter (m) of the Italian Law Decree 8 April 2020, no. 23, converted with amendments into law 5 June 2020, no. 40 (as from time to time amended and supplemented, the "**Liquidity Decree**"). Unless otherwise specified, the information relating to the Portfolio contained in this Prospectus are referred to the Valuation Date.

Pursuant to a repurchase agreement entered into on 21 June 2021 (the "**Repurchase Agreement**"), the Originators repurchased from the Issuer certain Receivables which did not comply with the principles relating, *inter alia*, to the green, social and sustainability aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance, in accordance with Clause 8.1 (b) of the Transfer Agreement (as amended pursuant to the Amendment Agreement to the Transfer Agreement).

On 23 June 2021, Banca Carige sent to the Issuer (with copy to BML and the Representative of the Noteholders) a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Transfer Agreement, as certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria (the "**Communication of Erroneous Identification**"). In accordance with the provisions of the Transfer Agreement, under the Communication of Erroneous Identification, Banca Carige informed thereof the Issuer, BML and the Representative of the Noteholders and Banca Carige and the Issuer have consequently: (i) adjusted the Purchase Price relating to the Banca Carige Receivables Portfolio; and (ii) replaced the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement with the one attached to the Communication of Erroneous Identification.

The definitive lists of the Receivables are attached to the Intercreditor Agreement.

The Loans

As at the Valuation Date, the Portfolio comprises Receivables for a total Outstanding Principal Amount of Euro 383,728,946.16. All the Loan Agreements are governed by Italian law.

The Receivables comprised in the Portfolio have been transferred to the Issuer, together with the relevant Guarantees, pursuant to the terms of the Transfer Agreement.

The Purchase Price of the Portfolio is equal to Euro 383,775,447.17, of which Euro 366,475,906.22 for the Banca Carige Receivables and Euro 17,299,540.95 for the BML Receivables.

Pursuant to the Repurchase Agreement, the Originators repurchased receivables deriving from 51 Loans whose Outstanding Principal Amount is Euro 1,095,023.00. The purchase price of such Receivable is equal to Euro 1,095,169.07, of which Euro 1,070,165.17 for the Receivables repurchased by Banca Carige and Euro 25,003.90 for the BML Receivables.

The Criteria

Part I – Criteria for Banca Carige S.p.A.

The Receivables comprised in the Banca Carige Receivables Portfolio arise out of Loans which, at the Valuation Date (*i.e.* at 23.59 of 4 June 2021) and/or such other date specified in the relevant Criteria, met the following Criteria (to be considered cumulative, save where otherwise provided):

(a) arise out of loans granted by Banca Carige between 2 April 2020 (included) and 30 April 2021 (included);

(b) in respect of which the beneficiary debtors meet the requirements set out in Article 13, paragraph 1, letter m) of the Liquidity Decree;

(c) arise out of loans granted pursuant to article 13, paragraph 1, letter (m) of the Liquidity Decree and in relation to which the CGFS Fund has granted the relevant guarantee;

(d) which have been fully disbursed and in relation to which there is no obligation or possibility to make any further disbursement;

(e) which are governed by the Italian law;

(f) which have not been granted for the benefit of individuals having, as at the date of the granting of the loan, an employment relation with an Originator or any other bank or company belonging to the Banca Carige Group;

(g) which are denominated in Euro;

(h) in respect of which no beneficiary or Debtor has been notified an *atto di precetto* or *decreto ingiuntivo* by an Originator or any other bank belonging to the Banca Carige Group and no beneficiary or Debtor has entered into any out-of-court settlement following a failure to pay;

(i) in respect of which the last Instalment scheduled by the relevant amortisation plan is due not earlier than 31 May 2022 and not later than 31 March 2036;

(j) which have a French amortisation plan;

(k) in respect of which the Outstanding Principal Amount is higher than or equal to Euro 750.00 and lower than or equal to Euro 30,000.00;

(l) which have not been granted in pool in conjunction with other financial institutions;

(m) in respect of which, as at the Valuation Date, no Instalment has been overdue for a period exceeding 31 days from the due date and in respect of which any previous overdue Instalment has been paid;

(n) are not classified as non-performing loans under the Guideline of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing

operations and eligibility of collateral, as amended from time to time;

(o) whose amortisation plan provides for Instalments to be paid monthly by debiting a current account opened at a branch of Banca Carige in the name of the beneficiary of the relevant Loan;

(p) beneficiary Debtors are not identifiable with the following ATECO (*Attività Economiche*) codes:

A03.21.00	A01.70.00	G46.71.00	C20.59.90	C20.30.00	G45.40.30	C33.12.70
G46.17.07	G47.78.50	G46.39.20	C22.19.09	C22.23.02	G46.16.09	G45.20.40
G46.12.01	G47.78.34	D35.23.00	C27.33.01	C23.61.00	A03.11.00	C23.70.10
G46.12.02	G47.78.94	N77.40.00	C25.40.00	C23.62.00	C15.11.00	N81.29.10
G46.12.03	G47.78.40	R93.29.10	C20.15.00	C20.42.00	G46.12.06	A02.40.00
G46.16.06	G47.26.00	C11.01.00	C22.22.00	C20.41.10	G46.16.08	A02.10.00
G46.12.04	G47.71.40	B08.11.00	C22.21.00	C20.41.20	C24.42.00	H50.30.00
G46.15.04	G46.34.10	C28.92.09	C28.29.20	C22.19.01	C23.63.00	H50.10.00
A01.49.90	G46.24.10	C28.30.90	C28.94.20	C25.50.00	C23.51.00	C25.61.00
A01.41.00	G46.75.01	C15.12.09	C28.93.00	C24.54.00	C24.41.00	F43.13.00
A01.42.00	G46.76.20	C22.29.09	C28.96.00	C24.51.00	C11.02.10	A02.20.00
A01.45.00	G46.72.10	C22.23.09	C28.11.11	C24.53.00	C11.02.20	G46.17.09
A01.47.00	G46.75.02	C16.23.20	C25.99.30	F43.22.02	C22.11.20	
A01.46.00	G46.35.00	C20.14.09	C15.20.20	G46.17.08	S95.23.00	

(q) beneficiary debtors are not partnerships or corporations identifiable with the following ATECO (*Attività Economiche*) codes: 662201- 662202 - 662203 - 662204;

(r) the Loans are not identifiable with the following codes:

00058174004 05596848001 08631700004 02843735601 00847289002 08624155003 03035090001
01035174005 08810912002 08150727002 03286803605 05557283204 01018899003 03279255001
03099611001 08646805001 07342297601 07923148605 08908472001 01164637009 03124397001
07732857001 05310092301 07364257603 08800384002 05607685206 01164637010 03592884001
08840004004 05297172303 07386381003 07226435604 05780628202 01908585008 03660608601
00620874001 05383618001 08222433603 08360240005 05893969002 02533663007 03740263001
00662099002 05319195002 07337199601 03543442002 08906537001 05297441301 07317021001
02152630002 07508298602 07792408001 02602915001 05892380202 03973806002 08665246004
02023606001 03545361603 08422637001 06317593001 05770327204 08623743002 02898695203
00557126002 02497561001 03069807002 08332061005 05783549002 02044291004 02794568003
08974757001 08241379001 07932136001 08838272002 05859394002 01707117004 03736626002
02452150003 03670960601 08317323004 03757205001 05861009201 02137413002 07468929002
07068511001 08297319001 08848505007 08399835001 05120755304 00384613006 08085654002
00625121001 02689493601 08882882004 07075465602 05412387310 01138806011 08097317001
02357081001 02690857002 01935305001 07531413602 05236096308 08830085002 02211169007
03767747001 06039040104 07411433603 08330182003 05369156304 03445507009 01918389001
05127157301 06058890001 06454509601 08328996001 05359673302 01689046001 07946540004
02428383002 02968878601 06232156602 08322805001 05350293301 00864827002 03072419005
00792043002 02943945001 08610454004 08617109003 05139931304 01731150002 03921957001
00566675001 02944570201 02483130004 03261268003 05390860001 03609917007 03783838003
05429290301 02946696601 02013319007 03424907002 08125365001 03627590015 03405452006

08977283001 08935248002 03011969005 08290924001 07017309601 06730536005 02631928003
00660604002 08634136002 03447243002 08292421002 03500436602 08623047003 00700543018
03077956005 03136380002 03079265003 08919040001 08937314002 02067472004 08893577001
00259196002 03298917001 03557621006 08405694006 03619374601 02516264015 00917575006
05750725205 06270965001 02675550005 03821440001 05490389002 02457848004 08635446001
05602443201 08885133002 02705132002 03598105601 02478962603 03925611005 08903235002
03047809002 08622410001 08053743001 07758858004

Part II – Criteria for Banca del Monte di Lucca S.p.A.

BML shall transfer to the Issuer all the Receivables comprised in the BML Receivables Portfolio which, at the Valuation Date (*i.e.* at 23.59 of 4 June 2021) and/or such other date specified in the relevant Criteria, met the following Criteria (to be considered cumulative, save where otherwise provided):

(a) arise out of loans granted by BML between 21 April 2020 (included) and 30 April 2021 (included);

(b) in respect of which the beneficiary debtors meet the requirements set out in Article 13, paragraph 1, letter m) of the Liquidity Decree;

(c) arise out of loans granted pursuant to article 13, paragraph 1, letter (m) of the Liquidity Decree and in relation to which the CGFS Fund has granted the relevant guarantee;

(d) which have been fully disbursed and in relation to which there is no obligation or possibility to make any further disbursement;

(e) which are governed by the Italian law;

(f) which have not been granted for the benefit of individuals having, as at the date of the granting of the loan, an employment relation with an Originator or any other bank or company belonging to the Banca Carige Group;

(g) which are denominated in Euro;

(h) in respect of which no beneficiary or Debtor has been notified an *atto di precetto* or *decreto ingiuntivo* by an Originator or any other bank belonging to the Banca Carige Group and no beneficiary or Debtor has entered into any out-of-court settlement following a failure to pay;

(i) in respect of which the last Instalment scheduled by the relevant amortisation plan is due not earlier than 31 March 2022 and not later than 31 July 2035;

(j) which have a French amortisation plan;

(k) in respect of which the Outstanding Principal Amount is higher than or equal to Euro 1,322.00 and lower than or equal to Euro 30,000.00;

(l) which have not been granted in pool in conjunction with other financial institutions;

(m) in respect of which, as at the Valuation Date, no Instalment has been overdue for a period exceeding 31 days from the due date and in respect of which any previous overdue Instalment has been paid;

(n) are not classified as non-performing loans under the Guideline of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;

(o) whose amortisation plan provides for Instalments to be paid monthly by debiting a current account opened at a branch of BML in the name of the beneficiary of the relevant Loan;

(p) beneficiary Debtors are not identifiable with the following ATECO (*Attività Economiche*) codes:

A03.21.00	A01.70.00	G46.71.00	C20.59.90	C20.30.00	G45.40.30	C33.12.70
G46.17.07	G47.78.50	G46.39.20	C22.19.09	C22.23.02	G46.16.09	G45.20.40
G46.12.01	G47.78.34	D35.23.00	C27.33.01	C23.61.00	A03.11.00	C23.70.10
G46.12.02	G47.78.94	N77.40.00	C25.40.00	C23.62.00	C15.11.00	N81.29.10
G46.12.03	G47.78.40	R93.29.10	C20.15.00	C20.42.00	G46.12.06	A02.40.00
G46.16.06	G47.26.00	C11.01.00	C22.22.00	C20.41.10	G46.16.08	A02.10.00
G46.12.04	G47.71.40	B08.11.00	C22.21.00	C20.41.20	C24.42.00	H50.30.00
G46.15.04	G46.34.10	C28.92.09	C28.29.20	C22.19.01	C23.63.00	H50.10.00
A01.49.90	G46.24.10	C28.30.90	C28.94.20	C25.50.00	C23.51.00	C25.61.00
A01.41.00	G46.75.01	C15.12.09	C28.93.00	C24.54.00	C24.41.00	F43.13.00
A01.42.00	G46.76.20	C22.29.09	C28.96.00	C24.51.00	C11.02.10	A02.20.00
A01.45.00	G46.72.10	C22.23.09	C28.11.11	C24.53.00	C11.02.20	G46.17.09
A01.47.00	G46.75.02	C16.23.20	C25.99.30	F43.22.02	C22.11.20	
A01.46.00	G46.35.00	C20.14.09	C15.20.20	G46.17.08	S95.23.00	

(q) beneficiary debtors are not partnerships or corporations identifiable with the following ATECO (Attività Economiche) codes: 662201- 662202 - 662203 - 662204;

(r) the Loans are not identifiable with the following codes:

01075108001 00958351006 01072062001 00255364007 01072326002 00957893003 01004042001 00911552001 01037422001 01069656005

Capacity to produce funds

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

Specific details of the Portfolio

The following tables set out information on the characteristics of the Portfolio as at the Valuation Date.

PORTFOLIO OVERVIEW		
NUMBER OF LOANS	#	19,479
NUMBER OF DEBTORS	#	19,450
OUTSTANDING PRINCIPAL AMOUNT	€	383,728,946.16
ORIGINAL PRINCIPAL AMOUNT	€	383,728,946.16
LARGEST OUTSTANDING PRINCIPAL AMOUNT (per loan)	€	30,000.00
AVERAGE OUTSTANDING PRINCIPAL AMOUNT (per loan)	€	19,700
AVERAGE OUTSTANDING PRINCIPAL AMOUNT (per debtor)	€	19,729
WEIGHTED AVERAGE SEASONING	years	0.87

WEIGHTED AVERAGE RESIDUAL LIFE*	years	5.51
WEIGHTED AVERAGE INTEREST RATE	%	0.74%
TOP DEBTOR (on total pool)	%	0.01%
TOP 5 DEBTORS (on total pool)	%	0.04%
TOP 10 DEBTORS (on total pool)	%	0.08%
TOP NACE CODE (G47)	%	16.21%
TOP SAE CODE (430)	%	28.86%
TOP REGION (Liguria)	%	40.98%
WEIGHTED AVERAGE CGFS GUARANTEE	%	100.00%
FIXED RATE LOANS (on total pool)	%	100.00%
MONTHLY PAYMENT FREQUENCY (on total pool)	%	100.00%
DIRECT DEBIT PAYMENT TYPE (on total pool)	%	100.00%

**All Loans have a principal grace period*

BREAKDOWN BY OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0-10,000	22,187,738.73	5.78%	3,536
10,000-20,000	62,062,719.73	16.17%	4,418
20,000-30,000	299,478,487.70	78.04%	11,525
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY ORIGINAL PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0-10,000	22,187,738.73	5.78%	3,536
10,000-20,000	62,062,719.73	16.17%	4,418
20,000-30,000	299,478,487.70	78.04%	11,525
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY ORIGINATION YEAR	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
2020	353,992,969.91	92.25%	17,995
2021	29,735,976.25	7.75%	1,484
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY MATURITY YEAR	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
2022	53,000.00	0.01%	3
2023	8,044,947.75	2.10%	651
2024	15,757,296.00	4.11%	1,016

2025	28,726,831.00	7.49%	1,693
2026	249,619,800.91	65.05%	12,673
2027	17,255,825.25	4.50%	829
2028	5,846,528.00	1.52%	260
2029	1,304,797.50	0.34%	57
2030	51,106,383.00	13.32%	2,041
2031	5,000,386.75	1.30%	218
2032	117,350.00	0.03%	5
2033	90,000.00	0.02%	3
2035	454,100.00	0.12%	17
2036	351,700.00	0.09%	13
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY SEASONING (years)*	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0–0.4	27,826,615.50	7.25%	1,389
0.4–0.8	87,596,855.25	22.83%	4,363
0.8–1.2	268,305,475.41	69.92%	13,727
Total	383,728,946.16	100.00%	19,479

**as of Valuation Date*

BREAKDOWN BY RESIDUAL LIFE (years)*	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0–3	16,024,584.75	4.18%	1,158
3–6	297,000,888.66	77.40%	15,403
6–9	24,865,514.75	6.48%	1,027
9–12	45,032,158.00	11.74%	1,861
12–15	805,800.00	0.21%	30
Total	383,728,946.16	100.00%	19,479

**as of Valuation Date*

BREAKDOWN BY CURRENT INTEREST RATE	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0%–0.5%	96,147,575.75	25.06%	5,544
0.5%–1.0%	254,161,029.91	66.23%	12,487
1.0%–1.5%	33,330,340.50	8.69%	1,444
2.5%–3.0%	90,000.00	0.02%	4
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY CUSTOMER SEGMENT	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
Small	207,300,217.75	54.02%	8,906
Micro	145,571,376.46	37.94%	8,691
Other	24,850,864.95	6.48%	1,652
Medium	6,006,487.00	1.57%	230
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY DEBTOR GEOGRAPHIC DISTRIBUTION	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
LIGURIA	157,243,872.69	40.98%	8,110
TOSCANA	58,897,250.26	15.35%	2,973
LOMBARDIA	30,734,008.25	8.01%	1,493
SICILIA	28,967,151.50	7.55%	1,546
VENETO	26,090,302.22	6.80%	1,259
PIEMONTE	23,773,451.75	6.20%	1,234
LAZIO	22,145,607.49	5.77%	1,091
SARDEGNA	12,642,305.25	3.29%	627
EMILIA ROMAGNA	10,141,442.00	2.64%	504
PUGLIA	6,458,527.75	1.68%	326
MARCHE	1,872,444.00	0.49%	97
VALLE D AOSTA	1,766,298.00	0.46%	83
UMBRIA	1,436,747.00	0.37%	67
CAMPANIA	648,600.00	0.17%	27
ABRUZZO	404,450.00	0.11%	18
FRIULI VENEZIA GIULIA	173,760.00	0.05%	8
CALABRIA	102,628.00	0.03%	5
BASILICATA	93,100.00	0.02%	5
TRENTINO ALTO ADIGE	77,000.00	0.02%	4
MOLISE	60,000.00	0.02%	2
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY AMORTISATION TYPE	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
French	367,253,653.41	95.71%	18,300
Linear*	16,475,292.75	4.29%	1,179
Total	383,728,946.16	100.00%	19,479

**All Loans with linear amortisation type have an interest rate equal to zero, therefore French and linear amortization are exactly the same for such Loans*

BREAKDOWN BY ORIGINATOR	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
BANCA CARIGE	366,431,741.32	95.49%	18,626
BANCA MONTE LUCCA	17,297,204.84	4.51%	853
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY SAE CODE (Bank of Italy)	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
430	110,731,988.50	28.86%	4,602
615	93,421,365.70	24.35%	5,427
492	63,821,155.25	16.63%	2,813
614	51,520,637.76	13.43%	3,271
482	34,803,681.00	9.07%	1,542
600	21,808,441.70	5.68%	1,512
481	2,006,900.00	0.52%	80
491	1,745,000.00	0.45%	68
450	1,601,286.25	0.42%	69
280	719,175.00	0.19%	31
480	643,500.00	0.17%	26
490	571,700.00	0.15%	23
288	106,200.00	0.03%	5
284	98,665.00	0.03%	4
432	61,250.00	0.02%	3
268	43,000.00	0.01%	2
285	25,000.00	0.01%	1
Total	383,728,946.16	100.00%	19,479

BREAKDOWN BY NUMBER OF DAYS IN ARREARS*	OUTSTANDING PRINCIPAL BALANCE (€)	OUTSTANDING PRINCIPAL BALANCE (%)	NUMBER OF LOANS
0	382,151,171.16	99.59%	19,395
7	1,527,775.00	0.40%	82
30	50,000.00	0.01%	2
Total	383,728,946.16	100.00%	19,479

** Number of Days Interests in Arrears. As of Valuation Date All the Loans are in Principal Grace Period*

BREAKDOWN BY NACE CODE (description)	OUTSTANDING PRINCIPAL AMOUNT (€)	OUTSTANDING PRINCIPAL AMOUNT (%)	NUMBER OF LOANS

G47 – Retail trade, except of motor vehicles and motorcycles	62,187,050.00	16.21%	3,055
I56 – Food and beverage service activities	58,070,920.74	15.13%	2,696
F43 – Specialised construction activities	36,392,816.75	9.48%	2,005
G46 – Wholesale trade, except of motor vehicles and motorcycles	29,533,307.22	7.70%	1,437
F41 – Construction of buildings	15,638,139.00	4.08%	690
G45 – Wholesale and retail trade and repair of motor vehicles and motorcycles	14,419,264.75	3.76%	682
Q86 – Human health activities	14,052,922.00	3.66%	871
I55 – Accommodation	11,793,503.00	3.07%	522
S96 – Other personal service activities	11,692,595.92	3.05%	876
M69 – Legal and accounting activities	11,136,488.70	2.90%	585
H49 – Land transport and transport via pipelines	10,646,059.00	2.77%	538
L68 – Real estate activities	9,342,849.75	2.43%	538
C10 – Manufacture of food products	8,461,608.00	2.21%	357
C25 – Manufacture of fabricated metal products, except machinery and equipment	6,885,161.00	1.79%	291
R93 – Sports activities and amusement and recreation activities	6,146,089.50	1.60%	281
A1 – Crop and animal production, hunting and related service activities	5,675,685.00	1.48%	327
N81 – Services to buildings and landscape activities	5,130,605.84	1.34%	274
M71 – Architectural and engineering activities; technical testing and analysis	5,067,332.75	1.32%	328
M74 – Other professional, scientific and technical activities	4,064,247.50	1.06%	251
M70 – Activities of head offices; management consultancy activities	3,887,634.75	1.01%	212
C32 – Other manufacturing	3,693,129.50	0.96%	217
J63 – Information service activities	3,614,631.75	0.94%	176
C33 – Repair and installation of machinery and equipment	3,565,797.00	0.93%	164

K66 - Activities auxiliary to financial services and insurance activities	3,077,634.74	0.80%	185
N82 - Office administrative, office support and other business support activities	2,800,050.50	0.73%	156
H52 - Warehousing and support activities for transportation	2,751,113.50	0.72%	117
S95 - Repair of computers and personal and household goods	2,496,946.25	0.65%	138
J62 - Computer programming, consultancy and related activities	2,185,690.00	0.57%	103
P85 - Education	2,044,810.00	0.53%	113
C14 - Manufacture of wearing apparel	1,890,883.00	0.49%	103
N79 - Travel agency, tour operator and other reservation service and related activities	1,877,635.00	0.49%	79
C16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1,738,380.00	0.45%	86
C18 - Printing and reproduction of recorded media	1,643,760.00	0.43%	77
N77 - Rental and leasing activities	1,623,164.00	0.42%	78
M73 - Advertising and market research	1,550,380.00	0.40%	84
C28 - Manufacture of machinery and equipment n.e.c.	1,387,800.00	0.36%	57
C23 - Manufacture of other non-metallic mineral products	1,377,270.00	0.36%	64
C31 - Manufacture of furniture	1,317,100.00	0.34%	67
C13 - Manufacture of textiles	1,147,643.00	0.30%	50
R92 - Gambling and betting activities*	990,023.00	0.26%	47
E38 - Waste collection, treatment and disposal activities; materials recovery	952,000.00	0.25%	39
C30 - Manufacture of other transport equipment	947,992.00	0.25%	41
R90 - Creative, arts and entertainment activities	901,916.75	0.24%	54
F42 - Civil engineering	831,560.00	0.22%	35
C27 - Manufacture of electrical equipment	811,100.00	0.21%	33

Q88 – Social work activities without accommodation	629,500.00	0.16%	31
J59 – Motion picture, video and television programme production, sound recording and music publishing activities	592,350.00	0.15%	32
C17 – Manufacture of paper and paper products	511,300.00	0.13%	22
Q87 – Residential care activities	493,700.00	0.13%	19
C26 – Manufacture of computer, electronic and optical products	416,955.00	0.11%	20
J58 – Publishing activities	382,000.00	0.10%	19
J61 – Telecommunications	374,465.00	0.10%	19
N80 – Security and investigation activities	331,155.00	0.09%	16
M75 – Veterinary activities	287,350.00	0.07%	15
M72 – Scientific research and development	237,075.00	0.06%	12
C15 – Manufacture of leather and related products	227,000.00	0.06%	9
E37 – Sewerage	204,400.00	0.05%	9
H53 – Postal and courier activities	204,255.00	0.05%	11
D35 – Electricity, gas, steam and air conditioning supply	194,700.00	0.05%	8
C11 – Manufacture of beverages	182,400.00	0.05%	9
J60 – Programming and broadcasting activities	176,300.00	0.05%	9
C29 – Manufacture of motor vehicles, trailers and semi-trailers	167,750.00	0.04%	8
E39 – Remediation activities and other waste management services	130,000.00	0.03%	5
K64 – Financial service activities, except insurance and pension funding	122,000.00	0.03%	5
K65 – Insurance, reinsurance and pension funding, except compulsory social security	50,000.00	0.01%	2
C24 – Manufacture of basic metals**	50,000.00	0.01%	2
E36 – Water collection, treatment and supply	47,300.00	0.01%	3
S94 – Activities of membership organisations	42,000.00	0.01%	2
A2 – Forestry and logging	33,100.00	0.01%	2

O84 – Public administration and defence; compulsory social security	32,200.00	0.01%	3
R91 – Libraries, archives, museums and other cultural activities	32,000.00	0.01%	2
A3 – Fishing and aquaculture	30,000.00	0.01%	1
C22 – Manufacture of rubber and plastic products***	30,000.00	0.01%	1
N78 – Employment activities	25,000.00	0.01%	2
C20 – Manufacture of chemicals and chemical products****	25,000.00	0.01%	1
H50 – Water transport	25,000.00	0.01%	1
Total	383,728,946.16	100.00%	19,479

* *All 47 Loans of such industry have been repurchased by Banca Carige on 21 June 2021.*

** *All 2 Loans of such industry have been repurchased by Banca Carige on 21 June 2021.*

*** *The only Loan of such industry has been repurchased by Banca Carige on 21 June 2021.*

**** *The only Loan of such industry has been repurchased by Banca Carige on 21 June 2021.*

Pool Audit Reports

Pursuant to article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, the Pool Audit Reports has been prepared in respect of the Portfolio prior to the Issue Date and no significant adverse findings have been found.

THE ORIGINATORS, THE SERVICERS, THE SENIOR NOTES INITIAL SUBSCRIBERS AND THE JUNIOR INITIAL SUBSCRIBERS

BANCA CARIGE

Historical Background and Description of Banca Carige

Banca Carige S.p.A., a bank incorporated in Italy as a joint stock company (società per azioni) whose registered office is in Genoa, at Via Cassa di Risparmio, No. 15, Italy, registered with the Companies' Register of Genoa under number 03285880104 and registered with the Bank of Italy pursuant to article 13 of Legislative Decree No. 385 of 1 September, 1993 as amended from time to time (the Banking Law) under number 6175, and which is the parent company of the Banca Carige Group registered with the Bank of Italy pursuant to article 64 of the Banking Law under number 6175 (Banca Carige).

The origins of Banca Carige can be traced back to 1483 with the foundation of Monte di Pietà di Genova. In 1991, pursuant to the Amato Law, which required the separation between ownership and management of public savings banks (casse di risparmio), the Fondazione Carige contributed its banking business into a newly established joint stock company (società per azioni), Banca Carige.

In response to the evolution of the competitive environment of the banking system, we developed from a local savings bank (cassa di risparmio) into a full-service bank listed on the Italian stock exchange, through (i) our initial public offering in 1995, several subsequent capital increases between 1990 and 2008, and the issuance of convertible and subordinated loans, and (ii) our development from a regional player into a network with nationwide distribution, through several new openings and through several acquisitions of banks and branch networks outside Liguria (the number of branches of our distribution network increased from 136 branches at the end of 1990 to 642 branches at the end of 2014).

Over the years, the interest held by the Fondazione Carige gradually decreased and a stable core of Italian and foreign shareholders, as well as a large number of private investors (more than 50,000), became part of our shareholder base.

Banca Carige S.p.A. is the largest retail bank in the north western Italian region of Liguria and is the Parent Bank of the Banca Carige Group (Banca Carige Group or the Group), one of the largest Italian banking groups.

Banca Carige Group operates in the various sectors of credit and financial intermediation. The Group operates predominantly in the banking sector, concentrating mainly on retail customers and small and medium-sized enterprises (SMEs). The Group's wide range of banking, financial and related activities include deposit taking, lending, asset management, securities trading, leasing, factoring and distribution of life and non-life insurance products and consumer credit through bank branches.

Ownership Structure

As at 31 March 2021, the Banca Carige's share capital amounts to Euro 1,915,163,696.00 divided into 755,265,881,015 shares without the indication of the nominal value, of which 755,265,855,473 are ordinary registered shares and 25,542 convertible savings shares.

As at the date hereof, according to information available to Banca Carige, the following shareholders held, directly or indirectly, more than 5 per cent. of Banca Carige's ordinary shares:

Shareholders	Percentage of share capital
Fondo Interbancario di Tutela dei Depositi	79,992%
Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.	8,341%
Others	11,667%

Board of Directors and Organisational Structure

The following table sets out the current members of the Board of Directors.

Name	Position	Place and date of birth
Giuseppe Boccuzzi (1), (3) and (8)	Chairman	Bollate (MI) – December 7, 1954
Paolo Ravà (5)	Vice Chairman	Genoa, January 24, 1965
Francesco Guido	Chief Executive Officer and General Manager	Lecce – January 7, 1958
Sabrina Bruno (1), (2), (3), (8) and (9)	Director	Cosenza – January 30, 1965
Lucia Calvosa (3), (4), (8) and (9)	Director	Rome – June 26, 1961
Paola Demartini (5), (8) and (9)	Director	Genoa – May 31, 1962
Miro Fiordi (2), (5), (8) and (9)	Director	Sondrio – November 20, 1956
Gaudiana Giusti (6), (8) and (9)	Director	Livorno – July 14, 1962
Francesco Micheli (2), (4), (7), (8) and (9)	Director	Rome – January 3, 1946
Leopoldo Scarpa (5), (8) and (9)	Director	Venezia – June 16, 1951

(1) Member of the Nomination, Governance and Sustainability Committee.

(2) Member of the Remuneration Committee.

(3) Chairman of the Nomination, Governance and Sustainability Committee.

(4) Member of the Related-Party Transaction Committee.

(5) Member of the Risk Committee.

(6) Chairman of the Related-Party Transaction Committee.

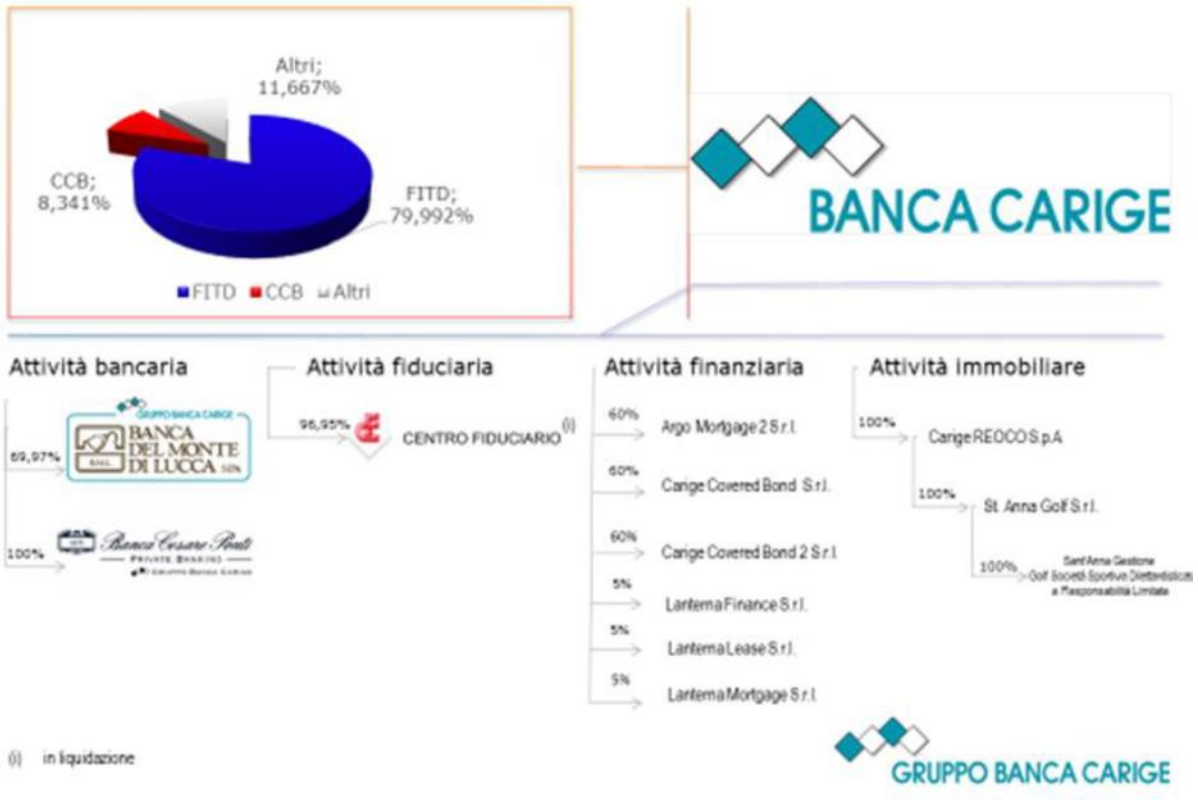
(7) Chairman of the Remuneration Committee.

(8) Non executive director.

(9) Director meets independence requirement pursuant to article 18 of Banca Carige by-laws (which specifies relevant requirements under article 148(3) of the Consolidated Financial Act and the Code of Self-Regulation for listed companies), pursuant to article 147-*ter*(4) of the Consolidated Financial Act, as assessed by the board of directors on 29 April 2016 and, for the directors appointed subsequently to the Shareholders' meeting held on 31 March 2016, by the board of directors on 28 April 2017, 11 July 2017 and 3 August 2017.

The business address for each of the foregoing directors is the registered office of the Company (Via Cassa di Risparmio 15, Genoa, Italy).

The following chart shows the structure of the Banca Carige Group at the date hereof:



Recent developments

The majority of the Board of Directors of Banca Carige resigned, effective from 2 January 2019, following the non-approval by the Shareholders' Meeting of Banca Carige of the delegation of powers to the Managing Director, necessary for the implementation of the Banca Carige's share capital increase.

Also as a consequence of the above, the European Central Bank required – in lieu of the appointment of a new Board of Directors – that Banca Carige be subject to an extraordinary administration regime, effective from 2 January 2019 (the "**Extraordinary Administration**"). In the context of the Extraordinary Administration, three Extraordinary Managers were appointed, with all powers that would have been attributed to a new Board of Directors.

On 19 February 2019, the Extraordinary Managers approved a strategic plan for the Banca Carige Group (the "**Strategic Plan 2019-2023**"), published on 27 February 2019, aimed at enhancing and strengthening the capital structure of the Banca Carige Group, relaunching its commercial position on the market and reducing the Banca Carige Group non-performing exposures.

On 30 September 2019 the European Central Bank required the Extraordinary Administration regime to be carried out until 31 December 2019, with a view to allow Banca Carige to implement its capital strengthening Strategic Plan 2019-2023.

Under the Strategic Plan 2019-2023, Banca Carige entered into a framework agreement on 9 August 2019 with Fondo Interbancario di Tutela dei Depositi (FITD), Schema Volontario di Intervento del FITD (SVI) and Cassa Centrale Banca – Credito Cooperativo Italiano (CCB).

Moreover, in the context of the Strategic Plan 2019-2023, Banca Carige executed a de-risking transfer of around Euro 2,800,000,000 of non-performing exposures to AMCO S.p.A. (previously, Società per la Gestione di Attività - SGA S.p.A.).

On 20 September 2019, the Extraordinary Shareholders' Meeting of Banca Carige, having acknowledged the relevant authorisation by the European Central Bank, approved the share capital increase of Banca Carige, for an amount of Euro 700,000,000. The capital increase is an essential component of the overall capital strengthening plan, together with the de-risking activities, the issue of a Tier 2 subordinated bond for an amount of Euro 200,000,000 and the industrial relaunching measures provided for in the Strategic Plan 2019-2023.

The Extraordinary Administration regime ended on 31 January 2020. On 31 January 2020, the Ordinary Shareholders' Meeting of Banca Carige resolved on the appointment of the new Board of Directors for the years 2020-2022.

BML

Historical Background and Description of BML

Banca del Monte di Lucca S.p.A. is a società per azioni (joint-stock company) incorporated under Italian law, registered with the Company Register of Lucca with tax code and VAT number No. 01459540462 and enrolled with the Register of Banks under No 5127 (ABI code 6915.3); the company belongs to the Banca Carige Group registered with the Bank of Italy under No. 6175.4 and is subject to supervision and coordination of the Parent Bank; BML is also a member of the Interbank Guarantee Fund and of the Interbanking Fund for the Protection of Deposits.

BML Head Office is in Lucca (Italy) – Piazza S. Martino, 4.

Pursuant to Article 3 of its by-laws, the bank shall be in operation until 31 December 2100, subject to extension.

The origins of BML go back to 1489 with the foundation of Monte di Pietà di Lucca. The Bank was established in its current form in 1992, following the enactment of the Amato Law in 1990, which required separation between the ownership and business of the former public savings banks. In 2001

it entered in the Banca Carige Group.

Together with the standard activities of credit and consumers' funding, BML offers to its clients a full range of products and services like asset management, bank assurance and consumer credit.

During it history, the bank has been characterized by strong territorial roots; the 100 per cent. of its branches is located in Tuscany.

Ownership and Share Capital

BML's majority Shareholder is Banca Carige. The share capital of BML is equal to 44,140,000.00.

Consolidated Financial Highlights

The final results at 31 December 2020 approved by the Board of Directors on 10 March 2021, confirm a consolidated loss before tax of EUR 161.1 mln. As a result of the deep dives conducted to assess the recoverability of Deferred Tax Assets (DTAs) over time in light of the pandemic scenario, non-recognisable DTAs were assessed to amount to EUR 66.3 mln, with loss after tax accordingly being determined at EUR 251.6 mln.

Against a pandemic-affected economic cycle, which radically changed the business outlook embedded in the 2019-2023 Strategic Plan approved prior to the onset of the health emergency, the Board of Directors has positively assessed the results delivered by the Bank in 2020, which confirm the Plan forecasts in terms of revenues and costs (net interest & other banking income and administrative expenses) and bear witness to the achievement of a higher performance than prior-period levels or industry average in funding / lending volumes and key profit and loss accounts. The recognition of higher-than-expected provisions and loan losses is consistent with the changed environment and in line with the Bank’s careful risk management policy.

THE COLLECTION POLICIES

Potential investors should be aware that the below constitutes a summary of the Collection Policies of each of Banca Carige and BML. For the full version, please make reference to the Collection Policies attached to the Servicing Agreement.

* * *

The strategy put in place by the Banca Carige Group (hereinafter the "**Carige Group**") for approving and managing loans is consistent with following objectives:

(a) balance between primary needs for credit risk containment and sales and business planning and growth;

(b) effectiveness and efficiency in the management of information and adequate control over each step of the process;

(c) prompt and flexible responses to credit-worthy customers.

In pursuing objectives that are consistent with the above guidance, the Carige Group has adopted differentiated organisational structures and management behaviours.

In performing its management and coordination activities in its role as Parent Company, Banca Carige issues appropriate guidelines on the control of credit risk and establishes the related operating limits for its subsidiaries.

LENDING PROCESS

Loan management involves a variety of organisational parties, both at a head-office (offices in the Lending Unit, Commercial, etc.) and branch network (Branches, Retail and Corporate Areas, Corporate Managers) level.

The Carige Group has set up a multi-year implementation programme to have access to the tools necessary to meet the capital and management requirements ("experience/use requirement") under the Internal Rating Based (IRB) approach.

In the meantime, the Carige Group has determined the requirement according to the standardised approach, which, in brief, weighs credit exposures based on their inclusion in one of the regulatory portfolios, defined in relation to the characteristics of the borrower or transaction entered into with the customer, which the Basel Committee recognises as having uniform risk profiles. The Standardised approach also uses different risk-weightings based on the external rating of specialised agencies (External Credit Assessment Institutions, ECAIs), specifically approved by the Supervisory Authority.

With reference to credit risk assessment, the authorisation system adopted by the Carige Group for loan disbursement and review is based on the expected loss. In order to provide more effective guidelines on credit and commercial policies, a multiplier coefficient of the expected loss or a parameter that can be applied with different degrees of granularity to set management axes (footprint area, products, rating classes) is applied solely for decision-making purposes.

With regard to credit risk, for the purposes of determining the authorisation process for loan applications directly filed with the subsidiaries, the Parent Company sets operating limits, above which

applications must be submitted in advance to the Parent Company's Board of Directors (or to the bodies expressly delegated by it), which will issue an obligatory opinion.

The Parent Company's obligatory opinion is provided for requests with the following minimum amount limits:

BML

1. RATED SEGMENTS

(a) Granting, increase, and confirmation:

(i) Risk amount: EUR 6,500,000;

(ii) Expected Loss amount: EUR 45.000;

(b) Renewal and "risk flag" loan:

(i) Risk amount: EUR 6,500,000;

(ii) Expected Loss amount: no limits;

(c) Reduction and "risk flag" loan with no exposure: opinion not required.

2. UNRATED SEGMENTS

(a) Granting, increase, and confirmation

Maximum amount: EUR 6.500.000, with the following sub maximum amounts:

(i) loans falling within category A (on-balance-sheet loans or similar receivables and non-self-liquidating trade receivables): up to EUR 1,500,000;

(ii) loans falling within category B (self-liquidating trade receivables): up to 2,000,000;

(iii) loans falling within category C (collateralised loans): up to 3,000,000.

(b) Renewal and "risk flag" loan:

(i) Maximum amount: EUR 6,500,000;

(ii) Sub maximum amount for risk category: no limit.

(c) Reduction and "risk flag" loan with no exposure: opinion not required.

Finally, no opinion is required for requests for mandatory treasury advances or cash advances arising from contracts for the provision of the service.

In addition to the limits imposed by the Supervisory Authority, the Bank has independently identified stricter management rules aimed at further reducing an excessive level of risk concentration.

These rules result in lower maximum risk limits per corporate group with respect to the Banking Group. A maximum Banking Group risk limit of no	**Limits of concentration (*Euro*)**	**Overall Group limit (*Euro*)**

more than EUR 50 mln is identified, with a sublimit for each individual bank as follows:		
Banca Carige Spa	50 mln	50 mln
Banca del Monte di Lucca Spa	2,5 mln	
Banca Cesare Ponti Spa	1 mln	

Obviously, the Board of Directors retains the autonomy to depart from the foregoing limits in the event of opportunities to deal with counterparties with a low level of risk.

BANCA CARIGE

FOOTPRINT AREAS

Since January 2021, the organisational structure of Banca Carige's network has been modified by reconfiguring the retail and corporate segments with the establishment of 24 (twenty-four) Retail Areas for the parent company Banca Carige (one for Banca del Monte di Lucca) and 3 (three) Corporate Areas (one for Banca del Monte di Lucca). The Retail Areas oversee an average of 15 Retail Branches each; the Corporate Areas hierarchically supervise 17 (seventeen) Carige Corporate Branches.

Retail and Corporate Areas are respectively overseen by Retail Area Managers and Corporate Area Managers, new figures focused on supporting their respective branches in achieving their objectives and applying the commercial method.

HEAD-OFFICE UNITS

On the recommendation from the Board of Directors, the Credit Committee was established, which is chaired by the Chief Lending Officer (CLO) and comprised of the Chief Executive Officer, the Chief Commercial Officer (CCO), the top managers of the Loan Department and the CRO (or its delegate), a non-voting member. The Credit Committee supports the corporate bodies in managing the credit risk which the individual entities of the Group and the Group as a whole are exposed to in terms of:

(a) definition and proposal of the credit policy;

(b) assumption of credit risk;

(c) credit risk control, including classification of loan;

(d) opinions on proposals beyond its own remit to be submitted to the Board of Directors;

(e) assessment of the quality of the loan portfolio and proposal of measures to improve its risk profiles.

At a head-office level, the credit area is headed by the CLO, who is responsible for Credit Policies and Monitoring, Corporate Lending, Retail Lending, Pre-Problem, NPE and the Credit Secretariat . In particular:

(a) Credit Policies and Monitoring supports the CLO in defining lending and management policies

and supervising the loan classification process;

(b) Corporate Lending, divided at a regional level between Liguria and Outside Liguria, resolves upon granting/renewal/withdrawal requests for Corporate customers, Banks and Institutional customers;

(c) Retail Lending resolves upon granting/renewal/withdrawal requests for Retail customers;

(d) the Pre-Problem structure ensures the proper management of pre-problem credit positions in order to prevent deterioration with consequent economic and financial benefits for Banca Carige;

(e) the NPE Unit defines the strategies, models and processes for the management of non-performing exposures, as well as monitoring, accounting and reporting of non-performing exposures;

(f) Credit Secretariat examines the files to be submitted to the Management Bodies from a formal point of view and follows up on reporting to the Central Risk Register.

CREDIT MONITORING

The Banca Carige Group has adopted a credit monitoring model based on indicators of irregular conditions that are detected on a daily basis by the tool and which are pivotal to discriminate between positions to be managed promptly and those to be monitored.

The items in question are processed to determine the management process into which the positions are to be placed:

(a) To be monitored: positions with non-relevant irregular conditions or, irrespective of the existing irregular conditions, with marginal draw downs (from EUR 0 to 1,000) for which there no set management times exist;

(b) Pre-problem loan: performing positions for which relevant irregular conditions are present or non-performing positions with operating exposures other than "Unlikely-To-Pay exposures" (i.e., Past Due or Forborne Cure Period or other Unlikely-To-Pay originating from the criteria of the "New Definition of Default" such as Contagion/Probation Period). The management of these positions provides for certain timeframes for the assessment of "Unlikely-to-pay exposures" or derogation;

(c) Problem loan: non performing positions classified as "Unlikely-To-Pay exposures".

1. REGULAR PAYMENT CONTRACTS AND MANAGEMENT OF LATE PAYMENTS

1.1 Regular payment contracts

1.1.1 Method of payment

With reference to the Loans included in the Portfolio transferred to the Issuer, the payment is made by debiting the current account held with Banca Carige.

1.1.2 Right of renegotiation

In the case of loans that have been duly fulfilled, it is possible, at the request of the borrower, to renegotiate the relevant loan agreement.

The renegotiation concerns the change in the type of rate (from variable to fixed and vice versa), the conditions applied and the duration of the amortisation.

The renegotiation tool is also used for positions with abnormal trends or delayed payments; in such cases, the change in repayment terms (extension of the amortisation plan, change in the conditions applied) is finalised on the base of the proven ability to repay. In circumstances where a client's financial difficulty in repayment is identified, the renegotiation determines the classification as forborne.

1.2 First Payment Irregularities

In the event of non-payment, IT procedures automatically issue a reminder letter which is sent to the defaulting borrowers.

The procedural automatisms do not prevent, where deemed necessary, to immediately take legal initiatives aimed at collecting debt.

1.3 Pre-problem loans

In 2018, a new structure called "Pre-Problem Management Unit" was set up, which is in charge of positions showing signs of criticality or for which it is necessary to strengthen credit monitoring actions.

The Unit consists of two departments:

1. Large Ticket Credit Management for positions of a significant amount (exposure exceeding EUR 250,000) that are pre-problematic or in forborne Probation Period formerly non performing. The office consists of pre-problem loans analysts; each analyst is assigned a client portfolio on which they have to implement intervention strategies with a view to regularising relations, taking into account the timing of the credit monitoring process;
2. Small Ticket Credit Management: supervises and controls small amount positions in the Retail sector (exposure less than or equal to EUR 250,000), including with the support of external providers specialised in reminder and debt collection actions.

1.4 Forborne Positions and impaired credit

1.4.1 Forborne Positions

The European Commission, with the (EU) Enforcement Regulation 2015/1278 of 9 July 2015, which amended EU Regulation 680/2014, introduced a sub-category for both performing and non -performing loans: Forborne exposures. This sub-category identifies performing or non-performing loans that benefit from concessions or renegotiation of contractual conditions (including moratoriums and suspensions) -objective assumption- due to current or impending financial difficulties of the debtor -subjective assumption. For an exposure to be classifies as Forborne, it is necessary that both assumptions (objective and subjective) are met.

As regards the very concept of "Forborne" (which can be translated into "granting measures"),

the ECB subsequently intervened by issuing the "Guidelines for banks on impaired loans" on 20 March 2017. This document sets out in detail the key features of the Forbearance Measures:

(a) forbearance measures must be granted with the key objective of laying the foundations for the exposures to be reclassified as of performing or avoiding the downgrading of performing exposures;

(b) forbearance measures must be economically sustainable; the assessment of the borrower's financial resources must be based on the current and prospective future capacity to repay debt;

(c) the net present value (VAN) of loan resulting from the application of forbearance measures should be preferable to the VAN resulting from alternative options such as enforcement of guarantees or other liquidation options;

(d) a distinction should be made between short-term forbearance measures (temporary debt restructuring aimed at addressing short-term financial difficulties) and long-term forbearance measures.

In addition, the European Central Bank has reiterated that concession measures consist of "concessions" granted to any exposure to a debtor that is experiencing, or is about to experience, difficulties in meeting its financial commitments ("financial difficulties"). Consequently, an exposure may only be considered to be the subject of lending measures if the debtor is in financial difficulties, which has led the Banca Carige to grant a credit facility to the debtor.

1.4.2 Past Due

With the update of the supervisory regulations, (entered into force on 1/1/2015), the definitions of impaired financial assets have been modified. As a result of the regulatory intervention, three categories of impaired assets were provided: exposures past due and/or in arrears, non-performing loans and probable defaults.

The rules for classifying loans were then substantially revised as of 1 January 2021, with the application of the so-called "New Definition of Default". The new European regulatory package, which consists of the "EBA Guidelines on the application of the definition of default" (EBA/GL/2017/07) and the Commission Delegated Regulation (EU) 2018/171 on the materiality threshold for credit exposures in arrears (RTS (EU) 2018/171), aims to clarify and supplement the regulatory principles, governed by Article 178 of Regulation (EU) No 575/2013 (the "**CRR**"), for the identification of defaulted credit exposures by focusing on the following aspects:

- new objective materiality threshold for assessing the materiality of the arrears/default of the customer, consisting of an absolute component (i.e. 100 euros for retail customers, 500 euros for non-retail customers) and a relative component (i.e. 100 euros for retail customers, 500 euros for nonretail customers) and a relative

component (i.e. 1% of the total balance sheet exposure);

- mandatory period of at least 90 consecutive days of regularity and absence of default events in preparation for the customer's return to performing status (the so-called "probation period");
- the existence of certain conditions (objective and/or subjective as the case may be), "contagion" of default status within joint credit obligations (e.g. joint ventures) and related client groups (e.g. client-corporate, corporate-group, etc.).
- new objective criterion for classifying forbearance measures as unlikely to pay where the measures are "onerous restructurings" (i.e. where the reduced financial obligation, understood as a percentage change in the Net Present Value pre/post measure, is greater than 1%).

Therefore, under the so called "New Definition of Default", for a counterparty to be classified as Past Due, the following components of the materiality threshold, calculated on a daily basis, must both be exceeded for a continuous period of 90 days:

- *absolute threshold*:

- retail : all unpaid cash exposures (including interest and fees) > €100;
- non-retail : all unpaid cash exposures (including interest and fees) > €500;

- *Relative threshold*: ratio of all unpaid exposures (including interest and fees) and an amount equal to the overall amount of all exposures vis-à-vis the same borrower reported on the balance sheet (including interest and fees, but excluding equity exposures as defined for regulatory purposes) greater than 1%.

Past due loans are subject to automatic classification, as they are not determined by business valuations but by automatic procedures.

Positions with past due status are highlighted to the position's managers in the monitoring tool and through the production of a printout for the purpose of timely monitoring.

The condition for exit from the category of past due exposures occurs when 90 consecutive days of "probation" have elapsed. In particular, the trigger for the probation period is automatic and is represented by the resetting of the past due days counter in the past due calculation engine. From that moment, a daily check on the regularity of the position is carried out, with resetting of the probation period counter in the following cases:

- a new default event resulting in a change of accounting classification (e.g. from past due to probable default or default); or
- activation of the days past due counter within the past due engine (i.e. both materiality thresholds are exceeded).

1.4.3. Unlikely to pay

Article 178(1)(a) of the CRR provides the definition of a default of a debtor. In this definition,

inter alia, unlikely to pay are described, i.e. those positions for which the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security.

This assessment shall be made independently of the presence of any amounts (or instalments) that are past due and unpaid. Therefore, it is not necessary to wait for the explicit symptom of anomaly (non-repayment), where there are elements that imply a situation of risk of default by the debtor (e.g., even a crisis in the industrial sector in which the debtor operates could be sufficient).

The total of cash and off-balance sheet exposures to the same debtor in the above situation is referred to as "unlikely to pay", unless the conditions for classification as non-performing are met. With the entry into force of the New Definition of Default, the relevance of cost to the Bank for the purposes of assessing the forbearance measure has been further strengthened, becoming the objective criterion in which the licensed debtor, although performing, may be classified directly as unlikely to pay.

As of 1 January 2021, if a forbearance measure results in a reduced financial obligation, i.e. a cost to the Bank of more than 1% of the Net Present Value (NPV) of the loan granted, the position itself is classified as a "costly restructuring" and, as such, classified as a unlikely to pay, falling within the category of "Forborne non-performing".

Similarly, irrespective of the amount of the reduced financial obligation, any concession extended to a debtor already in default qualifies as onerous restructuring and leads to automatic classification as a "Forborne non-performing".

2. "RISK FLAG" LOAN

2.1 Criteria for "risk flag" loan

2.1.1 Description of Criteria

When the so-called "creditworthiness" ceases to exist or the presence of prejudicial facts that undermine the fiduciary relationship, the position must be revoked.

2.1.2 Decision-making body

Each body is competent to decide on revocations within the framework of its deliberative powers of granting.

2.2 Effects of "risk flag"

"Risk flag" usually is irreversible and must be formalised for all co-obligated persons. It:

(a) determines the default of the principal and any guarantors (credit is no longer granted, but they remain debtors of the bank);

(b) it renders the claim due, liquid and enforceable;

(c) it may be a prelude, as the case may be, to payment (including, where appropriate, by

repayment plan) or to the initiation of enforcement action.

"Pre-litigation" is defined as "risk flag" loan positions for which it is still considered possible, in the light of the debtor's concrete behaviour, to settle the dispute out of court.

These positions, unless they relate to persons deemed to be insolvent or in substantially comparable situations (a circumstance that leads the Bank's loans to be classified as bad loans), are classified as Unlikely-To-pay, albeit with distinct anomaly indices.

The management of such items is centralised at the Bad loan & Collection Unit or entrusted to third party companies specialised in debt collection for signature loans amounting to no more than EUR 25,000 in the absence of any real estate held by clients or guarantors.

3. Classification of positions as bad loans

3.1.1 Criteria

The criteria adopted by Carige for the posting and classification of non-performing loans reflect what is expressly provided for by the Bank of Italy's regulations: in essence, therefore, the position is classified as bad loan when there is evidence that the customer is "in a state of insolvency, even if not judicially ascertained".

3.1.2 New Organisational Model

On 10 May 2018, Banca Carige signed the final agreement for the disposal of the bad loan loans management platform to Credito Fondiario. The agreement provides for the transfer of 53 FTEs and the formal start of a 10-year partnership between the Group and Credito Fondiario for the management and collection of part of the Group's bad loans.

As part of the updating of the Bank's organisational model the NPE (Non Performing Exposure) Unit was also updated, which is responsible for the accounting and administrative management of bad loans managed internally or entrusted to the outsourcer, the Retained Organisation activities and coordination of the outsourcer. The NPE Unit is structured with Offices in charge of the management of positions classified to UTP (Unlikely to Pay) through three offices (Big ticket, Medium ticket, Real Estate) and the Bad loan & Collection Unit for the internal management of bad loans not entrusted to the outsourcer and the coordination activities with the outsourcer for the management of passive lawsuits.

The out-of-court recovery of receivables for a total amount (at the time of the mandate) equal to or lower than Euro 25,000, not backed by collateral and in the absence of sufficient real estate assets, including those of the guarantors, is entrusted to external debt collectors.

The out-of-court recovery procedure may be activated by the Loans to Privates Unit (in the case of mono-contracted loans) and by the Asset Managers only after having ascertained - possibly with the assistance of the Bad loan & Collection Unit - not only the impossibility of recovering all or part of the loan in an amicable manner, but also whether the debtors (direct debtors and guarantors) own real estate assets and, if so, whether the assets, net of any mortgages, are sufficient for the loan to be recovered.

3.1.3 Management process and enforcement of public guarantees

As of early 2020, due to the impacts of the COVID-19 pandemic, a number of initiatives have been taken at national level to ensure access to bank credit for companies and self-employed people in economic difficulties and lacking the liquidity to continue their activities.

In particular, in order to stimulate the credit system to agree with companies on plans to restructuring and expansion of existing loans thanks to the reduction in credit risk from which the bank can benefit from, the number of loans granted by banks to businesses and the self-employed assisted by public guarantees - and in particular by the Guarantee Fund administered by Medio Credito Centrale - has been increased.

In order to efficiently manage this specific type of financing, the Group has adopted an operational process that covers the various stages from the request made by the customer to the possible enforcement of the public guarantee.

In particular, the Group entered into, with CRIF S.p.A. ("**CRIF**"), on 18 January 2021, an agreement for the "*Fornitura di lavorazioni a supporto del servizio Medio Credito Centrale per il Gruppo Banca Carige* " under which CRIF will provide, upon request by the Group and with the aim to support the Group, a service consisting of operational, managerial and organisational activities for the management of processing relating to guarantees issued by the Medio Credito Centrale Guarantee Fund.

In particular, with specific reference to the guarantee and the relationship with the Medio Credito Centrale Guarantee Fund, this service is aimed at:

- the administrative management of files;
- the management of deadlines both in terms of formalities and of the communications provided for by the regulations in force through an integrated alerting system;
- the periodic updating of guarantees according to any regulatory changes that have occurred and the preservation of their validity.

In particular, activities are carried out in the following areas:

- verification of the existence of the requisites for the eligibility of guarantee applications and the relative documentation, the assessment of which is the responsibility of the relative Bank;
- freezing on the Guarantee Fund portal of applications aimed at obtaining the guarantee;
- administrative formalities post-granting of the guarantee;
- monitoring and management of variations allowed by the legislation;
- on behalf of the relevant Bank preparation of the guarantee activation request and submitting the documentation by uploading it on the Guarantee Fund portal.

The agreement is effective from the date of signing and will cease to be effective after 72 months, without the possibility of tacit renewal, with the option of withdrawal without penalty after 24 months from the conclusion of the agreement.

BML

In the credit disbursement and management process, BML operates on the basis of management guidelines formulated by the parent company Banca Carige, consistent with the following objectives:

(a) balance between primary needs for credit risk containment and sales and business planning and growth;

(b) effectiveness and efficiency in the management of information and adequate control over each step of the process;

(c) prompt and flexible responses to credit-worthy customers.

In pursuing objectives consistent with the above guidelines, Banca del Monte di Lucca has adopted different organisational set-up and management behaviours, in line with the guidelines on credit risk control issued by Banca Carige S.p.A. - Cassa di Risparmio di Genova e Imperia, in performing its management and coordination activities in its role as Parent Company of the "Banca Carige Group".

The Bank's lending service is essentially decentralised.

(1) Footprint Areas

(a) Bank branches are in charge of loan granting and management in their own area of marketing and credit management activities;

(b) Financial Advisory for Businesses offers medium and large enterprises a differentiated approach to ensure an adequate level of operational efficiency and commercial effectiveness together with careful monitoring of credit quality.

(2) Head-Office Units

The Lending Office finalises the credit facility origination process of applications and renewals of positions that exceed the decision-making powers of the bank branches. It also resolves on requests falling within its powers and produces an opinion on requests falling within the competence of higher bodies.

The Lending Office is also responsible for the management of non-performing positions that are not centralised, while the pre-litigation activity described below is delegated to the Lending Control Office.

Other activities falling within the credit management process (legal department, debt collection, other support activities) are centralised with the Parent Bank, including in order to generate significant economies of scale.

* * *

For further information, please refer to the information provided by the parent company Banca Carige S.p.A. as part of its Collection Policy.

THE ISSUER

Introduction

Lanterna Finance S.r.l. is a special purpose vehicle incorporated on June, 24 2014 as a limited liability company (*società a responsabilità limitata*) pursuant to the Securitisation Law, having its registered office in Via Cassa di Risparmio, 15, Genoa (GE), Republic of Italy, fully paid-up quota capital equal to Euro 10,000, enrolled with the companies' register of Genoa under no. 08703420961, enrolled with the register of the special purpose vehicles held by the Bank of Italy pursuant to article 3, paragraph 3, of the Securitisation Law and the regulation of the Bank of Italy dated 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"). The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of one or more securitisation transactions. The Issuer's by-laws provide for termination of the same on December 31, 2100. As at the date of this Prospectus, the entire quota capital of the Issuer is directly owned by the Quotaholders, being Banca Carige and Stichting Rossini, who have, respectively a quota of 5% and 95%.

The Issuer has not declared or paid any dividends or, save as otherwise described in this Prospectus, incurred any indebtedness.

Issuer's Principal Activities

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

The Issuer is established as a multi-purpose vehicle and accordingly may carry out further securitisation transactions in addition to the First Securitisation, the Third Securitisation and the Transaction, subject to the provisions set forth in the Conditions.

In December 2015 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the "**First Securitisation**"). In the context of the First Securitisation the Issuer has purchased five portfolios of receivables deriving from mortgage loans and unsecured loans originated by each of Banca Carige S.p.A., Banca Carige Italia S.p.A., Banca del Monte di Lucca S.p.A., Cassa di Risparmio di Carrara S.p.A. and Cassa di Risparmio di Savona S.p.A.

Under the First Securitisation, the Issuer issued the following notes: (a) 385,000,000 Class A Asset Backed Notes due October 2065; and (b) Euro 331,800,000 Class B Asset Backed Notes due October 2065 (the "**First Securitisation Notes**"). In May 2018, following the redemption of the First Securitisation Class A Notes, a restructuring of the First Securitisation took place. In particular, a retranching of the First Securitisation Notes was carried out through the cancellation of the First Securitisation Class B Notes issued in December 2015 and the issue of the new Class A Asset Backed Notes for an amount of Euro 200 million and the new Class B Asset Backed Notes for an amount of Euro 137.1 million.

In addition, in May 2018, the Issuer carried out a second securitisation transaction pursuant to the

Securitisation Law (the "**Second Securitisation**"). In the context of the Second Securitisation, the Issuer has purchased two portfolios of receivables deriving from mortgage loans and unsecured loans originated by each of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A.

Under the Second Securitisation, the Issuer issued the following notes: (a) Euro 260,000,000 Class A Asset Backed Notes due January 2060; and (b) Euro 153,000,000 Class B Asset Backed Notes due January 2060 (the "**Second Securitisation Notes**"). The Second Securitisation Notes have been redeemed or cancelled on 27 May 2020 and the parties of the Second Securitisation entered into on 21 May 2020 an unwinding and termination agreement, according to which the relevant parties agreed to unwind the Second Securitisation and terminate the Second Securitisation transaction documents.

In addition, in June 2020, the Issuer carried out a third securitisation transaction pursuant to the Securitisation Law (the "**Third Securitisation**"). In the context of the Third Securitisation, the Issuer has purchased two portfolios of receivables deriving from loan agreements and mortgage loan agreements originated by each of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A.

Under the Third Securitisation, the Issuer issued the following notes: (a) Euro 205,000,000 Class A1 Asset Backed Notes due January 2060; (b) Euro 20,000,000 Class A2 Asset Backed Notes due January 2060 and (c) Euro 137,000,000 Class B Asset Backed Notes due January 2060 (the "**Third Securitisation Notes**").

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

Apart from the First Securitisation, the Second Securitisation, the Third Securitisation and the purchase of the Portfolio, the Issuer observed such restrictions during the period from the date of its incorporation to the date hereof and has undertaken to observe, *inter alia*, such restrictions in Condition 3 (*Covenants*).

Directors

The Directors of the Issuer are:

1. Federico Illuzzi: Chairman of the Board of Directors of the Issuer, appointed on April 20, 2020 and having his domicile at Via Cassa di Risparmio, 15, Genoa (GE), Republic of Italy. Outside the Issuer he is a chartered accountant;

2. Emilio Gatto: Director of the Issuer, appointed on April 20, 2020 and having his domicile at Via Cassa di Risparmio, 15, Genoa (GE), Republic of Italy. Outside the Issuer he is a chartered accountant;

3. Enrico Cardani: Director of the Issuer, appointed on April 20, 2020 and having his domicile at Via Cassa di Risparmio, 15, Genoa (GE), Republic of Italy. Outside the Issuer he is a manager of Banca Carige S.p.A.

Moreover, the Quotaholders' Agreement provides that the majority of the Directors shall not be, as at the date of appointment, and shall not have been, in the last 5 years before the appointment:

(i) the owner of a direct or indirect shareholding in the Issuer, in any of the Originators or in any other company of the group to which the Issuer or the Originators belong; or

(ii) a creditor, supplier, employee, officer, manager or contractual counterparty of the Issuer, or a creditor, supplier, employee, officer, director, manager or contractual counterparty of any of the Originators or of any other company of the group to which the Issuer or the Originators belong; or

(iii) a person who controls (directly, indirectly or otherwise) the Issuer, any of the Originators or any other company of the group to which the Issuer or the Originators belong or any creditor, supplier, employee, officer, manager or contractual counterparty of the Issuer, or any creditor, supplier, employee, officer, director, manager or contractual counterpart of any of the Originators or any other company of the group to which the Issuer or the Originators belong (with the exception of other companies incorporated pursuant to the Securitisation Law).

Independent Auditors

Until the financial statements of the Issuer as at December 31, 2020, the independent auditor of the Issuer was EY S.p.A., whose registered office is in Rome, Via Po No. 32. EY S.p.A. is authorized and regulated by the Ministry of Economy and Finance and registered on the special register of auditing firms held by the Ministry of Economy and Finance under No. 70945.

Starting from January 1st, 2021, the independent auditor of the Issuer is Deloitte & Touche S.p.A., whose registered office is in Milan, Via Tortona No. 25. Deloitte & Touche S.p.A.is authorized and regulated by the Ministry of Economy and Finance and registered on the special register of auditing firms held by the Ministry of Economy and Finance under No. 132587.

Accounts of the Issuer and accounting treatment of the Portfolio

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year.

Pursuant to the Bank of Italy's regulations, the accounting information relating to the securitisation of

the Receivables are contained in the explanatory notes to the Issuer's accounts (*nota integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statement of Italian limited liability companies (*società a responsabilità limitata*).

Pursuant to the Securitisation Law the assets relating to each securitisation transaction constitute assets segregated for all purposes from assets of the Issuer and from the assets relating to other securitisation transaction. The assets relating to a particular securitisation are not available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

Capitalisation and Indebtedness Statement

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

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000
Loan Capital	**Euro**
First Securitisation	
Euro 385,000,000.00 Class A Asset Backed Notes due October 2065	8,907,791.20
Euro 331,800,000.00 Class B Asset Backed Notes due October 2065	137,140,219.50
Euro 331,800,000.00 Class B Asset Backed Notes due October 2065 (interest unpaid)	21,957,946.37
Subordinated Loan by Banca Carige	8,783,413
Subordinated Loan by BML	766,587
Third Securitisation	
Euro 205,000,000 Class A1 Asset Backed Notes due January 2060	64,305,068.30
Euro 20,000,000 Class A2 Asset Backed Notes due January 2060	20,000,000
Euro 137,500,000 Class B Asset Backed Notes due January 2060	137,500,000
Euro 137,500,000 Class B Asset Backed Notes due January 2060 (interest unpaid)	3,460,416.67
Subordinated Loan by Banca Carige	3,879,000
Subordinated Loan by BML	281,000
Transaction	
Euro 320,000,000 Class A Asset Backed Notes due April 2050	320,000,000
Euro 62,700,000 Class B Asset Backed Notes due April 2050	62,700,000

Subordinated Loan by Banca Carige	3,127,000.00
Subordinated Loan by BML	148,000.00
Total loan capital (euro)	**792,956,442.04**
Total capitalisation and indebtedness (euro)	**792,966,442.04**

Save as provided for above, as at the date of this Prospectus the Issuer has no other borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The Quotaholders' Agreement

In the context of the First Securitisation, on 5 November 2015, the Quotaholders and the Issuer entered into the Quotaholder's Agreement, as subsequently amended. Pursuant to the Quotaholders' Agreement, the Quotaholders have given certain undertakings in relation to the management of the Issuer and the exercise of its rights as Quotaholders. The Quotaholders have, *inter alia*, agreed not to dispose of, or charge or pledge, the quotas of the Issuer without the prior consent of the Representative of the Noteholders.

In the context of the Third Securitisation, on 26 June 2020 the Issuer and the Quotaholders have, *inter alia*, entered into an agreement for the amendment and extension of the Quotaholders' Agreement.

The provisions of the Quotaholders' Agreement have been extended to the Transaction by the Extension and Amendment Agreement to the Quotaholders' Agreement entered into on or about the Issue Date.

The Issuer believes that the provisions of the Quotaholders' Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholders in the quota capital of the Issuer is not abused.

Financial Statements and Auditors' Report

The financial statements of the Issuer as at December 31, 2020 (period 1 February 2020 – 31 December 2020) and January 31 2020 (period 1 January 2019 – 31 January 2020) have been duly audited by EY S.p.A.. Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation may be inspected and obtained free of charge during usual business hours at the specified office of the Representative of the Noteholders.

THE CORPORATE SERVICER AND THE ACCOUNT BANK IN RELATION TO BANCA CARIGE ACCOUNTS

Please refer to the description of Banca Carige S.p.A. under the section "*The Originators, the Servicers, the Senior Notes Initial Subscribers and the Junior Initial Subscribers*".

The information contained in this section of this Prospectus relates to and has been obtained from the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

THE ACCOUNT BANK IN RELATION TO BNYM ACCOUNTS AND THE PAYING AGENT

The Bank of New York Mellon SA/NV

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

The information contained in this section of this Prospectus relates to and has been obtained from the Account Bank In Relation To BNYM Accounts and the Paying Agent. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Account Bank In Relation To BNYM Accounts and the Paying Agent, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Account Bank In Relation To BNYM Accounts and the Paying Agent since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

THE CALCULATION AGENT

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

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

THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE BACK-UP SERVICER

Zenith Service S.p.A. will act as Representative of the Noteholders and Back-up Servicer under the Transaction.

Zenith Service S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office in Via Vittorio Betteloni, No. 2, 20131 Milan, Italy, enrolled with the companies' register of Rome under no. 02200990980, share capital equal to Euro 2,000,000.00 paid up, enrolled with register held by Bank of Italy pursuant to article 106 of the Banking Law under no. 30 and ABI code no. 32590.2.

The information contained in this section of this Prospectus relates to and has been obtained from the Representative of the Noteholders and the Back-up Servicer. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Representative of the Noteholders and the Back-up Servicer, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Representative of the Noteholders and the Back-up Servicer since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation, a number of requirements must be met if the Originators and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

The Transaction is intended to qualify as a simple, transparent and standardised securitisation ("**STS-securitisation**") within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originators intend to submit on or about the Issue Date a notification to the ESMA for the Transaction to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originators of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Transaction. The STS Notification will be available for download on the ESMA's website at https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation.

The Originators and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the Transaction complies with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare verification of compliance of the Notes with the relevant provisions of article 243 of the Regulation (EU) No. 575 of 26 June 2013, as amended from time to time (the "**CRR**" and the "**CRR Assessment**") and the compliance with such requirements is expected to be verified by PCS on the Issue Date. When performing a CRR Assessment, PCS is not confirming or indicating that the securitisation subject to such assessment will be allowed to have lower capital allocated to it under the CRR. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met; therefore, no investor should rely on such CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. It is expected that the STS Verification and the CRR Assessment prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, these PCS websites and the contents thereof do not form part of this Prospectus.

The STS status of a transaction is not static and under the Securitisation Regulation ESMA is entitled to update the list should the Transaction be no longer considered to be STS-compliant following a decision of the competent Authority or a notification by the Originators. The investors should verify the current status of the Transaction on ESMA's website from time to time.

As at the date of this Prospectus, no assurance can however be provided that the Transaction (i) does or continues to comply with the Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the Securitisation Regulation or that, if it qualifies as a

STS-securitisation under the Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the Securitisation Regulation in the future and (iii) will actually be, and will remain at all times in the future, included in the list published by ESMA as referred to in Article 27(5) of the Securitisation Regulation.

None of the Issuer, the Originators, the Arranger or any other party to the Transaction Documents makes any representation or accepts any liability in that respect.

Without prejudice to the above, the below set out elements of information in relation to each criteria set out in articles 19 to 22 of the Securitisation Regulation, on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Prospectus (including, without limitation, with regard to the risk retention requirements under article 6 of the Securitisation Regulation and the transparency obligations imposed under article 7 of the Securitisation Regulation), and are subject to any changes made therein after the date of this Prospectus. Prospective investors should conduct their own due diligence and analysis to determine whether the elements set out below are sufficient to satisfy the criteria of Articles 20 to 22 of the Securitisation Regulation. The purpose of this section is not to assert or confirm the compliance of the Transaction with those criteria, but only to facilitate the own reading and analysis by such prospective investors:

1. Article 20 (Requirements relating to simplicity) of the Securitisation Regulation

(a) for the purpose of compliance with article 20(1) of the Securitisation Regulation, pursuant to the Transfer Agreement each of the Originators has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the relevant Individual Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originators (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 70 Part II of 15 June 2021, and (ii) the registration of the transfer in the companies' register of Genoa on 16 June 2021 (for further details, see the section headed "*Description of the Transfer Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arranger, which may be disclosed to any relevant competent authority referred to in article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, under the Senior Notes Subscription Agreement each of the Originators has represented that it is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) in the Republic of Italy; therefore, each of the Originators would be subject to

Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20(4) of the Securitisation Regulation, the Receivables arise from Loans granted by each of the Originators as lender (for further details, see the section headed "*The Portfolio*"). Consequently, the requirement provided for under article 20(4) of the Securitisation Regulation is met;

(d) with respect to article 20(5) of the Securitisation Regulation, the transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the relevant Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 70 Part II of 15 June 2021, and (ii) the registration of the transfer in the companies' register of Genoa on 16 June 2021 (for further details, see the section headed "*Description of the Transfer Agreement*"); therefore, the requirements of article 20(5) of the Securitisation Regulation are not applicable;

(e) with respect to article 20(6) of the Securitisation Regulation, under the Warranty and Indemnity Agreement each of the Originators has represented and warranted that, as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to such Originator and, to the best of its knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the Receivables under the Transfer Agreement and is freely transferable to the Issuer (for further details, see the section headed "*The Portfolio*");

(f) for the purpose of compliance with article 20(7) of the Securitisation Regulation, the disposal of Receivables from the Issuer is permitted solely following the delivery of a Trigger Notice, in accordance with Condition 12 (*Actions Following the Delivery of a Trigger Notice*) and with the relevant provisions of the Intercreditor Agreement, provided that the Originators under the Transaction Documents have certain option rights connected with the purchase of single Receivables or, as the case may be, the Portfolio. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Transaction dependent both on the performance of the Receivables and on the performance of the portfolio management of the Transaction, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicers; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the sections headed "*Description of the Transfer Agreement*" and "*Description of the Intercreditor Agreement*");

(g) for the purpose of compliance with article 20(8) of the Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Transfer Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have

been originated by the Originators, as lender, in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by the Originators according to similar servicing procedures; (iii) the Receivables arise from Loans granted to SME and therefore fall in the asset type named "credit facilities, including loans and leases, provided to any type of enterprise or corporation" provided under article 1(a)(iv) of the Commission Delegated Regulation (EU) 2019/1851 (the "**Commission Delegated Regulation on Homogeneity**") and meet the homogeneity factors set out under article 2(3)(a)(i) and 2(3)(b)(ii) of the Commission Delegated Regulation on Homogeneity (i.e. obligors are micro-, small- and medium-sized enterprises and the obligors are resident in the same jurisdiction). In addition, under the Warranty and Indemnity Agreement each of the Originators has represented and warranted that (i) as at the Transfer Date, the Receivables comprised in the Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, the Guarantors; (ii) the Loans provide for a repayment through constant instalments as determined in the relevant Loan Agreement; and (iii) as at the Transfer Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (for further details, see the sections headed "*The Portfolio*");

(h) for the purpose of compliance with article 20(9) of the Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Transfer Date, the Portfolio does not comprise any securitisation positions (for further details, see the sections headed "*The Portfolio*");

(i) for the purpose of compliance with article 20(10) of the Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that: (i) the Receivables have been originated by each Originator in the ordinary course of its business; (ii) as at the Transfer Date, the Receivables comprised in the Portfolio have been selected by each Originator in accordance with credit policies that are not less stringent than the credit policies applied by each Originator at the time of origination to similar exposures that are not assigned under the Transaction; (iii) each Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC and point 33 of the EBA Guidelines on the STS Criteria, to the extent applicable taking into consideration the nature of the Loans; and (iv) each Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables. In addition, there are no exposures that can be sold to the Issuer after the Issue Date in respect of which any of the Originators should fulfil the obligation to disclose without undue delay any material changes from prior underwriting standards (for further details, see the sections headed "The Portfolio");

(j) for the purpose of compliance with article 20(11) of the Securitisation Regulation, the Portfolio has been selected on the Valuation Date and transferred to the Issuer on the Transfer Date. Under the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) No. 575/2013 or

as exposures to a credit-impaired debtor or guarantor, who, to the best of each Originator's knowledge: (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Signing Date; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history available to the relevant Originator; 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 each Originator which have not been assigned under the Transaction (for further details, see the sections headed "*The Portfolio*");

(k) for the purpose of compliance with article 20(12) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, each Originator has represented and warranted that, as at the Transfer Date, the Receivables arise from Loans in respect of which at least one payment has been made by the relevant Debtor for repayment of principal or payment of interest or payment for other reasons; with specific reference to the Interest-free Loans, each Originator has represented and warranted that (1) the relevant amount of the Loan has been disbursed by the Originator by crediting the bank account opened in the name of the Debtor with the Originator, (2) such bank account was still open with the Originator on the Transfer Date and (3) as of the Transfer Date, at least one debit or payment has been made from such bank account to the Originator for payment of fees, expenses or stamp duty;

(l) for the purpose of compliance with article 20(13) of the Securitisation Regulation, the repayment of the holders of the securitisation positions has not been structured to depend predominantly on the sale of assets securing the underlying exposures, given that (i) the Receivables are not secured by mortgages or by any other assets(ii) all the Loans comprised in the Portfolio are amortising, so that the relevant Principal Amount Outstanding as at the Final Maturity Date will be equal to 0. The Portfolio does not comprise Loans with bullet payment of principal or payment of a large final instalment so called "*maxi rata finale*"; and (iii) the pool of exposure has a high granularity (for further details, see the section the "*The Portfolio*");

2. Article 21 (Requirements relating to standardisation) of the Securitisation Regulation

(a) for the purpose of compliance with article 21(1) of the Securitisation Regulation, under the Intercreditor Agreement each Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Regulatory Disclosure and Retention Undertaking*");

(b) the Portfolio comprises Receivables arising from fixed rate Loans, whilst the Notes accrue interest at the respective fixed rate set out in Condition 5.2 (*Rate of Interest*). For the purpose

of compliance with article 21(2) of the Securitisation Regulation, any payment risk arising from the mismatch between the interest rate on the Loans and the interest rate on the Notes is mitigated, with reference to the payment of interest on the Senior Notes, by a cash reserve that has been established into the Cash Reserve Account in accordance with the provisions of the Subordinated Loan Agreements and the Conditions (for further details, see section headed "*Risk Factors – Interest Rate Risk*"). In addition, (i) under the Warranty and Indemnity Agreement, each Originator has represented and warranted that, as at the Transfer Date, the Portfolio does not comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes of any Class, it shall not enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation (for further details, see Condition 3 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, each Originator has represented and warranted that all Loan Agreements are denominated in Euro (or granted in a currency other than Euro and converted into Euro) and do not contain provisions which allow for the conversion into another currency, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Transaction Overview*" and "*Terms and Conditions of the Notes*");

(c) for the purpose of compliance with article 21(3) of the Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, each Originator has represented and warranted that pursuant to the Loan Agreements, the interest calculation methodologies related to the Loans are based on or generally used sectoral rates reflective of the cost of funds, and do not refer to complex formulae or derivatives; and (ii) the Rate of Interest applicable to the Notes is fixed (for further details, see Condition 5.2 (*Rate of Interest*)); therefore, any referenced interest payments under the Receivables are based on generally used market interest rates and do not reference complex formulae or derivatives;

(d) for the purpose of compliance with article 21(4) of the Securitisation Regulation (A) following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of a Trigger Notice; and (iii) the Issuer shall, if so directed by the Representative of the Noteholders, sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) and strictly in accordance with the instructions approved thereby and the relevant provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 4.2, Condition 11 (*Trigger Events*)), Condition 12.1 (*Proceedings*) and the section headed "*Description of the Intercreditor Agreement*");

(e) as to repayment of principal, both prior and following the service of a Trigger Notice, the Senior Notes will rank in priority to the Junior Notes; both prior and following the service of a

Trigger Notice, the payment of interest on the Junior Notes is fully subordinated to repayment of principal on the Senior Notes; therefore, the requirements of article 21(5) of the Securitisation Regulation are not applicable;

(f) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed "*Description of the Transfer Agreement*"); therefore, the requirements of article 21(6) of the Securitisation Regulation are not applicable;

(g) for the purpose of compliance with article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicers, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the Servicing Agreement*", "*Description of the Cash Management and Agency Agreement*", "*Description of Corporate Services Agreement*", "*Description of the Mandate Agreement*" and "*Terms and Conditions of the Notes*"). In addition, the Servicing Agreement contains provisions aimed at ensuring that a default by or an insolvency of any of the Servicer does not result in a termination of the servicing activities, including provisions regulating the replacement of the defaulted or insolvent Servicer with any Successor Servicer (for further details, see the sections headed "*Description of the Servicing Agreement*"). Finally, the Cash Management and Agency Agreement contains provisions aimed at ensuring the replacement of the Account Banks in case of its default, insolvency or other specified events (for further details, see the sections headed "*Description of the Cash Management and Agency Agreement*");

(h) for the purpose of compliance with article 21(8) of the Securitisation Regulation, under the Servicing Agreement, each of the Servicers has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines. In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Successor Servicer shall, *inter alia*, have a long lasting expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*Description of the Servicing Agreement*");

(i) for the purpose of compliance with article 21(9) of the Securitisation Regulation, the Servicing Agreement and the Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*Description of the Servicing Agreement*" and "*The Collection Policies*"). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Cash Management and Agency

Agreement, each Servicer has undertaken to provide promptly the Reporting Entity and the Calculation Agent with the information referred to under article 7, paragraph 1, letters (f) and (g) of the Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards (for further details, see the section headed "*Description of the Cash Management and Agency Agreement*"). Furthermore, pursuant to the Cash Management and Agency Agreement and the Intercreditor Agreement, (i) the Calculation Agent has undertaken to prepare, on or prior to each Investor Report Date, the Investor Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the Investor Report from the Calculation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the Data Repository (for further details, see the sections headed, "*Description of the Cash Management and Agency Agreement*" and "*Description of the Intercreditor Agreement*");

(j) for the purposes of compliance with article 21(10) of the Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed "*Terms and Conditions of the Notes*");

3. Article 22 (Requirements relating to transparency) of the Securitisation Regulation

(a) for the purposes of compliance with article 22(1) of the Securitisation Regulation, under the Intercreditor Agreement each Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) in case of transfer of any Notes by such Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing through the Data Repository, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the section headed "*Description of the Intercreditor Agreement*");

(b) for the purposes of compliance with article 22(2) of the Securitisation Regulation, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found (for further details, see the section headed "*The Portfolio – Pool Audit*");

(c) for the purposes of compliance with article 22(3) of the Securitisation Regulation, under the Intercreditor Agreement each Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by such Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer. In addition, under the Intercreditor Agreement, each Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes, upon request, through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer; and (2) update such cash flow model, in case there will be significant changes in the cash flows.

(d) for the purposes of compliance with article 22(4) of the Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Master Servicer has undertaken to prepare the Loan by Loan Report setting out information relating to each Loan in respect of the immediately preceding Collection Period, in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investor Report) to the investors in the Notes by no later than the relevant Investor Report Date through the Data Repository (for further details, see the sections headed "*Description of the Servicing Agreement*");

(e) for the purposes of compliance with article 22(5), under the Intercreditor Agreement, the Originators and the Issuer have designated among themselves Banca Carige as the reporting entity pursuant to article 7(2) of the Securitisation Regulation (the "**Reporting Entity**") and have agreed, and the other parties thereto have acknowledged, that the Reporting Entity shall be responsible for compliance with article 7 of the Securitisation Regulation, pursuant to the Transaction Documents. In that respect, Banca Carige, in its capacity as Reporting Entity, will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information through the Data Repository.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a Data Repository by entering into a separate agreement.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to inform the potential investors in the Notes in accordance with Condition 14 (*Notices*) in case of

replacement of the Data Repository.

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

(i) each Originator, 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 Securitisation Regulation, and the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data covers a period of at least 5 (five) years, pursuant to article 22(1) of the 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 Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ii) in case of transfer of any Notes by the Originators to third party investors after the Issue Date, each Originator has undertaken to make available to such investors before pricing through the Data Repository appointed by the Reporting Entity, (i) the information under point (a) of the first subparagraph of article 7(1) upon request, as well as the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the 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 Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(iii) the Reporting Entity has made available to investors in the Notes a draft of the STS Notification (as defined under the Securitisation Regulation).

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

(i) pursuant to the Servicing Agreement, the Master Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the Securitisation Regulation) and

deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the Investor Report and the ESMA Investor Report) by no later than the relevant Investor Report Date;

(ii) pursuant to the Cash Management and Agency Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the ESMA Investor Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Data Repository, the ESMA Investor Report (simultaneously with the Loan by Loan Report) by no later than the relevant Investor Report Date;

(iii) pursuant to the Cash Management and Agency Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the Inside Information and Significant Event Report (which includes information set out under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, including, *inter alia*, the events which trigger changes in the Priorities of Payments) and will deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Data Repository by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Management and Agency Agreement, the Calculation Agent shall without delay: (y) prepare an *ad hoc* Inside Information and Significant Event Report on the basis of the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Data Repository,;

(iv) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession); and

(v) the Reporting Entity shall make available to the investors in the Notes the STS Notification (as defined under the Securitisation Regulation) by not later than 15 (fifteen) days after the Issue Date,

in each case in accordance with the requirements provided by the Securitisation Regulation

and the applicable Regulatory Technical Standards.

In addition, under the Intercreditor Agreement, each Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the Data Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and (2) to update such cash flow model, in case there will be significant changes in the cash flows.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to the Issuer and the Representative of the Noteholders:

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

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

Under the Intercreditor Agreement, each of the relevant parties (in any capacity) has undertaken to notify promptly to the Reporting Entity and the Calculation Agent any information set out under point (f) of the first subparagraph of article 7(1) of the Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (as the case may be) in order to allow the Calculation Agent to prepare and deliver to the Reporting Entity the Inside Information and Significant Event Report in a timely manner in order for the Reporting Entity to make it available without undue delay in accordance with the provisions above and the Intercreditor Agreement.

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the Securitisation Regulation are fulfilled by the Reporting Entity, under the Intercreditor Agreement each party to such agreement has undertaken to provide the Reporting Entity with any further information which from time to time is required under the Securitisation Regulation that is not covered under the Intercreditor Agreement.

Under the Intercreditor Agreement, the relevant parties agreed that any costs, expenses and taxes deriving from compliance with the provisions of the Securitisation Regulation and the Regulatory Technical Standards in relation to the transparency requirements will be borne by

Banca Carige.

4. Criteria for credit-granting

With reference to Article 9 of the Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that it (or, as the case may be, the different bank which originated the Receivables) complies and has complied with, in respect of the relevant Individual Portfolio, the credit-granting criteria and procedures and all other obligations and provisions set out under article 9 of the Securitisations Regulation.

5. First contact point

Banca Carige will be the first contact point for investors in the Notes and competent authorities pursuant to and for the purposes of third sub-paragraph of article 27(1) of the Securitisation Regulation.

The designation of the Transaction as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and UK MiFIR and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the Transaction as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the Transaction does or continues to qualify as an STS-securitisation under the Securitisation Regulation.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

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

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless (i) expressly permitted by article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards, or (ii) a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of the retained interest in the Transaction;

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

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

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

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

In addition, under the Warranty and Indemnity Agreement, each Originator has represented and warranted to the Issuer that it did not select the Receivables with the aim of rendering losses on such Receivables higher than the losses on comparable assets held on the balance sheet of the relevant Originator, in accordance with Article 6(2) of the Securitisation Regulation.

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

Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

PCS SERVICES

Application has been made to Prime Collateralised Securities (PCS) EU SAS ("**PCS**") to assess compliance of the Notes with the criteria set forth in the CRR regarding STS-securitisations (the "**CRR Assessment**"). There can be no assurance that the Notes will receive the CRR Assessment (either before issuance or at any time thereafter) and that CRR is complied with.

In addition, an application has been made to PCS for the Transaction to receive a report from PCS verifying compliance with the criteria stemming from Article 18, 19, 20, 21 and 22 of the Securitisation Regulation (the "**STS Verification**"). There can be no assurance that the Transaction will receive the STS Verification (either before issuance or at any time thereafter) and if the Transaction does receive the STS Verification, this shall not, under any circumstances, affect the liability of the Originators and the Issuer in respect of their legal obligations under the Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation.

The STS Verifications and the CRR Assessments (the "**PCS Services**") are provided by PCS. No PCS Service is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in any PCS Service constitutes legal advice in any jurisdiction. PCS is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union. Other than as specifically set out above, none of the activities involved in providing the PCS Services are endorsed or regulated by any regulatory and/or supervisory authority nor is PCS regulated by any other regulator.

By providing any PCS Service in respect of any securities PCS does not express any views about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Investors should conduct their own research regarding the nature of the CRR Assessment and the STS Verification. It is expected that the PCS Services prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with detailed explanations of its scope at https://pcsmarket.org/disclaimer/ on and from the Issue Date. For the avoidance of doubt, this PCS websites and the contents thereof do not form part of this Prospectus and must read the information set out in http://pcsmarket.org. In the provision of any PCS Service, PCS has based its decision on information provided directly and indirectly by the Originators. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any PCS Service is not a confirmation or implication that the information provided by or on behalf of the Originators as part of the relevant PCS Service is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43, (together, the "**STS criteria**"). Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, Article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria.

The EBA has issued the EBA Guidelines on STS Criteria. The task of interpreting individual STS criteria rests with national competent authorities ("**NCAs**"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA Interpretations**"). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation.

There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by EBA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA.

Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

The task of interpreting individual CRR criteria as well as the final determination of the capital required by a bank to allocate for any investment rests with prudential authorities (PRAs) supervising any European bank. The CRR criteria, as drafted in the CRR, are subject to a potentially wide variety of interpretations. In compiling a CRR Assessment, PCS uses its discretion to interpret the CRR criteria based on the text of the CRR, and any relevant and public interpretation by the European Banking Authority. Although PCS believes its interpretations reflect a reasonable approach, there can be no guarantees that any prudential authority or any court of law interpreting the CRR criteria will agree with the PCS interpretation. PCS also draws attention to the fact that, in assessing capital requirements, prudential regulators possess wide discretions.

Accordingly, when performing a CRR Assessment, PCS is not confirming or indicating that the securitisation the subject of such assessment will be allowed to have lower capital allocated to it under the CRR Regulation. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met.

Therefore, no bank should rely on a CRR Assessment in determining the status of any securitisation in

relation to capital requirements and must make its own determination. All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS criteria that speak to actions taking place following the close of any transaction such as – without limitation – the obligation to continue to provide certain mandated information.

USE OF PROCEEDS

The proceeds of the issuance of the Notes are expected to be Euro 382,700,000 and will be applied by the Issuer:

(a) to pay Euro 365,405,741.05 to Banca Carige as part of Purchase Price for the Banca Carige Receivables Portfolio not off-set with the purchase price of the Receivables repurchased by Banca Carige pursuant to the Repurchase Agreement;

(b) to pay Euro 17,274,537.05 to BML as part of Purchase Price for the BML Receivables Portfolio not off-set with the purchase price of the Receivables repurchased by BML pursuant to the Repurchase Agreement; and

(c) to credit Euro 19,721.90 into the Payments Account.

Use of proceeds for ESG projects

As better described in the framework prepared and released by Banca Carige (the "**Framework**"), a portion of the net proceeds of the Notes will be exclusively allocated to pay the purchase price of Receivables arising from loans granted to certain social eligible categories (as listed below) ("**Eligible Social Assets**"), aligned to the Social Bonds Principles updated by ICMA in June 2020:

- SMEs and Corporate Financing;
- Healthcare and Access to Essential Services;
- Non-Profit and "third sector".

The Eligible Social Assets have been granted in order to contribute to the following United Nations' sustainable development goals:

- 1 – No poverty;
- 3 – Good health and well-being;
- 4 – Quality education
- 8 – Decent work and economic growth;
- 9 – Industry, innovation and infrastructure;
- 10 – Reduced inequalities;
- 11 – Sustainable cities and communities.

The Framework has been reviewed by ISS Institutional Shareholder Services, an independent second party consultant appointed by Banca Carige, which has issued a second-party opinion (the "**Second Party Opinion**").

The Framework and the Second Party Opinion will be made available on the following website: www.gruppocarige.com.

DESCRIPTION OF THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of the Transfer Agreement and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreement. Prospective Noteholders may inspect a copy of the Transfer Agreement upon request in accordance with the Conditions.

General

On 8 June 2021, the Issuer entered into the Transfer Agreement, pursuant to which each Originator has assigned without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to articles 1 and 4 of the Securitisation Law, the relevant Receivables comprised in Individual Portfolio.

The Receivables comprised in each Individual Portfolio have been selected by the relevant Originator on the basis of certain criteria set forth in the Transfer Agreement (the "**Criteria**"). For further details, see the section entitled "*The Portfolio*".

The legal effects of the transfer of the Portfolio start from the Transfer Date. The economic effects of the transfer of the Portfolio start from the Valuation Date (included).

The transfer of the Portfolio has been published in the Official Gazette of the Republic of Italy no. 70, Part II, of 15 June 2021 and filed with the companies' register of Genoa on 16 June 2021.

There are no exposures that can be sold by the Originators to the Issuer after the Issue Date pursuant to the Transfer Agreement.

Pursuant to a repurchase agreement entered into on 21 June 2021 (the "**Repurchase Agreement**"), the Originators repurchased from the Issuer certain Receivables which did not comply with the principles relating, *inter alia*, to the green, social and sustainability aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance, in accordance with Clause 8.1 (b) of the Transfer Agreement (as amended pursuant to the Amendment Agreement to the Transfer Agreement).

On 23 June 2021, Banca Carige sent to the Issuer (with copy to BML and the Representative of the Noteholders) a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Transfer Agreement, as certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria (the "**Communication of Erroneous Identification**"). In accordance with the provisions of the Transfer Agreement, under the Communication of Erroneous Identification, Banca Carige informed thereof the Issuer, BML and the Representative of the Noteholders and Banca Carige and the Issuer have consequently: (i) adjusted the Purchase Price relating to the Banca Carige Receivables Portfolio; and (ii) replaced the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement with the one attached to the Communication of Erroneous Identification. Such definitive list is also attached to the Intercreditor Agreement.

Purchase Price

The Purchase Price of each Individual Portfolio will be the aggregate of the Individual Purchase Price of all the Receivables comprised in the relevant Individual Portfolio. The Individual Purchase Price of each

Receivable comprised in each Individual Portfolio will be equal to the sum of:

(i) the Outstanding Principal Amount (equal to the Principal Component of the Instalments not yet due net of advances received in relation to the Principal Component of the Instalments not yet due);

(ii) the sum of the following items: (A) the Principal Component on Instalments due and not paid, even partially; (B) the Interest Component on Instalments due and not paid, even partially; (C) the ancillary costs to the payment of each Instalment; (D) the interest on arrears; and

(iii) an amount equal to the interest accrued and not collected as of the Valuation Date (excluded).

The Purchase Price of each Individual Portfolio is as follows:

(a) Euro 366,505,913.12 for the Banca Carige's Receivables Portfolio; and

(b) Euro 17,299,540.95 for the BML's Receivables Portfolio;

The payment of the Purchase Price for the Portfolio will be funded by the Issuer through the issuance of the Notes.

Purchase Price Adjustments

The Transfer Agreement provides for a price adjustment mechanism, pursuant to which:

(i) if, following the Transfer Date, any Receivable included in the transfer does not meet the applicable Criteria, then such Receivable shall be deemed to have not been assigned and transferred to the Issuer pursuant to the Transfer Agreement;

(ii) if, following the Transfer Date, any Receivable which has not been included in the transfer meets the applicable Criteria, then such Receivable shall be deemed to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement.

According to the Transfer Agreement, the relevant party that becomes aware of the occurrence of one of the circumstances referred to above, shall communicate it in writing to the other party, with copy to the Representative of the Noteholders.

Undertakings of the Originators

The Transfer Agreement contains certain undertakings of the relevant Originator in respect of the Receivables comprised in the relevant Individual Portfolio.

Each Originator has undertaken, *inter alia*, to refrain from carrying out any activity which may have an adverse effect on the Receivables and, in particular, not to assign or transfer (in whole or in part) the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between (i) the date of execution of the Transfer Agreement, and (ii) the date of publication of the notice of transfer of the relevant Individual Portfolio in the Official Gazette of the Republic of Italy or, if later, the date of registration of such notice in the competent companies' register. Each Originator has also undertaken, *inter alia*, to refrain from taking any action which could cause the invalidity or a reduction in the amount of any of the Receivables, and not to assign, transfer or otherwise dispose of any of the Loan

Agreements, save as otherwise permitted under the Transaction Documents.

Option to repurchase individual Receivables

In order to let each Originator to maintain good relationships with its clients and to avoid, to the extent possible, discrimination between the Debtors and other borrowers of the relevant Originator, the parties to the Transfer Agreement have agreed that each Originator shall have the right to repurchase individual Receivables included in the relevant Individual Portfolio in accordance with the terms and conditions set forth in the Transfer Agreement (and summarized below).

In addition to the purpose set forth above, the parties to the Transfer Agreement have agreed that each Originator may also repurchase, in accordance with the terms and conditions set forth in the Transfer Agreement (and summarized below), individual Receivables included in the relevant Individual Portfolio:

(i) which do not comply with the requirements determined from time to time by the European Central Bank for refinancing transactions, in order to let the Senior Notes to be used as eligible collateral for such transactions; and/or

(ii) in respect of which a breach of any of the representations and warranties set forth in the Warranty and Indemnity Agreement has occurred and such breach has not been remedied by the relevant Originator within 20 (twenty) Business Days after receipt of a written notice by the Issuer to that effect; and/or

(iii) in respect of which the CGFS Fund has declared ineffective or has revoked or has not confirmed the MCC Guarantee; and/or

(iv) which do not comply with (a) the principles relating, among other things, to the green, social, sustainability and sustainability-linked aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance (meaning, has of the date of hereof, the economic activities relating to the sectors of alcoholic beverages, tobacco, environmental damage / deforestation, gambling, betting, weapons and chemicals non-compliant with such principles), or (b) once made available on the website https://www.gruppocarige.it, the principles set out in the framework developed by the Originators in relation to sustainable finance.

In the circumstances described above, the Issuer has granted to each Originator an option to repurchase individual Receivables from the Issuer, subject to the conditions set forth in the Transfer Agreement, and in particular provided that the Outstanding Principal Amount, as at the relevant economic effective date of the repurchase, of the Receivables being repurchased - together with the sum of the Outstanding Principal Amount, as at the relevant economic effective date of the repurchase, of the Receivables already repurchased - does not exceed 20% of the Outstanding Principal Amount, as at the Valuation Date, of the Receivables included in the relevant Individual Portfolio.

The repurchase price will be equal to the aggregate of (i) the Outstanding Principal Amount, as at the relevant date of economic effects of the repurchase, of the Receivables subject to repurchase, (ii) an amount equal to interest accrued on such Receivables as at the relevant date of economic effects of

the repurchase, and (iii) any other amount due but unpaid in respect of such Receivables by the relevant Debtor as at the relevant date of economic effects of the repurchase.

The repurchase of any Receivable is subject to the payment in full of the relevant repurchase price by the relevant Originator by transferring the same into the Collection Account.

Simultaneously with the exercise of the option to repurchase one or more individual Receivables comprised in the relevant Portfolio, the relevant Originator will provide the Issuer with:

(a) a solvency certificate signed by a legal representative of such Originator, dated no earlier than the relevant repurchase date and in line with the form attached to the Transfer Agreement;

(b) a good standing certificate issued by the competent companies' register, dated no earlier than 5 (five) Business Days before the relevant repurchase date, stating that no insolvency proceeding is pending against such Originator.

The repurchase of any Receivable will be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian Civil Code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the relevant Receivable departing from article 1266, paragraph 1, of the Italian Civil Code), and the relevant repurchase agreement will be expressly qualified by the parties as *contratto aleatorio* pursuant to article 1469 of the Italian Civil Code.

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of the Warranty and Indemnity Agreement and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request in accordance with the Conditions.

General

On 8 June 2021, the Issuer and the Originators entered into the Warranty and Indemnity Agreement, pursuant to which each Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the relevant Individual Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of such Receivables.

Representation and warranties given by the Originators

The Warranty and Indemnity Agreement contains representations and warranties given by each Originator in respect of the following categories:

(a) general issues relating to each Originator;

(b) Loan Agreements, Loans, Receivables and Guarantees; and

(c) other representations and warranties.

Indemnities

Pursuant to the Warranty and Indemnity Agreement each Originator has agreed to indemnify and hold harmless the Issuer and its directors (the "**Indemnified Persons**") from and against any and all duly documented damages, losses and reasonable claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from (without duplication), *inter alia*: (a) any representations and/or warranties made by the Originators under the Transaction Documents, being false, incomplete or incorrect; (b) the failure by the Originators to comply with any of their obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; and (d) the failure by each of the Originators to comply with the provision of article 1283 of the Italian civil code and article 120 of the Banking Law.

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement in accordance with the Conditions.

General

On 8 June 2021, Banca Carige, BML and the Issuer entered into the Servicing Agreement, pursuant to which (A) the Issuer has appointed (i) Banca Carige as Master Servicer, and (ii) BML as Additional Servicer; and (B) each of the Servicers have agreed to administer and service the Receivables respectively assigned by it.

Accordingly, each Servicer has agreed to perform certain servicing duties in connection with the Receivables respectively assigned by it, and, in general, each of the Servicers has agreed to be responsible for the management of the Receivables respectively assigned by it and for cash and payment services in accordance with the requirements of Securitisation Law.

In addition, the Master Servicer has agreed to be responsible for verifying the compliance of the transactions with the laws and this Prospectus, pursuant to article 2, paragraph 3(c), and article 2, paragraph 6-*bis*, of Securitisation Law and to provide certain monitoring activities in relation to the Receivables transferred by each of the Originators to the Issuer.

The Master Servicer has undertaken to prepare and submit on each Quarterly Report Date:

(i) the Quarterly Master Servicer's Report to the Issuer, the Reporting Entity, the Corporate Servicer, the Calculation Agent, the Back-up Servicer, the Arranger, the Additional Servicer, the Cash Manager, the Account Banks, the Paying Agent, the Rating Agencies and the Representative of the Noteholders, in the form set out in the Servicing Agreement, containing information as to all the amounts collected from time to time by the Servicers in respect of the Collections, as a result of the activity of each of the Servicers pursuant to the Servicing Agreement during the preceding Collection Period;

(ii) the Loan-by-Loan Report to the Issuer, the Reporting Entity, the Representative of the Noteholders, the Additional Servicer and the Rating Agencies,

both to be prepared also in compliance with the Securitisation Regulation and the Regulatory Technical Standards in order to include the information requested under article 7, paragraph 1 of the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, each Servicer has undertaken to provide, without delay, the Issuer, the Reporting Entity and the Calculation Agent, with the information referred to under article 7(1), letters (f) and (g), of the Securitisation Regulation that it has become aware of, in accordance with the applicable Regulatory Technical Standards.

Pursuant to the Servicing Agreement:

(a) the collections (including any collection arising from the enforcement of the MCC Guarantees)

paid to the Master Servicer and the Additional Servicer with respect to the Individual Portfolio will be transferred to the Collection Account within 3 p.m. (Milan time) on the Business Day immediately following the payment thereof, with value date corresponding to the collection date; upon the occurrence of an extraordinary circumstance causing a delay in the transfer system, such amounts shall be credited into the Collection Account within the Business Day immediately following the day in which such extraordinary circumstance has terminated, with value date corresponding to the date on which such extraordinary circumstance has terminated;

(b) in the event that payments relating to the Receivables are made by means other than monies, the Master Servicer or the Additional Servicer, as the case may be, will, within the minimum period of time necessary according to the kind of payment instrument, liquidate the payment instrument and transfer the relevant amounts to the Issuer into the Collection Account with the same modalities indicated under (a) above. It is understood that the Master Servicer or the Additional Servicer shall accept payments by means other than moneys only under reserve (*salvo buon fine*);

(c) in case of lack of any specific attribution to payment by the Debtor, where possible and subject to the law provisions applicable to the payment attribution ranking, the Master Servicer and the Additional Servicer will satisfy the Receivables with preference in respect of the other Debtors' debt positions towards the Issuer.

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

Under the Servicing Agreement each Servicer has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines.

Obligations of the Master Servicer

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

(a) to provide certain monitoring activities in relation to the collection of the Receivables, the collection of any amount paid by or in favour of the Issuer (the "**Cash Transactions**") and to verify that such Cash Transactions are performed in compliance with the Transaction Documents, the Prospectus and the applicable laws and regulations;

(b) to maintain and observe the operational and administrative procedures and create and update all registrations and documentation which are necessary and appropriate for (i) the monitoring of the Collection and (ii) to check and verify the amount of expenses incurred by the same;

Obligations of the Servicers

Under the Servicing Agreement, the Servicers have undertaken, *inter alia*:

(a) to carry out the management, administration and collection of the Receivables respectively assigned by them, to manage the recovery of the relevant Defaulted Receivables and to bring or participate in the relevant enforcement proceedings in relation thereto in accordance with best professional due diligence and sound and prudent management applied by banks in the management of their receivables;

(b) to carry out all the activities aimed at preserving the validity of the MCC Guarantees relating to the Receivables comprised in the relevant Portfolio;

(c) save where otherwise provided in the relevant Collection Policy and the Servicing Agreement, not to release or consent to the cancellation or any modification which may be prejudicial to the Issuer's interests in respect of the Receivables unless ordered to do so by law provision or a competent judicial or other authority or authorised in written to do so by the Issuer and the Representative of the Noteholders;

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

(e) to obtain and comply with all authorisations, approvals, licenses and consents required for the fulfilment of their obligations under the Servicing Agreement or to ensure the legality, validity and effectiveness of the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicers may enter into settlement agreements and renegotiations with regard to Receivables other than Defaulted Receivables in accordance with the terms and conditions provided in the Servicing Agreement.

Each Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement (save for the servicing fee and expenses due thereunder) it will not have any further recourse against the Issuer for any damages, losses, liabilities, costs or expenses incurred by the relevant Servicer as a result of the performance of its obligations under the Servicing Agreement, except and to the extent that such damages losses, claims, costs and expenses that may be incurred in connection with the wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

Activities permitted to the Servicers on the Portfolio

Pursuant to the Servicing Agreement, the Issuer has authorised the Servicers to carry out certain activities with regard to Receivables, in accordance with the terms and conditions and in compliance with the limitations set forth therein, as described below.

Renegotiations

In order to permit to each of Banca Carige and BML to keep good relationships with its clients and to avoid, to the extent possible, discriminations between its Debtors and the other relevant borrowers, the Issuer has granted an irrevocable mandate to each of the Servicers so that, with respect to the relevant Receivables and Loan Agreements, they may enter into agreements for the renegotiation of the interest rate, of the penalty for early repayment (where contractually provided for and permitted by law), as well as rescheduling or suspension of payments (including the adhesion to moratoriums)

provided for by law or regulations or agreements entered into with trade associations to which the relevant Originator is a party (the "***Ex Lege* Renegotiations**"), provided that each Servicer, save for the *Ex Lege* Renegotiations (which shall be carried out by each Servicer in compliance with the relevant regulations), shall not enter into any agreement for renegotiate, reschedule and/or suspend payments as a consequence of which: (i) the new final maturity date of such Loan falls after the earlier of the date falling 5 years prior to the Final Maturity Date and the date falling 10 years after the original final maturity date of such Loan; (ii) with respect to fixed rate loans, the new interest rate is more than 30% lower than the interest rate originally established; (iii) with respect to loans which provide for a fixed interest rate calculation method and for which the application of a variable interest rate calculation method is required for the residual maturity of the Loan, the variable interest rate includes a margin of at least 70 bps; and (iv) the Outstanding Principal Amount of the Receivables deriving from Loan Agreements subject to the above agreements entered into starting from the Valuation Date (as resulting on the last Business Day of the Collection Period immediately preceding the relevant renegotiation) exceeds in aggregate 30% of the Outstanding Principal Amount as of the Valuation Date of the relevant Individual Portfolio. Such irrevocable mandate granted by the Issuer to each Servicer may be terminated by the Issuer at any time upon occurrence of the circumstances described under paragraph "*Termination of the appointment of the Servicers*" below and, subject to the provisions of the applicable law, if the relevant Servicer, in the performance of its mandate, exceeds the limits and fails to comply with the terms and conditions of such paragraph or is in breach of its obligations described in this sub-paragraph.

Transactions

The Master Servicer, in relation to the Receivables sold by Banca Carige, and the Additional Servicer, in relation to the Receivables sold by BML, being classified as Defaulted Receivables, if this is necessary for a quicker management of the recovery procedure of these Receivables, may enter into transactions with the Debtors and may totally or partially release the same or may agree with the Debtors deferrals or moratoria on payments (provided that the new final maturity date of such Loan does not fall after the earlier of the date falling 5 years prior to the Final Maturity Date and the date falling 10 years after the original final maturity date of such Loan) and reductions of the interest rate (including interest in arrears), within the limits set forth in the sub-paragraph "*Renegotiations*" above, except for *Ex Lege* Renegotiations in relation to which such limits shall not apply. In any case, the transactions referred to in this sub-paragraph (with the exception of the *Ex Lege* Renegotiations (which shall be carried out by each Servicer in compliance with the relevant regulations)) may be carried out provided that, as a result of such transactions, the unrecovered capital portion of the relevant Receivable is not greater than 30% of the Outstanding Principal Amount of such Receivable as at the date of its classification as Defaulted Receivable. The costs associated with any transactions will be borne exclusively by the relevant Servicer.

The parties to the Servicing Agreement have furtherly agreed that any moratorium on payments relating to the Outstanding Principal Amount of Receivables classified as Defaulted Receivable may be carried out, with the exception of *Ex Lege* Renegotiations (which shall be carried out by each Servicer in compliance with the relevant regulations), provided that the following conditions are met:

(i) the suspension of the relevant amortisation plan is no longer than 12 months;

(ii) the Outstanding Principal Amount of the relevant Receivables that benefit or have benefited from moratoriums according to this sub-paragraph at the end of each Collection Period is not higher than 20% of the Outstanding Principal Amount of the relevant Individual Portfolio as at the Valuation Date; and

(iii) the Outstanding Principal Amount of the relevant Receivables subject to moratoria according to this sub-paragraph does not exceed, at the end of each Collection Period, 20% of the Outstanding Principal Amount of the relevant Individual Portfolio as at the end of the relevant Collection Period.

With respect to any transaction, deferment, moratorium or restructuring that does not comply with the above mentioned limits, the Master Servicer, on its own or on behalf of the Additional Servicer in relation to the Receivables sold by BML, shall submit for approval to the Issuer and the Representative of the Noteholders a project of the possible settlement agreement, deferment, moratorium or restructuring, which shall be accompanied by a report containing the reasoned opinion of the Master Servicer.

Sale of Defaulted Receivables

In accordance with the Collection Policies and within the limits set forth in the Servicing Agreement, the Master Servicer may, in the name and on behalf of the Issuer, sell one or more Defaulted Receivables (save for what provided under the paragraph "*Option to repurchase individual Receivables*" of the section "*Description of the Transfer Agreement*") to third parties provided that:

(i) in order to recover such Defaulted Receivables, all other measures provided for in the Collection Policies – including the enforcement of the MCC Guarantees – have been unsuccessfully carried out by the Master Servicer with the utmost professional diligence;

(ii) in the Master Servicer's prudent assessment, carried out with the utmost professional diligence, there is no concrete alternative possibility of recovering such Defaulted Receivables in a way that is more economically convenient in the context of the Transaction in respect of the sale of the relevant Defaulted Receivables;

(iii) the assignment of such Defaulted Receivables is made without recourse (*pro soluto*) and does not entail any guarantee to be provided by the Issuer in relation to the performance and/or solvency of the relevant Debtors;

(iv) the purchaser of such Defaulted Receivables delivers copies of a solvency certificate, of a good standing certificate and of a certificate issued by the bankruptcy section of the competent court stating that no bankruptcy proceedings is pending or commenced;

(v) the purchase price for the sale is paid in a lump sum at the same time of the transfer of the relevant Defaulted Receivable;

(vi) the transfer let the Issuer to collect at least 50% of the Outstanding Principal Amount of the relevant Defaulted Receivable; and

(vii) the sale of the Defaulted Receivables takes effect from the date of payment of the purchase price.

The Quarterly Master Servicer's Report shall analytically indicate the Defaulted Receivables which have been sold in accordance with this sub-paragraph and the Servicing Agreement.

Assumptions

Pursuant to the Servicing Agreement, the Servicers may also carry out assumptions (*accolli*), with or without the release of the relevant Debtor, *provided that*: (i) with regard to the assumptions comprising the release of the relevant Debtor, it is provided by the Collection Policies and that the relevant assignee of the indebtedness (*accollante*) have an appropriately assessed credit standing, evaluated by the competent body of the relevant Servicer and not lower than the one of the assignor; and (ii) the Servicer will bear the relevant costs.

Servicing Fees

As consideration for the services provided pursuant to the Servicing Agreement, the Master Servicer will be entitled to receive the following fees from the Issuer:

(a) for the collection activities of the Banca Carige Receivables other than the Defaulted Receivables (except for the administration activities in respect of the Receivables and the collection activities in respect of the Defaulted Receivables) and as reimburse for any expenses incurred in respect thereof, until the Termination Date and on each Payment Date (in accordance with the provisions of the Intercreditor Agreement), a fee equal to 0.4% of the Collections relating to the Banca Carige Receivables other than the Defaulted Receivables collected by the Issuer in the Collection Period immediately preceding. The amount paid for the collection of the Banca Carige Receivables other than the Defaulted Receivables and for the ancillary activities will comprise VAT, if applicable;

(b) for the administration activities of the Receivables (except for the collection activities in respect of the Receivables other than the Defaulted Receivables and the collection activities in respect of the Defaulted Receivables) and as reimburse for any expenses incurred in respect thereof, a fee equal to Euro 25,000 for the year 2020 and equal to Euro 40,000 for each subsequent year until the Termination Date (excluding VAT);

In addition, each Servicer, for the collection of the Defaulted Receivables carried on under the Servicing Agreement, shall be entitled to receive, at each Payment Date of the Issuer and pursuant to the Intercreditor Agreement, an amount equal to 4% of the Collections related to the Defaulted Receivables collected in the preceding Collection Period.

Termination of the appointment of the Servicers

Without prejudice to any other right or remedy provided for by law, pursuant to article 1456, second paragraph, of the Italian Civil Code, the Issuer may terminate the appointment of the Master Servicer and the Additional Servicer and appoint the relevant substitute (the "**Substitute of the Servicer**"), upon the occurrence of any of the following events, provided that such events shall constitute just cause for revocation (*giusta causa di revoca*) pursuant to article 1725 of the Italian Civil Code and, in any case,

such events give to the Issuer the right to withdraw from the Servicing Agreement pursuant to article 1373 of the Italian Civil Code without expenses or fees:

(a) the Master Servicer or the Additional Servicer is declared insolvent, or any order is issued by the competent authorities implying its liquidation or the appointment of a liquidator or administrator or a resolution is passed by the Master Servicer or the Additional Servicer to obtain such measures or the Master Servicer or the Additional Servicer becomes subject to: (i) extraordinary administration (*amministrazione straordinaria*) for serious losses on assets or other reasons of deterioration of the economic or financial situation of the bank (and, for the sake of clarity, not for reasons related to the management of the bank) pursuant to articles 70 and following of the Banking Law, (ii) to resolution (*risoluzione*), or (iii) compulsory administrative liquidation (*liquidazione coatta amministrativa*) pursuant to articles 80 and following of the Banking Law, or a resolution is passed by the Master Servicer or the Additional Servicer in order for the Master Servicer or the Additional Servicer to become subject to voluntary liquidation;

(b) the Master Servicer or the Additional Servicer fails to transfer, deposit or pay any amount required to be transferred, deposited or paid pursuant to the Servicing Agreement, within 5 (five) Business Days from the date on which it has received the relevant written notification by the Issuer;

(c) the Master Servicer or the Additional Servicer fails to fulfil or comply, within 20 (twenty) Business Days from the date on which it has received the first written request of fulfilment, with any obligation of the Master Servicer or the Additional Servicer under the Servicing Agreement and/or any other Transaction Document to which the Master Servicer or the Additional Servicer is a party and such failure is, in the reasoned opinion of the Representative of the Noteholders, able to prejudice the existing relationship of trust with the Master Servicer or the Additional Servicer;

(d) any of the representations and warranties given by the Master Servicer or the Additional Servicer under the Servicing Agreement and/or any other Transaction Document proves to be incorrect, false or misleading in any material respect and such circumstance, in the reasoned opinion of the Representative of the Noteholders, has a material adverse effect on the Issuer and/or the Transaction, save where such circumstance is remedied within the following 30 (thirty) Business Days (unless such circumstance is irremediable, in which case such grace period will not be applicable);

(e) the Master Servicer or the Additional Servicer significantly changes the structures and/or services involved in the activities related to the management of the Receivables and/or the performance of the Proceedings or there is a material adverse change in the economic or financial situation of the Master Servicer or the Additional Servicer, if such circumstances taken individually or jointly may reasonably prejudice, according to the reasoned opinion of the Representative of the Noteholders, the proper performance by the Master Servicer or the Additional Servicer of the obligations of, and the performance of the activities charged to, the Master Servicer or the Additional Servicer pursuant to the Servicing Agreement;

(f) the Master Servicer or the Additional Servicer implements merger or demerger transactions or other corporate reorganization transactions such that, in the reasoned opinion of the Representative of the Noteholders or the Issuer, it will prejudice the fulfilment of the obligations of the relevant Servicer under the Servicing Agreement and the other Transaction Documents and/or the interest of the Noteholders;

(g) it becomes unlawful for any Servicer to perform or comply with any of its obligations under the Servicing Agreement;

(h) the Master Servicer or the Additional Servicer loses the requirements provided under the supervisory laws and regulations to carry out servicing activity:

(i) with respect to BML only, Banca Carige ceases to own or control in aggregate at least 50% + one share of the share capital of BML with voting rights; and

(j) with respect to BML only, in case of termination of the appointment of Banca Carige as Master Servicer.

Without prejudice to any other right or remedy provided for by law, the Issuer may terminate the Servicing Agreement pursuant to article 1456, second paragraph, of the Italian Civil Code and appoint the Substitute of the Servicer, upon the occurrence of certain events, including, without limitation:

(a) the Master Servicer or the relevant Servicer fails to transfer, deposit or pay, any amount required to be transferred, deposited or paid pursuant to the Servicing Agreement, within 5 (five) Business Days from the date on which it has received the relevant written notification by the Issuer; or

(b) the failure of the Master Servicer or the Additional Servicer to perform or comply with any of its obligation set out under the Servicing Agreement for a period of 10 (ten) Business Days from the date of receipt of the first written request for performance; or

(c) any of the representations and warranties given by the Master Servicer or the relevant Servicer under the Servicing Agreement proves to be false or misleading in any material respect and this has a material adverse effect on the Issuer and the Transaction.

Following the termination of any Servicer, the Issuer is entailed to appoint as Successor Servicer, any of the entities indicated under the Servicing Agreement and in accordance with the order of priority set out therein, provided that such Successor Servicer shall meet the following requirements:

(a) being an entity meeting the requirements to act as servicer in a securitisation transaction provided under the Securitisation Law, the Securitisation Regulation (including the requirements of article 21(8) of the Securitisation Regulation), the Regulatory Technical Standards, the EBA Guidelines and the Bank of Italy;

(b) until the Senior Notes have not been redeemed in full or otherwise cancelled, being an entity whose appointment does not result in a lowering of the rating at that time assigned to the Senior Notes in the opinion of the Rating Agencies;

(c) being an entity who has and is able to use, in the performance of the management activities in

relation to the Loans, a software compatible with the one used up to that moment by the replaced Servicer;

(d) being an entity who is able to ensure, directly or indirectly, the efficient and professional maintenance of a single computer database (*archivio unico informatico*) provided for by Italian anti-money laundering law and, if required to the Issuer by such law, the production of the information necessary for the reports required by the Bank of Italy; and

(e) being an entity that has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures, in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines on STS Criteria.

In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Successor Servicer shall, *inter alia*, have expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE BACK-UP SERVICING AGREEMENT

The description of the Back-up Servicing Agreement set out below is a summary of certain features of the Back-up Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Back-up Servicing Agreement. Prospective Noteholders may inspect a copy of the Back-up Servicing Agreement in accordance with the Conditions.

General

On 8 June 2021, the Servicers, the Back-up Servicer and the Issuer have entered into the Back-up Servicing Agreement, pursuant to which the Back-up Servicer has agreed to replace the Master Servicer upon termination of the appointment of the Master Servicer under the Servicing Agreement.

In case of termination of the appointment of the original Servicers, the Back-up Servicer will replace them after 15 (fifteen) Business Days from receipt of the notice of termination of the appointment of the Master Servicer or of any of the Servicers, according to the specific terms and conditions provided in the Back-Up Servicing Agreement.

The Back-up Servicer will promptly – after the step in date – carry out all actions and formalities in order to be able to continue the management of the MCC Guarantees, with the cooperation of the Issuer, the Master Servicer and the Additional Servicer.

Back-up Servicer Fees

As consideration for the services provided pursuant to the Back-up Servicing Agreement, the Back-up Servicer will be entitled to receive the fees, as agreed under the Back-up Servicing Agreement.

Termination of and resignation from the appointment of the Back-up Servicer

Without prejudice to any other right or remedy provided for by law, the Issuer may (or shall, if so requested by the Representative of the Noteholders) terminate the appointment of the Back-up Servicer upon the occurrence of events set out therein, including without limitation:

(a) the Back-up Servicer failing to perform any of its obligations undertaken pursuant to the Back-up Servicing Agreement and/or the other Transaction Documents to which it is or will be a party and such breach not being remedied within 10 (ten) days from the date of receipt by the Back-up Servicer of a notice from the Issuer to the Back-up Servicer and the Representative of the Noteholders claiming the occurrence thereof, unless such breach is not attributable to the Back-up Servicer; or

(b) the Back-up Servicer ceasing to meet the necessary requirements of a Successor Servicer pursuant to the Servicing Agreement.

In case of termination of, or resignation from, the appointment of the Back-up Servicer the Issuer shall appoint a substitute Back-Up Servicer which meets the requirements of a Successor Servicer pursuant to the Servicing Agreement. The appointment of the substitute Back-Up Servicer shall be approved by the Representative of the Noteholders and previously notified to the Arranger and the Rating Agencies.

Governing Law and Jurisdiction

The Back-up Servicing Agreement, and any non-contractual obligation arising out of or in connection

therewith, are governed by, and shall be construed in accordance with, Italian law.

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

DESCRIPTION OF THE EXTENSION AND AMENDMENT AGREEMENT TO THE CORPORATE SERVICES AGREEMENT

The description of the Extension and Amendment Agreement to the Corporate Services Agreement set out below is a summary of certain features of the Extension and Amendment Agreement to the Corporate Services Agreement and is qualified in its entirety by reference to the detailed provisions of the Extension and Amendment Agreement to the Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Extension and Amendment Agreement to the Corporate Services Agreement in accordance with the Conditions.

General

On 8 June 2021, the Issuer and the Corporate Servicer entered into the Extension and Amendment Agreement to the Corporate Services Agreement, pursuant to which the Corporate Servicer and the Issuer have agreed to extend to the Transaction the corporate services provided by the Corporate Servicer in favour of the Issuer set out in the Corporate Services Agreement entered into in the context of the First Securitisation.

Governing Law and Jurisdiction

The Extension and Amendment Agreement to the Corporate Services Agreement, and any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Extension and Amendment Agreement to the Corporate Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the court of Milan.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The description of the Intercreditor Agreement set out below is a summary of certain features of the Intercreditor Agreement and is qualified in its entirety by reference to the detailed provisions of the Intercreditor Agreement. Prospective Noteholders may inspect a copy of the Intercreditor Agreement in accordance with the Conditions.

General

On or about the Issue Date, the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders) and the Other Issuer Creditors have entered into the Intercreditor Agreement, pursuant to which they have agreed to set out, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the applicable Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer under the Transaction Documents, (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights and powers in relation to the Portfolio and the Transaction Documents, and the Issuer agreed to grant an irrevocable mandate in *rem propriam* for the benefit of the Noteholders and the Other Issuer Creditors, to the Representative of the Noteholders, in order to enable it to exercise the Issuer's rights in relation to certain Transaction Documents.

Issuer Available Funds, limited recourse and non petition

Under the Intercreditor Agreement, the Other Issuer Creditors have agreed that the Issuer Available Funds shall be applied in accordance with the applicable Priority of Payments. Pursuant to the Intercreditor Agreement, the Issuer shall not alter in any way any Priority of Payments without the prior written consent of the Noteholders (acting through the Representative of the Noteholders) and the Other Issuer Creditors.

Pursuant to the Intercreditor Agreement, the Other Issuer Creditors have also agreed that the obligations owned by the Issuer to each of the Other Issuer Creditors, including, without limitation, the obligations under any Transaction Document to which such Other Issuer Creditor is a party, will be limited recourse obligations of the Issuer. Each of the Other Issuer Creditors will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments.

Under the Intercreditor Agreement, the Other Issuer Creditors have also made certain non petition undertakings in respect of the Issuer, including, *inter alia*, that they shall not, until the later of (i) the date falling two years and one day after the Final Maturity Date or, in case of early redemption in full or cancellation of the Notes, two years and one day after the date of the early redemption in full or cancellation of the Notes, and (ii) the date falling two years and one day after the final maturity date of the notes issued by the Issuer in the context of the First Securitisation, the Third Securitisation and/or any further securitisation (including the Second Securitisation) or, in case of early redemption in full or cancellation of such notes, two years and one day after the date of the early redemption in full or cancellation of such notes, none of the Other Issuer Creditors (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders)

following the occurrence of a Trigger Event and only if the representatives of the noteholders of the First Securitisation and/or of all further securitisation transactions (including the Second Securitisation) carried out by the Issuer, if any, have been so directed by an extraordinary resolution of their respective most senior class of noteholders following the occurrence of a trigger event under the First Securitisation and/or the other relevant securitisation transaction) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer.

Disposal of the Portfolio following the delivery of a Trigger Notice

Pursuant to the Intercreditor Agreement, the relevant parties have acknowledged and agreed that, following the delivery of a Trigger Notice, the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) direct the Issuer to dispose of the Portfolio, provided that:

(a) the price of the disposal will allow the Issuer to discharge in full at least all its outstanding liabilities in respect of the Senior Notes and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the Senior Notes, pursuant to the applicable Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations;

(c) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

  (A) a solvency certificate signed by its legal representative, dated no earlier than the date on which the Portfolio will be sold; and

  (B) a good standing certificate issued by the competent companies' register, dated no earlier than 5 (five) Business Days before the date on which the Portfolio will be sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated;

(d) the Rating Agencies have been notified in advance of such disposal.

The sale price of the Portfolio shall be unconditionally paid on the relevant date of disposal by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account. The disposal of the Portfolio will be effective subject to the actual payment in full of the sale price.

The disposal of the Portfolio shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian Civil Code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Portfolio departing from article 1266, paragraph 1, of the Italian Civil Code), and the relevant purchase agreement shall be expressly qualified by the parties as *contratto aleatorio* pursuant to article 1469 of the Italian Civil Code.

In case of disposal of the Portfolio following the delivery of a Trigger Notice, under the Intercreditor Agreement the Issuer has granted to the Originators a pre-emption right whereby the Originators (each, individually, in respect of the relevant Individual Portfolio or, with the prior written consent of

the other Originators, the whole Portfolio) will be entitled to purchase the Portfolio for a consideration equal to the sale price determined pursuant to sub-paragraph (a) above and to be preferred to any third party potential purchaser, provided that (1) the conditions under the paragraphs above are met, (2) no Insolvency Event has occurred in respect of the Originators and (3) no termination event has occurred in respect of the Master Servicer under clause 12.3, paragraph (a), points (i), (v), (vi), (vii) and (viii), of the Servicing Agreement. Subject to the foregoing, the Originators (each in respect of the relevant Individual Portfolio or the whole Portfolio) shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from the receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio and the sale price determined pursuant to sub-paragraph (a) above. The Representative of the Noteholders shall promptly notify in writing the Originators of the proposed disposal and the relevant sale price and the Originators shall be preferred to any third party potential purchaser.

The Issuer shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the disposal of the Portfolio valid, effective and enforceable *vis-à-vis* third parties.

Any costs and expenses incurred in connection with the disposal of the Portfolio following the delivery of a Trigger Notice shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

Disposal of the Portfolio following the occurrence of a Tax Event

Pursuant to the Intercreditor Agreement, the relevant parties have acknowledged and agreed that, following the occurrence of a Tax Event and provided that no Trigger Notice has been served on the Issuer, 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 Portfolio, provided that:

(a) the price of the disposal will allow the Issuer to discharge in full at least all its outstanding liabilities in respect of the Senior Notes and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the Senior Notes, pursuant to the applicable Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations; and

(c) the Rating Agencies have been notified in advance of such repurchase.

(d) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

  (i) a solvency certificate signed by its legal representative, dated the date on which the Portfolio is sold, stating that such purchaser is solvent; and

  (ii) a good standing certificate issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 5 (five) Business Days before the date on which the Portfolio is sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent

certificate under the relevant jurisdiction in which the purchaser is incorporated.

(e) the transfer of the Portfolio shall be regulated by article 58 of the Banking Law and shall be construed as without recourse (*pro soluto*) and as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Portfolio with express derogation of article 1266, paragraph 1, of the Italian Civil Code) and the relevant purchase agreement shall be expressly qualified by the parties as *contratto aleatorio* pursuant to article 1469 of the Italian Civil Code.

In case of disposal of the Portfolio following the occurrence of a Tax Event, the Issuer hereby grants to the Originators a pre-emption right whereby the Originators (each in respect of the relevant Individual Portfolio or, with the prior written consent of the other Originator, the whole Portfolio) will be entitled to purchase the Portfolio and to be preferred to any third party potential purchaser, provided that (i) the conditions under the paragraphs above are met, and (ii) no Insolvency Event has occurred in respect of the Originators. Subject to the foregoing, the Originators (each in respect of the relevant Individual Portfolio or the whole Portfolio) shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from the receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio. The Representative of the Noteholders shall promptly notify in writing the Originators of the proposed disposal and the relevant sale price.

The Issuer shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the disposal of the Portfolio valid, effective and enforceable *vis-a-vis* third parties.

Any costs and expenses incurred in connection with the disposal of the Portfolio following the occurrence of a Tax Event shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

Clean-up Call Option

Pursuant to the Intercreditor Agreement, the Issuer has irrevocably granted to the Originators, starting from:

(a) prior to the delivery of a Trigger Notice, the date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date; or

(b) following the delivery of a Trigger Notice, the date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date,

an option right in accordance with article 1331 of the Italian Civil Code to repurchase from the Issuer the Receivables then outstanding comprised in the relevant Individual Portfolio (the "**Clean-up Call Option**"), subject to the following provisions:

(i) if the Originators intend to exercise the Clean-up Call Option, they shall deliver a written notice to the Issuer and the Representative of the Noteholders not later than 30 (thirty) Business Days prior to the relevant Payment Date;

(ii) the Clean-up Call Option shall be exercisable only by all the Originators simultaneously;

(iii) the repurchase price of the Portfolio shall be:

(A) at least equal to the amount (in addition to any other sum already available) necessary for the Issuer to discharge all its outstanding liabilities in respect of the Class A Notes (as the case may be) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the Class A Notes (as the case may be), pursuant to the applicable Priority of Payments, and evidence to such purpose is given by the Originators to the Issuer and the Representative of the Noteholders;

(B) unconditionally paid on the relevant date of repurchase by credit transfer in Euro and, in the same day, freely transferable, cleared funds into the Payments Account. The repurchase of the Portfolio will be effective subject to the actual payment in full of the sale price;

(iv) the transfer of the Receivables to the Originators pursuant to this Clause 17.2 (*Clean-up Call Option*) shall be regulated by article 58 of the Banking Law and shall be construed as without recourse (*pro soluto*) and as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the Receivables comprised in the Portfolio with express derogation of article 1266, paragraph 1, of the Italian Civil Code) and the relevant purchase agreement shall be expressly qualified by the parties as *contratto aleatorio* pursuant to article 1469 of the Italian Civil Code. The Issuer and the Originators shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the disposal of the Portfolio valid, effective and enforceable *vis-à-vis* third parties;

(v) the transfer procedure shall be completed within the Payment Date immediately subsequent to the date on which the Clean-up Call Option is exercised by the Originators, provided that all the documentation listed in paragraph (vii) below has been timely delivered to the Issuer;

(vi) any costs and expenses incurred in relation to the exercise of the Clean-up Call Option and the transfer of the Receivables (including, without limitation, any costs associated with the publication of the purchase of the Portfolio in the Italian Official Gazette or necessary to comply with any requirements of the Bank of Italy) shall be borne by the relevant Originator;

(vii) the Originators have provided the Issuer and the Representative of the Noteholders with:

(A) a solvency certificate signed by the legal representative of the relevant Originator, dated the date on which the Receivables shall be repurchased, stating that the relevant Originator is solvent;

(B) a good standing certificate in relation to each Originator issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 5 (five) Business Days before the date on which the Receivables shall be repurchased, stating that no insolvency proceeding is pending against the relevant Originator;

(viii) the Rating Agencies have been notified in advance of such repurchase.

Pursuant to the Intercreditor Agreement, the relevant parties have agreed that the Clean-up Call Option is granted to the Originators in exchange for the obligations undertaken by the Originators under the Transaction Documents and no further amount will be due by the Originators to the Issuer as consideration for the granting of the same.

In addition, under the Intercreditor Agreement, the Issuer has agreed that it will not be entitled to sell the Portfolio to any third party (other than the Originators pursuant to the Clean-up Call Option) in order to finance the early redemption of the Class A Notes under Condition 6.3 (*Redemption, Purchase and Cancellation – Optional Redemption*).

Retention undertaking of the Originators

Under the Intercreditor Agreement, each of the Originators, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Regulatory Disclosure and Retention Undertaking*").

Transparency requirements under the Securitisation Regulation

Under the Intercreditor Agreement, the Originators and the Issuer have designated among themselves Banca Carige as the reporting entity pursuant to article 7(2) of the Securitisation Regulation (the "**Reporting Entity**") and the parties thereto have acknowledged that the Reporting Entity shall be responsible for compliance with article 7(2) of the Securitisation Regulation and will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, pursuant to the Transaction Documents (for further details, see the section headed "*Compliance with STS Requirements*").

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE SUBORDINATED LOAN AGREEMENTS

The description of the Subordinated Loan Agreements set out below is a summary of certain features of the Subordinated Loan Agreements and is qualified in its entirety by reference to the detailed provisions of the each of the Subordinated Loan Agreements. Prospective Noteholders may inspect a copy of the Subordinated Loan Agreements in accordance with the Conditions.

General

On or before the Issue Date, the Issuer and each of Banca Carige and BML as Subordinated Loan Providers, entered in the respective Subordinated Loan Agreement. Pursuant to the Subordinated Loan Agreements, each Subordinated Loan Provider granted the Issuer a Subordinated Loan for a maximum amount provided under each of the Subordinated Loan Agreements (the "**Subordinated Loan Amount**").

Payment of the Subordinated Loan and Interests

Under the provisions of the Subordinated Loan Agreement, the payment of the Subordinated Loan will take place at the Issue Date and will be used by the Issuer for the deposit of the Cash Reserve Initial Amount and of the Retention Amount.

On the Subordinated Loan Amount that shall be reimbursed, interests will accrue at the annual rate of 1.5%.

Subordination and Limited Recourse

All the payment obligations provided by the Subordinated Loan Agreements are limited recourse and will be satisfied in accordance with the relevant Priorities of Payments. Any payment under the Subordinated Loans shall be satisfied in the lower between: (a) the amount of the payment that is due; and (b) the Issuer Available Funds, in consideration of the Priority of Payments, without prejudice to the fact that the amounts due and not paid at a Payment Date will be paid at the following Payment Date in which there will be appropriate Issuer Available Funds.

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE CASH MANAGEMENT AND AGENCY AGREEMENT

The description of the Cash Management and Agency Agreement set out below is a summary of certain features of the Cash Management and Agency Agreement and is qualified in its entirety by reference to the detailed provisions of the Cash Management and Agency Agreement. Prospective Noteholders may inspect a copy of the Cash Management and Agency Agreement upon request in accordance with the Conditions.

General

On or about the Issue Date, the Issuer, the Servicers, the Corporate Servicer, the Account Banks, the Paying Agent, the Calculation Agent, and the Representative of the Noteholders have entered into the Cash Management and Agency Agreement, pursuant to which the Account Banks, the Cash Manager (once appointed according to the provisions of the Cash Management and Agency Agreement), the Paying Agent and the Calculation Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts.

Account Banks

The Issuer has established and shall maintain with Banca Carige the Expenses Account and the Quota Capital Account.

The Issuer has established and shall maintain with The Bank of New York Mellon SA/NV, Milan Branch, the Payments Account, the Collection Account and the Cash Reserve Account.

After the Issue Date, on the terms and subject to the conditions of the Cash Management and Agency Agreement and the additional terms which may be defined between the relevant parties (which, in any case, shall not conflict with the provisions of the Cash Management and Agency Agreement), the Issuer may:

(i) appoint a cash manager for the purposes of making Eligible Investments (the "**Cash Manager**") which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents; and

(ii) open a cash account and/or a securities account with a bank being an Eligible Institution which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents (respectively, the "**Investment Account**" and the "**Investment Account Bank**"), as separate account in the name of the Issuer and in the interest of the Other Issuer Creditors, which will be operated in accordance with the provisions of the Cash Management and Agency Agreement,

in each case, upon instructions of the Master Servicer and with the prior notice to the Representative of the Noteholders and the Rating Agencies.

The Account Banks shall (i) operate the Accounts held with them in accordance with the Cash Management and Agency Agreement, and (ii) provide the Issuer with certain handling services in relation to monies or securities from time to time standing to the credit of such Accounts.

Calculation Agent

On or prior to each Calculation Date, subject to the terms and conditions set out under the Cash Management and Agency Agreement, the Calculation Agent shall:

(a) prepare the Payments Report with respect to the immediately following Payment Date; and

(b) deliver, via email:

(i) the Payments Report to the Issuer, the Originators, the Master Servicer, the Additional Servicer, the Back-up Servicer, the Corporate Servicer, each of the Agents, the Representative of the Noteholders, the Arranger and the Rating Agencies; and

(ii) the relevant payment instructions to the Account Banks, the Paying Agent and the Corporate Servicer.

Subject to the terms and conditions set out under the Cash Management and Agency Agreement, the Calculation Agent shall:

(a) prepare the ESMA Investor Report with respect to the relevant Payment Date, on or prior to the 15th calendar day of the month following the relevant Payment Date;

(b) prepare the Investor Report with respect to the relevant Payment Date, on or prior to the 15th calendar day of the month following the relevant Payment Date;

(c) reconcile the amounts indicated therein in consultation with the Issuer within the 22nd calendar day of the month following the relevant Payment Date;

(d) within the Investor Report Date, (i) deliver, via email, a copy of the ESMA Investor Report and the Investor Report to the Issuer, the Reporting Entity, the Representative of the Noteholders, the Master Servicer, the Additional Servicer, the Corporate Servicer, the Arranger, the Paying Agent and the Rating Agencies, and (ii) make a copy of the ESMA Investor Report available to the entities referred to under article 7(1) of the Securitisation Regulation on the Data Repository.

In addition, subject to the terms and conditions set out under the Cash Management and Agency Agreement, the Calculation Agent shall prepare, quarterly and without undue delay (also by means of an *ad hoc* report), the Inside Information and Significant Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation on the Data Repository.

Paying Agent

On each Interest Determination Date, the Paying Agent shall determine in accordance with the Conditions:

(a) the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date; and

(b) the Interest Payment Amount payable on the Notes in respect of such Interest Period,

and, promptly after such determination (and in any event not later than the first day of each relevant Interest Period), it shall notify such Rate of Interest, such Interest Payment Amount and the Payment

Date in respect of such Interest Payment Amount to the Issuer, the Master Servicer, the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Account Banks, the Calculation Agent, the Corporate Servicer, Monte Titoli and, only with respect to the Senior Notes, to Borsa Italiana S.p.A. and shall procure that the same are published in accordance with Condition 14 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

Cash Manager

Once appointed, the Cash Manager shall, in the name and on behalf of the Issuer and on the basis of the instructions received from the Master Servicer, instruct the relevant Account Bank (i) to make Eligible Investments in which all the credit balance of the Investment Account will be invested and (ii) to disinvest and liquidate any of such Eligible Investments.

Governing Law and Jurisdiction

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

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

DESCRIPTION OF THE EXTENSION AND AMENDMENT AGREEMENT TO THE QUOTAHOLDERS' AGREEMENT

The description of the Extension and Amendment Agreement to the Quotaholders' Agreement set out below is a summary of certain features of the Extension and Amendment Agreement to the Quotaholders' Agreement and is qualified in its entirety by reference to the detailed provisions of the Extension and Amendment Agreement to the Quotaholders' Agreement. Prospective Noteholders may inspect a copy of the Extension and Amendment Agreement to the Quotaholders' Agreement in accordance with the Conditions.

General

On 8 June 2021, the Quotaholders and the Issuer entered into the Extension and Amendment Agreement to the Quotaholders' Agreement, pursuant to which, the Quotaholders and the Issuer have agreed to extend to the Transaction the undertakings in relation to the management of the Issuer and the exercise of the rights of the Quotaholders set out in the quotaholders' agreement entered into in the context of the First Securitisation.

Governing Law and Jurisdiction

The Extension and Amendment Agreement to the Quotaholders' Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Extension and Amendment Agreement to the Quotaholders' Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the court of Milan.

THE ACCOUNTS

Introduction

The Issuer has directed the Account Banks to establish and maintain the following accounts:

(i) with Banca Carige:

(a) the Expenses Account; and

(b) the Quota Capital Account;

(ii) with BNYM, Milan Branch:

(a) the Cash Reserve Account;

(b) the Collection Account; and

(c) the Payments Account.

After the Issue Date, on the terms and subject to the conditions of the Cash Management and Agency Agreement and the additional terms which may be defined between the relevant parties (which, in any case, shall not conflict with the provisions of the Cash Management and Agency Agreement), the Issuer may:

(i) appoint the Cash Manager which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents; and

(ii) open the Investment Account with the Investment Account Bank which shall accede in writing to the Cash Management and Agency Agreement and the other relevant Transaction Documents, as separate account in the name of the Issuer and in the interest of the Other Issuer Creditors, which will be operated in accordance with the provisions of the Cash Management and Agency Agreement,

in each case, upon instructions of the Master Servicer and with the prior notice to the Representative of the Noteholders and the Rating Agencies.

The Accounts will be operated in accordance with the provisions of the Cash Management and Agency Agreement.

Expenses Account

The Issuer has opened and shall maintain with Banca Carige, in accordance with the provisions of the Cash Management and Agency Agreement, the Expenses Account,

(i) into which:

(A) on the Issue Date, the Retention Amount financed with the proceed of the subordinated loans granted by the Subordinated Loan Providers to the Issuer pursuant to the Subordinated Loan Agreements, shall be credited;

(B) to the extent, on any Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, the amount standing to the credit of the Expenses Account is lower than the Retention Amount, the Issuer Available Funds shall

be credited, in accordance with the applicable Priority of Payments, to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

(C) any interest accrued on the Expenses Account shall be credited; and

(ii) **out of which:** on any Business Day during each Interest Period, the amounts standing to the credit of the Expenses Account shall be used by the Issuer to pay the Expenses pursuant to the Intercreditor Agreement.

Quota Capital Account

The Issuer has already opened and shall maintain with Banca Carige, in accordance with the provisions of the Cash Management and Agency Agreement, the Quota Capital Account.

Collection Account

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with Clause 3.4 (*Closure of the Accounts*), the Collection Account,

(i) **into which:**

(A) the amounts to be transferred by the Master Servicer and the Additional Servicer into the Collection Account, pursuant to the Servicing Agreement, shall be credited;

(B) all Collections collected from time to time by the Servicers pursuant to the Servicing Agreement, as well as any other amount received by the Issuer in respect of the Portfolio, shall be transferred by the relevant Servicer on each Business Day;

(C) any other amount received by the Issuer in respect of the Portfolio (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer in respect of the Portfolio, any proceeds deriving from the repurchase of individual Receivables comprised in each of the Individual Portfolios pursuant to the Transfer Agreement and any indemnity paid by the Originators or the Servicers in respect of the Portfolio pursuant to the Transfer Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement, but excluding the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Intercreditor Agreement which shall be credited to the credit of the Payments Account) shall be credited, if not to be credited to other Accounts pursuant to the Transaction Documents;

(D) any interest accrued on the Collection Account shall be credited; and

(ii) **out of which:**

(A) the amounts standing to the credit of the Collection Account may be transferred to the Investment Account and invested into Eligible Investments upon direction of the Cash Manager (as instructed by the Master Servicer) and in accordance with the provisions of the Cash Management and Agency Agreement;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Collection Account (to the extent not transferred to the Investment Account and invested into Eligible Investments) shall be transferred into the Payments Account.

Cash Reserve Account

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with the provisions of the Cash Management and Agency Agreement, the Cash Reserve Account,

(i) into which:

(A) on the Issue Date, the Cash Reserve Initial Amount financed with the proceed of the subordinated loans granted by the Subordinated Loan Providers to the Issuer pursuant to the Subordinated Loan Agreements, shall be credited;

(B) on each Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Issuer Available Funds shall be credited, in accordance with the Pre-Enforcement Priority of Payments, to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Target Amount;

(C) any interest accrued on the Cash Reserve Account shall be credited; and

(ii) out of which:

(A) the amounts standing to the credit of the Cash Reserve Account may be transferred to the Investment Account and invested into Eligible Investments upon direction of the Cash Manager (as instructed by the Master Servicer) and in accordance with the provisions of the Cash Management and Agency Agreement;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Cash Reserve Account (to the extent not transferred to the Investment Account and invested into Eligible Investments) shall be transferred into the Payments Account.

Payments Account

The Issuer has opened and shall maintain with BNYM, Milan Branch, in accordance with the provisions of the Cash Management and Agency Agreement, the Payments Account,

(i) into which:

(A) on the Issue Date, the proceeds deriving from the subscription of the Notes (to the extent not subject to set-off with the Purchase Price due to each Originator under the Transfer Agreement pursuant to the Subscription Agreements) shall be credited;

(B) 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Collection Account, Cash Reserve Account and Investment Account shall be credited;

(C) the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Intercreditor Agreement shall be credited;

(D) in case any of the Other Issuer Creditors receives any payment in violation, or in contravention, of the applicable Priority of Payments prior to the delivery of a Trigger Notice, the relevant amount shall be credited pursuant to the Intercreditor Agreement;

(E) any interest accrued on the Payments Account shall be credited; and

(ii) out of which:

(A) on the Issue Date, an amount equal to the relevant Purchase Price due to each Originator under the Transfer Agreement (to the extent not subject to set-off with the subscription moneys due by the relevant Originator pursuant to the Subscription Agreements) shall be paid to each Originator;

(B) on each Payment Date, the Issuer Available Funds relating to the Collection Period immediately preceding such Payment Date standing to the credit of the Payments Account shall be applied to make the payments due by the Issuer in accordance with the applicable Priority of Payments.

Investment Account

The Issuer may open and shall maintain with the Investment Account Bank, in accordance with the provisions of the Cash Management and Agency Agreement, the Investment Account,

(i) **into which:**

(A) the amounts standing to the credit of the Collection Account during any Collection Period and the amounts standing to the credit of the Cash Reserve Account from any Payment Date to the subsequent Eligible Investment Maturity Date shall be credited in order to be invested into Eligible Investments in accordance with the Cash Management and Agency Agreement;

(B) all amounts on account of principal, interest, premium or other profit deriving from the Eligible Investments made in accordance with the Cash Management and Agency Agreement, including any amount resulting from the realisation or liquidation of such Eligible Investments, shall be credited;

(C) any interest accrued on the Investment Account shall be credited; and

(ii) **out of which:** 2 (two) Business Days prior to each Payment Date, any amount standing to the credit of the Investment Account shall be transferred into the Payments Account.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated weighted average life of the Senior Notes cannot be predicted, as the actual rate at which the Loan Agreements will be repaid and a number of other relevant factors are unknown. Calculations as to the estimated weighted average life of the Senior Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The following tables show the estimated weighted average life and the principal payment window of the Senior Notes and have been prepared based on the characteristics of the Receivables included in the Portfolio and on the following additional assumptions:

(a) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(b) the constant prepayment rate, as per table below, has been applied to the Portfolio in homogeneous terms;

(c) no Trigger Event occurs;

(d) no optional redemption for taxation reasons pursuant to Condition 6.4 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(e) no purchase, sale, indemnity or renegotiation on the Portfolio is made according to the Transaction Documents;

(f) the terms of the Loan Agreements will not be affected by any legal provision authorising borrowers to suspend or extend payment of interest and/or principal instalments;

(g) no variation in the interest rates;

(h) no positive or negative interest accrues on the accounts;

(i) the ongoing costs of Other Issuer Creditors, Rating Agencies and PCS to be paid by the Issuer have been included; and

(j) the Issue Date has been assumed to be 30 June 2021.

The actual performance of the Portfolio is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

The table below assumes that the Issuer will exercise its option to redeem the Senior Notes pursuant to Condition 6.3 (*Optional Redemption*).

Prepayment rate (%)	Class A weighted average life	Class A expected maturity
0	2,9	28 January 2025
2,5	2,7	28 October 2024

5	2,6	28 October 2024
10	2,3	28 July 2024
15	2,1	28 April 2024
20	1,8	28 October 2023

The table below assumes that the Issuer will not exercise its option to redeem the Senior Notes pursuant to Condition 6.3 (*Optional Redemption*).

Prepayment rate (%)	Class A weighted average life	Class A expected maturity
0	2,9	28 April 2025
2,5	2,7	28 January 2025
5	2,6	28 January 2025
10	2,3	28 October 2024
15	2,1	28 July 2024
20	1,8	28 April 2024

Each of Banca Carige and BML have provided the historical data used as assumptions to make the calculations contained in this section on the basis of which the information and assumptions here contained have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in this section.

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Conditions**"). In these Conditions, references to the "Holder" of a Note or to the "Noteholders" are to the beneficial owners of the Notes, dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of article 83-bis and following of the Consolidated Financial Act and the Regulation 13 August 2018. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders.*

INTRODUCTION

The Euro 320,000,000 Class A Asset Backed Notes due April 2050 (the "**Class A Notes**" or the "**Senior Notes**") and the Euro 62,700,000 Class B Asset Backed Notes due April 2050 (the "**Class B Notes**" or "**Junior Notes**" and, together with the Class A Notes, the "**Notes**") will be issued by Lanterna Finance S.r.l. (the "**Issuer**") on 30 June 2021 (the "**Issue Date**").

Any reference in these Conditions to a "**Class**" of Notes or a "**Class**" of Holders of Notes shall be a reference to a Class of Senior Notes or a Class of Junior Notes, as the case may be, or to the respective holders thereof.

The Notes will be issued in the context of a securitisation of receivables arising out of Loan Agreements guaranteed by, inter alia, MCC Guarantees (as defined below) and entered into by Banca Carige S.p.A. ("**Banca Carige**") and Banca del Monte di Lucca S.p.A. ("**BML**" and, together with Banca Carige, the "**Originators**" and each an "**Originator**") with their clients, including small and medium enterprises and/or other entities referred to in article 13, paragraph 1, letter (m) of the Liquidity Decree (as defined below) (the "**Transaction**"). On 8 June 2021 the Issuer purchased (i) from Banca Carige, Banca Carige's Receivables Portfolio and (ii) from BML, BML's Receivables Portfolio (each an "**Individual Portfolio**", and collectively the "**Portfolio**"), pursuant to the Transfer Agreement. The Purchase Price of the Portfolio will be financed by the Issuer through the issuance of the Notes. Pursuant to a repurchase agreement entered into on 21 June 2021 (the "**Repurchase Agreement**"), the Originators repurchased from the Issuer certain Receivables which did not comply with the principles relating, *inter alia*, to the green, social and sustainability aspects, identified from time to time by the International Capital Market Association (ICMA) in relation to sustainable finance, in accordance with Clause 8.1 (b) of the Transfer Agreement (as amended pursuant to the Amendment Agreement to the Transfer Agreement).

The principal source of payment of interest and repayment of principal on the Notes, as well as payment of the Premium (if any) on the Junior Notes, will be Collections received or recovered in respect of the 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 Portfolio any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those fund will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law in the context of any other securitisation transaction) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an Insolvency Proceeding or otherwise) to satisfy the obligations of the Issuer to the

Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction.

Pursuant to the Warranty and Indemnity Agreement entered into on 8 June 2021 between the Issuer and the Originators, each Originator (i) has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables comprised in the relevant Portfolio and the relevant Loans, Guarantees and Debtors, and (ii) has agreed to indemnify the Issuer in respect of certain liabilities incurred in connection with the purchase and ownership of such Receivables.

Pursuant to the Servicing Agreement entered into on 8 June 2021 between the Issuer, the Master Servicer and the Additional Servicer, the Master Servicer and the Additional Servicer have agreed to administer and service the Receivables comprised in the Portfolio in accordance with the terms thereof and in compliance with the Securitisation Law.

Pursuant to the Back-up Servicing Agreement entered into on 8 June 2021 between the Issuer, the Servicers and the Back-up Servicer, the Back-up Servicer has agreed to replace the Master Servicer and the Additional Servicer, as the case may be, upon termination of the appointment of the relevant Servicer under the Servicing Agreement.

Pursuant to the Extension and Amendment Agreement to the Corporate Services Agreement entered into on 8 June 2021 between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed: (i) to extend to the Transaction the provisions of the Corporate Services Agreement with respect to 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 applicable to the Issuer; and (ii) certain amendments to the Corporate Services Agreement.

Pursuant to the Intercreditor Agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, the Issuer and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the applicable Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer under the Transaction Documents, (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights and powers in relation to the Portfolio and the Transaction Documents, and the Issuer has agreed to grant an irrevocable mandate in *rem propriam* for the benefit of the Noteholders and the Other Issuer Creditors, to the Representative of the Noteholders, in order to enable it to exercise the Issuer's rights in relation to certain Transaction Documents.

Pursuant to the Cash Management and Agency Agreement entered into on or about the Issue Date between the Issuer, the Servicers, the Corporate Servicer, the Calculation Agent, the Account Banks, the Paying Agent and the Representative of the Noteholders, the Account Banks, the Paying Agent and the Calculation Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from to time standing to the credit of the Accounts.

Pursuant to the Extension and Amendment Agreement to the Quotaholders' Agreement entered into on 8 June 2021 between the Quotaholders and the Issuer, the Quotaholders have agreed: (i) to extend

to the Transaction the provisions of the Quotaholders' Agreement with respect to certain undertakings in relation to the management of the Issuer and the exercise of its rights as Quotaholders; and (ii) certain amendments to the Quotaholders' Agreement.

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Senior Notes Initial Subscribers, the Arranger and the Representative of the Noteholders, the Senior Notes Initial Subscribers agreed to subscribe for the Senior Notes, subject to the terms and conditions provided for thereunder.

Pursuant to the Junior Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Junior Notes Initial Subscribers and the Representative of the Noteholders, the Junior Notes Initial Subscribers have agreed to subscribe for the Junior Notes, subject to the terms and conditions provided for thereunder.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection:

(i) during normal business hours (a) at the registered office of the Issuer, being, as at the Issue Date, Via Cassa del Risparmio 15, 16123 Genova, Italy, and (b) at the offices of the Paying Agent specified in the Cash Management and Agency Agreement, being, as at the Issue Date, Diamantino Building – 5th Floor – via Mike Bongiorno 13, 20124 Milan, Italy;

(ii) through the Data Repository.

In addition, the Paying Agent shall provide by e-mail such documents as may from time to time be required by the Representative of the Noteholders and/or Borsa Italiana S.p.A. or any Noteholder.

The rights and the powers of the Noteholders may only be exercised in accordance with the Rules of Organisation of the Noteholders which are attached to these Conditions.

INTERPRETATION

In these Conditions, the following expressions shall, except where the context otherwise requires and save where defined therein, have the following meanings:

"**Account Bank In Relation To Banca Carige Accounts**" means Banca Carige S.p.A. or any other person, acting as account bank pursuant to the Cash Management and Agency Agreement from time to time.

"**Account Bank In Relation To BNYM Accounts**" means The Bank of New York Mellon SA/NV, Milan Branch or any other person, acting as account bank pursuant to the Cash Management and Agency Agreement from time to time.

"**Account Banks**" means the Account Bank in relation to the Banca Carige Accounts, the Account Bank in relation to the BNYM Accounts and, following its appointment, the Investment Account Bank.

"**Account Bank Report Date**" means the date falling within the 10th (tenth) Business Day of each month.

"**Account Banks Reports**" means the report to be prepared by the Account Banks pursuant clause 4.4.2 of the Cash Management and Agency Agreement.

"**Accounts**" means the Collection Account, the Expenses Account, the Payments Account, the Cash Reserve Account, the Investment Account and the Quota Capital Account.

"**Additional Servicer**" means BML.

"**Affiliate**" means, in respect of each of the Originators, (i) a company controlled directly or indirectly by the relevant Originator, (ii) a company or natural person controlling directly or indirectly the relevant Originator, (iii) a company controlled directly or indirectly by a company or a natural person controlling directly or indirectly the relevant Originator, or (iv) a company in respect of which an Originator can exercise (directly or indirectly, including through any of the entities under paragraphs (i), (ii) and (iii)) a material influence by virtue of contractual arrangements. For the purposes of this definition the concept of control must be construed in accordance with article 2359 of the Italian Civil Code.

"**Amendment Agreement to the Transfer Agreement**" means the amendment agreement entered into on 21 June 2021 between the Originators and the Issuer in accordance to which they agreed to amend clause 8.1 of the Transfer Agreement.

"**Agents**" means, collectively, the Account Banks, the Paying Agent, the Cash Manager and the Calculation Agent.

"**Arranger**" means Intesa Sanpaolo S.p.A..

"**Back-up Servicer**" means Zenith Service S.p.A. or any other person acting as back-up servicer from time to time under the Transaction.

"**Back-up Servicing Agreement**" means the back-up servicing agreement entered into on 8 June 2021 between the Issuer, the Servicers and the Back-up Servicer, as amended, supplemented and/or replaced from time to time.

"**Banca Carige**" means Banca Carige S.p.A..

"**Banca Carige Accounts**" means, collectively, the Expenses Account and the Quota Capital Account.

"**Banca Carige Group**" means the Banca Carige group registered with the Bank of Italy pursuant to article 64 of the Banking Law.

"**Banca Carige Receivables Portfolio**" means, collectively, the Receivables transferred by Banca Carige to the Issuer pursuant to the Transfer Agreement.

"**Banca Carige Report**" means the report prepared by Banca Carige pursuant to article 4.4.2 of the Cash Management and Agency Agreement.

"**Bank of Italy Supervisory Regulations**" means, as the case may be, the "*Istruzioni di Vigilanza per le banche*" (Circular no. 229 of 21 April 1999) and/or the "*Nuove disposizioni di vigilanza prudenziale per le banche*" (Circular no. 263 of 27 December 2006), as amended.

"**Banking Law**" means the Legislative Decree No. 385 of 1 September, 1993 as amended from time to time.

"**Bankruptcy Law**" means the Royal Decree No. 267 of 16 March 1942, as amended from time to time.

"**BML**" means Banca del Monte di Lucca S.p.A..

"**BML Receivables Portfolio**" means, collectively, the Receivables transferred by BML to the Issuer pursuant to the Transfer Agreement.

"**BNYM Accounts**" means, collectively, the Collection Account, the Cash Reserve Account and the Payments Account.

"**BNYM Report**" means the report prepared by The Bank of New York Mellon SA/NV, Milan Branch pursuant to clause 4.4.1 of the Cash Management and Agency Agreement.

"**Borsa Italiana**" means Borsa Italiana S.p.A., with registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Business Day**" means any day, other than a Saturday or a Sunday, on which banks are generally open for business in London and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) or any successor thereto is open.

"**Calculation Agent**" means The Bank of New York Mellon, London Branch, or any other person acting as calculation agent from time to time under the Transaction.

"**Calculation Date**" means the date which falls 5 (five) Business Days prior to each Payment Date, or if such day is not a Business Day, the immediately preceding Business Day.

"**Cash Management and Agency Agreement**" means the agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Servicers, the Corporate Servicer, the Calculation Agent, the Account Banks, the Paying Agent and the Representative of the Noteholders, as amended, supplemented and/or replaced from time to time.

"**Cash Manager**" means the entity which may be appointed after the Issue Date in accordance with the provisions of the Cash Management and Agency Agreement, for the purposes of making Eligible Investments.

"**Cash Reserve Account**" means the Euro denominated account with No. 9785709780 IBAN code IT18K0335101600009785709780 established in the name of the Issuer with The Bank of New York Mellon SA/NV, Milan Branch.

"**Cash Reserve Initial Amount**" means Euro 3,200,000.

"**Cash Reserve Target Amount**" means (i) on each Payment Date before the Payment Date in which the Senior Notes are fully reimbursed, an amount equal to 1% of the Principal Amount Outstanding of the Senior Notes on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the first Payment Date, on the Issue Date) and (ii) starting from the Payment Date in which the Senior Notes are fully reimbursed, an amount equal to 0.

"**CGFS**" means the "*Fondo di Garanzia per le PMI"* established in accordance with article 100, paragraph 2, letter (a) of Law n. 662 of 23 December 1996 and administered by Banca del Mezzogiorno – Mediocredito Centrale S.p.A..

"**Circular 272**" means circular (*circolare*) No. 272 of 30 July 2008 (*Matrice dei Conti*) issued by the Bank of Italy, as subsequently amended, supplemented and novated.

"**Class**" means a class of Notes.

"**Class A Notes**" or "**Senior Notes**" means the Euro 320,000,000 Class A Asset Backed Notes due April 2050.

"**Class A Noteholders**" or "**Senior Noteholders**" means the Holders, from time to time, of the Class A Notes.

"**Class A Notes Initial Subscribers**" or "**Senior Notes Initial Subscribers**" means Banca Carige and BML.

"**Class B Notes**" or "**Junior Notes**" means the Euro 62,700,000 Class B Asset Backed Notes due April 2050.

"**Class B Noteholders**" or "**Junior Noteholders**" means the Holders, from time to time, of the Class B Notes.

"**Class B Notes Initial Subscribers**" or "**Junior Notes Initial Subscribers**" means Banca Carige and BML.

"**Clearstream**" means Clearstream Banking.

"**Collection Account**" means the Euro denominated account No. 9785669780 with IBAN code IT36O0335101600009785669780 established in the name of the Issuer with The Bank of New York Mellon SA/NV, Milan Branch.

"**Collections**" means all the amounts collected from time to time by the Servicers in respect of the Receivables, as principal, interest and/or expense and any payment of damages, as a result of the activity of each of the Servicers pursuant to the Servicing Agreement during the preceding Collection Period, including any amount paid by the CGFS in respect of the MCC Guarantees.

"**Collection Period**" means each quarterly period commencing on, respectively, the first calendar day of January (included), April (included), July (included) and October (included) and ending on, respectively, the last calendar day of March (included), June (included), September (included) and December (included) of each year, until the full reimbursement of the Notes. The first Collection Period will commence on the Valuation Date (excluded) and will end on 30 September 2021 (included).

"**Collection Policy**" means any procedure relating to the administration, collection and recovery of the Receivables and management of the Proceedings, as set out under schedule 1 (*Procedure di Riscossione*) of the Servicing Agreement, as amended from time to time.

"**Conditions**" means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Financial Act**" means the Italian Legislative Decree no. 58 of 24 February 1998, as amended.

"**Corporate Servicer**" means Banca Carige S.p.A. or any other person acting as corporate servicer from time to time under the Transaction.

"**Corporate Services Agreement**" means the corporate services agreement entered into by the Corporate Servicer and the Issuer in relation to the provision of certain corporate and administrative services on 1 December 2015, as amended, supplemented and/or replaced from time to time.

"**Criteria**" means the criteria listed in schedule 1 of the Transfer Agreement, on the basis of which the Receivables comprised in the relevant Portfolio have been selected as at the Valuation Date (or any other date specified in the relevant Criteria).

"**CRR**" means Regulation (EU) No. 575 of 26 June 2013, as amended from time to time.

"**CRR Assessment**" means the assessment made by Prime Collateralised Securities (PCS) EU SAS in relation to compliance with the criteria set forth in the CRR regarding STS-securitisations.

"**Current Account Agreements**" means the current account agreements executed by the Issuer and the relevant Account Bank in order to open the Accounts.

"**Data Repository**" means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

"**Debtors**" means any person who has entered into a Loan (as obligor or co-obligor) and any transferee, successor or assignee of the same who is obliged to pay the relevant Receivables.

"**Decree 170**" means the Legislative Decree no. 170 of 21 May 2004, as amended and supplemented from time to time.

"**Decree 239**" means the Italian Legislative Decree no. 239 of 1 April 1996 and any related regulations, as amended.

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

"**Defaulted Receivables**" means any Receivables qualified as "*sofferenze*" in accordance with the Collection Procedures and Circular 272 or any Receivables for which a request of payment to CGFS has been raised.

"**Delinquent Receivables**" means any Receivables qualified as "*Inadempienze Probabili*" and/or unlikely to pay in accordance with the Collection Procedures and Circular 272.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "Guidelines on the STS criteria for non-ABCP securitisation".

"Eligible Institution" means a depository institution organised under the laws of any State which is a member of the European Union whose rating (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee granted by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, provided that such guarantee complies with the

Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes, whose rating) is at least as follows:

(a) by S&P, at least "BBB" in respect of long-term public rating; and

(b) by Moody's, at least:

(i) Baa3 in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long-term deposit rating by Moody's, P-3 in respect of short term debt.

'**Eligible Investments**" means:

(a) any dematerialised (i) euro-denominated senior (unsubordinated) debt securities, (ii) other debt instruments, (iii) account or deposit held with an Eligible Institution incorporated and having its registered office and centre of main interest in Italy (an "**Italian Eligible Institution**") (and, in case such account or deposit is not held with an Italian Eligible Institution, it will be subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion in this respect), (iv) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that: (y) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer; and (z) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer, or (v) commercial paper issued by, or fully and unconditionally guaranteed on an unsubordinated, irrevocable and first demand basis (provided that such guarantee complies with the Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings, further provided that any of such instrument have a fixed principal amount due at its maturity and cannot include any embedded options (i.e., it is not callable, puttable, or convertible), unless full payment of principal is paid in cash upon the exercise of the option:

(A) with respect to S&P: (1) to the extent such Eligible Investment has a maturity not exceeding 60 days: a short term public rating of at least "A-2"; (2) to the extent such Eligible Investment has a maturity exceeding 60 days but not exceeding 365 days: (i) a long term public rating of at least "A" or a short term public rating of at least "A-1";

(B) with respect to Moody's: A3 by Moody's in respect of long-term debt or such other lower rating being compliant with the criteria established by Moody's from time to time;

(b) any other investment that, upon prior written notice to S&P and Moody's, does not adversely affect the current ratings of the Class A Notes,

provided that, in all cases (a) such investments (i) are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the Eligible Investment Maturity Date and that in any case does not exceed three months; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and (b) in the event of downgrade below the rating allowed under this definition, the securities shall be sold, if it could be achieved without a loss, or otherwise shall be allowed to mature; and further provided that, in each case, (1) such investments qualify as "*attività finanziarie*" pursuant to and for the purpose of the Decree 170; and (2) no such investment shall be made, in whole or in part, actually or potentially, in credit linked notes, swaps, other derivatives instruments, synthetic securities or tranches of other asset-backed securities, or any other instrument that does not comply with the criteria set out in the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem, as amended from time to time.

"**Eligible Investments Maturity Date**" means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the day falling 5 (five) Business Days prior to each Payment Date.

"**Enforcement Proceedings**" means any judicial proceedings or other procedure (including any "*procedimento di cognizione*") aimed at collecting the Receivables, also through the issuance of a Guarantee, or related to them, to the Loans.

"**ESMA Investor Report**" means the report prepared by the Calculation Agent pursuant to clause 6.2.2 of the Cash Management and Agency Agreement.

"**Euro**" means the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**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 the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**Expenses**" means any and all 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 Transaction and/or required to be paid (as determined in accordance with the Extension to the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

"**Expenses Account**" means the Euro denominated account with No. 8159380 IBAN code IT27N0617501400000008159380 established in the name of the Issuer with Banca Carige.

"**Extension and Amendment Agreement to the Corporate Services Agreement**" means the agreement entered into on 8 June 2021 between the Issuer and the Corporate Servicer, pursuant to which the Corporate Servicer has agreed to extend to the Transaction the provisions of the Corporate Services Agreement with respect to 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 applicable to the Issuer.

"**Extension and Amendment Agreement to the Quotaholders' Agreement**" means the agreement entered into on 8 June 2021 between the Quotaholders and the Issuer, pursuant to which the Quotaholders have agreed to extend to the Transaction the provisions of the Quotaholders' Agreement with respect to certain undertakings in relation to the management of the Issuer and the exercise of its rights as Quotaholders.

"**ExtraMOT PRO**" means the professional segment of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive 2014/65/EC managed by Borsa Italiana.

"**Extraordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**FATCA**" means the Foreign Account Tax Compliance Act in Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986.

"**Final Maturity Date**" means the Payment Date falling in April 2050.

"**First Securitisation**" means the securitisation transaction carried out by the Issuer in December 2015 through the issuance of the First Securitisation Notes, as subsequently restructured by the Issuer in May 2018 through the issuance of the First Securitisation Restructured Notes.

"**First Securitisation Class A Notes**" means the Euro 385,000,000.00 Class A Asset Backed Notes due October 2065 issued by the Issuer on 2 December 2015 in the context of the First Securitisation.

"**First Securitisation Class A Restructured Notes**" means the Euro 200,000,000.00 Class A Asset Backed Notes due October 2065 issued by the Issuer in May 2018 in the context of the restructuring of the First Securitisation.

"**First Securitisation Class B Notes**" means the Euro 331,800,000.00 Class B Asset Backed Notes due October 2065 issued by the Issuer on 2 December 2015 in the context of the First Securitisation.

"**First Securitisation Class B Restructured Notes**" means the Euro 137, 100,000.00 Class B Asset Backed Notes due October 2065 issued by the Issuer in May 2018 in the context of the restructuring of the First Securitisation.

"**First Securitisation Notes**" means the First Securitisation Class A Notes and the First Securitisation Class B Notes.

"**First Securitisation Restructured Notes**" means the First Securitisation Class A Restructured Notes and the First Securitisation Class B Restructured Notes.

"**Guarantee**" means any personal guarantee granted by anyone and referred to the Receivables, any pledges and any MCC Guarantees, excluding the *fideiussioni omnibus* and the guarantees granted by any underwriting syndicates (*consorzio fidi*) in relation to the Receivables.

"**Guarantor**" means any entity or person, either than a Debtor, who have granted a Guarantee with regard to a Receivable.

"**Holder of a Note**" means the beneficial owner of such Note.

"**Illiquid Collection**" means any payment towards the Receivables made through any means of payment (e.g. payments made by negotiable instruments such as promissory notes and bills of exchange) which does not determine the direct credit on the bank or postal accounts of the relevant Servicer and which does not comprise, without limitation, payments made through R.I.D. or debit onto the relevant Debtor's current account.

"**Individual Portfolio**" means each of the Banca Carige Receivables Portfolio and the BML Receivables Portfolio.

"**Individual Purchase Price**" means the purchase price of each Receivable, as determined pursuant to the Transfer Agreement.

"**Initial Subscribers**" means the Class A Notes Initial Subscribers and the Class B Notes Initial Subscribers.

"**Inside Information and Significant Event Report**" means the inside information and significant event report to be prepared by the Calculation Agent pursuant to the Cash Management and Agency Agreement.

"**Insolvency Event**" means in respect of any company or corporation, any of the following events:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordo di ristrutturazione del debito*", and "*amministrazione straordinaria*" and any applicable proceeding provided under Legislative Decree No. 14 of 12 January 2019 (*Nuovo codice della crisi d'impresa e dell'insolvenza*), 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, unless, in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success, *provided that*, with respect to Banca Carige, no Insolvency Event shall be deemed occurred if it becomes subject to "*amministrazione straordinaria*" for reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons); 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 is 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.

"**Insolvency Proceedings**" means any bankruptcy and other insolvency proceedings or analogous proceedings under the laws of the Republic of Italy (in particular under the Bankruptcy Law, the Banking Law, Regulation (EU) 848/2015, Directive 2014/59/EU and Legislative Decree No. 14 of 12 January 2019 (*Nuovo codice della crisi d'impresa e dell'insolvenza*)), including, without limitation, "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*" and "*amministrazione straordinaria*", provided that, with respect to Banca Carige, "*amministrazione straordinaria*" shall not be deemed as an Insolvency Proceeding if it is due to reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons).

"**Instalment**" means, with respect to each Loan Agreement, each instalment due from time to time from the relevant Debtor and which consists of an Interest Component and a Principal Component, except for the relevant pre-amortising period.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders) and the Other Issuer Creditors, as amended, supplemented and/or replaced from time to time.

"**Interest Component**" means, with respect to each Instalment, the component of such Instalment different from the Principal Component.

"**Interest Determination Date**" means, in relation to the Notes, (i) with respect to the Initial Interest Period, the date falling 2 (two) Business Days prior to the Issue Date, and (ii) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

"**Interest-free Loan**" means, with reference to each Originator, the Loans granted for an amount not exceeding Euro 30,000, having a grace period between 24 and 36 months and a duration up to 48 months (including the grace period), to which a fixed rate of 0% applies, as detailed in Schedule 7 to the Transfer Agreement.

"**Interest Payment Amount**" has the meaning ascribed to it in Condition 5.3 (*Interest – Determination of Rate of Interest and Calculation of Interest Payments*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date the first Interest Period will commence on the Issue Date (included) and will end on the Payment Date falling in October 2021 (excluded) (the "**Initial Interest Period**").

"**Investment Account**" means the Euro denominated account which may be established in the name of the Issuer after the Issue Date in accordance with the provisions of the Cash Management and Agency Agreement.

"**Investment Account Bank**" means the bank being an Eligible Institution with which the Investment Account may be opened after the Issue Date in accordance with the provisions of the Cash Management and Agency Agreement.

"**Investor Report**" means the investor report to be prepared by the Calculation Agent pursuant to the Cash Management and Agency Agreement.

"**Investor Report Date**" means the 23rd 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; the first Investor Report Date will fall in October 2021.

"**Issue Date**" means 30 June 2021.

"**Issue Price**" means 100.00% of the Principal Amount Outstanding of the Notes as of the Issue Date.

"**Issuer**" means Lanterna Finance S.r.l..

"**Issuer Available Funds**" means, with reference to each Payment Date, the aggregate of:

(a) all Collections received by the Issuer during the immediately preceding Collection Period in respect of the Portfolio;

(b) any other amount credited or transferred into the Collection Account during the immediately preceding Collection Period in respect of the Portfolio (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer in respect of the Portfolio and any indemnity paid by the Originators or the Servicers in respect of the Portfolio pursuant to the Warranty and Indemnity Agreement or the Servicing Agreement;

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

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

(e) the proceeds deriving from the disposal (if any) of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(f) the Issuer Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Master Servicer to deliver the Quarterly Master Servicer's Report to the Calculation Agent in accordance with the Cash Management and Agency Agreement in a timely manner;

(g) all amounts on account of interest, premium or other profit received up to the immediately preceding Eligible Investments Maturity Date from any Eligible Investments made using the funds standing to the credit of the Collection Account and the Cash Reserve Account in the immediately preceding Collection Period;

(h) any other amount standing to the credit of the Payments Account as at the immediately preceding Calculation Date and not already included in any of the other items of this definition of Issuer Available Funds; and

(i) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period and not already included in any of the other items of this definition of Issuer Available Funds,

provided that, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Master Servicer's Report to the Calculation Agent by the relevant Quarterly Master Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Issuer Available Funds in respect of the relevant Payment Date will comprise only the amounts necessary to make payments under items from (i) (*First*) to (vii) (*Seventh*) (inclusive and item (v) (*Fifth*) excluded) of the Pre-Enforcement Priority of Payments. For further details, see the section entitled "*Description of the Cash Management and Agency Agreement*".

For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of the relevant Payment Date will comprise all amounts standing to the credit of the Accounts (other than the Quota Capital Account).

"**Issuer's Rights**" means the Issuer's rights under the Transaction Document.

"**Italian Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.

"**Junior Notes Subscription Agreement**" means the subscription agreement relating to the Junior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Junior Notes Initial Subscribers, as amended and/or supplemented from time to time.

"**Law 130**" means Law 30 April 1999, no. 130 as from time to time amended and supplemented.

"**Liquidity Decree**" means Law Decree 8 April 2020, no. 23, converted with amendments into law 5 June 2020, no. 40 as from time to time amended and supplemented.

"**Loan**" means any loan granted by each Originator to SMEs out of which the Receivables arise.

"**Loan Agreements**" means any agreement under which the relevant Originator has granted a Loan and out of which the Receivables arise, as well as any agreement or document amending or supplementing the same or otherwise related to the same.

"**Loan-by-Loan Report**" means the report prepared by the Master Servicer pursuant to clause 4.19 (*Report Loan-by-Loan*) of the Servicing Agreement.

"**Master Servicer**" means Banca Carige.

"**MCC Guarantees**" means the direct guarantees assisting the Receivables granted by the CGFS, including the guarantees granted in accordance with article 13, paragraph 1, letter (m) of the Liquidity Decree.

"**Meeting**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream.

"**Most Senior Class of Noteholders**" means the Holders of the Most Senior Class of Notes.

"**Most Senior Class of Notes**" means:

(a) prior to the occurrence of a Trigger Event: (i) the Class A Notes, or (ii) following the redemption in full of the Class A Notes, the Class B Notes; and

(b) following to the occurrence of a Trigger Event: (i) the Senior Notes still outstanding, or (ii) following the redemption in full of the Senior Notes, the Class B Notes.

"**Noteholder**" means, as the case may be, a Senior Noteholder or a Junior Noteholder, and "**Noteholders**" means, collectively, the same.

"**Notes**" means, collectively, the Senior Notes and the Junior Notes.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Ordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originators**" means, collectively, Banca Carige and BML.

"**Other Issuer Creditors**" means the Originators, the Master Servicer, the Additional Servicer, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Paying Agent, the Representative of the Noteholders, the Cash Manager, the Subordinated Loan Providers, the Senior

Noteholders, the Junior Noteholders and any other party which may from time to time accede to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any given date and in relation to any Receivable, (i) the aggregate of the Outstanding Principal Amount, (ii) the Interest Components due but unpaid as at that day and (iii) any other amount due but unpaid with respect thereto.

"**Outstanding Principal Amount**" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Components due following that date, and (ii) all Principal Components due but unpaid as at that date.

"**Paying Agent**" means The Bank of New York Mellon, London Branch or any other person acting as paying agent from time to time under the Transaction.

"**Payment Date**" means (i) prior to the delivery of a Trigger Notice, the 28th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day provided that the first Payment Date will be in October 2021, or (ii) following the delivery of a Trigger Notice, any Business Day specified as such in the Trigger Notice.

"**Payments Account**" means the Euro denominated account with No. 9785679780 IBAN codeIT88P0335101600009785679780, established in the name of the Issuer with The Bank of New York Mellon SA/NV, Milan Branch.

"**Payments Report**" means the payments report to be prepared by the Calculation Agent pursuant to the Cash Management and Agency Agreement.

"**Pool Audit Reports**" means the reports prepared by an appropriate and independent party pursuant to article 22, paragraph 2, of the Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify:

(i) that the data disclosed in the Prospectus in respect of the Receivables is accurate;

(ii) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and

(iii) that the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Banca Carige are compliant with the Criteria that are able to be tested prior to the Issue Date.

"**Portfolio**" means, collectively, the Individual Portfolios.

"**Post-Enforcement Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice in accordance with the Conditions.

"**Pre-Enforcement Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with the Conditions.

"**Premium**" means any amount payable to the Junior Notes pursuant to Condition 5.9 (*Interest – Premium*).

"**Principal Amount Outstanding**" means, on any date and with respect to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"**Principal Component**" means the principal component of each Instalment.

"**Principal Payment Amount**" means the principal amount redeemable in respect of each Note of the relevant Class.

"**Priority of Payments**" means, as the case may be, the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments.

"**Proceedings**" means the Insolvency Proceedings and the Enforcement Proceedings.

"**Prospectus**" means the prospectus, prepared by the Issuer pursuant to article 2, paragraph 2 of the Law 130 relating to the issuance of the Notes.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 dated 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

"**Provisional Payments**" has the meaning ascribed to it in Condition 6.5 (*Redemption, purchase and cancellation – Notes Principal Payments, Redemption Amounts and Principal Amount Outstanding*).

"**Purchase Price**" means the purchase price of each Portfolio, being equal to the sum of all the Individual Purchase Prices of the Receivables comprised in such Portfolio.

"**Quarterly Master Servicer's Report**" means the report prepared by the Master Servicer in relation to the activities carried out by the Servicers pursuant to clause 4.18 (*Rendiconti del Master Servicer*) of the Servicing Agreement.

"**Quarterly Report Date**" means the 15th day of January, April, July and October of each calendar year, or in the event such day is not a Business Day, the Business Date immediately following. The first Quarterly Report Date falls on 15 October 2021.

"**Quota Capital Account**" means the Euro denominated account with No. 7221580 IBAN code IT70V0617501400000007221580 established in the name of the Issuer with Banca Carige.

"**Quotaholders**" means Banca Carige and Stichting Rossini as quotaholders of the Issuer.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on 5 November 2015 between the Quotaholders and the Issuer, as amended, and/or supplemented from time to time.

"**Rate of Interest**" has the meaning ascribed to it in Condition 5.2 (*Interest – Rate of Interest*).

"**Rating Agencies**" means Moody's Italia S.r.l. ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**").

"**Receivables**" means the receivables transferred by the Originators to the Issuer pursuant to the Transfer Agreement.

"**Receivables in Arrears**" means the Receivables qualified as Delinquent Receivables and/or "*esposizioni scadute e/o sconfinanti*" (so called past due) in accordance with the Collection Procedures and Circular 272.

"**Receivables in Bonis**" means the Receivables that are not Defaulted Receivables or Receivables in Arrears.

"**Records**" means the records maintained (or whose maintenance has been procured) by each of the Agents in respect of its duties under the Cash Management and Agency Agreement.

"**Regulation 13 August 2018**" means the regulation of 13 August 2018 jointly issued by CONSOB and Bank of Italy (named "*Disciplina delle controparti centrali, dei depositari centrali e dell'attività di gestione accentrata (provvedimento unico sul post-trading)*"), as amended and supplemented from time to time.

"**Regulatory Technical Standards**" means the regulatory technical standards adopted by the Commission on the basis of the drafts developed by the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and/or the European Insurance and Occupational Pensions Authority (EIOPA) pursuant to the Securitisation Regulation.

"**Representative of the Noteholders**" means Zenith Service S.p.A. or any other person acting as representative of the Noteholders from time to time under the Transaction.

"**Repurchase Agreement**" means the repurchase agreement entered into on 21 June 2021 between the Originators and the Issuer.

"**Retention Amount**" means an amount equal to Euro 75,000.

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of the Noteholders attached as exhibit 1 to the Conditions.

"**Second Securitisation**" means the securitisation transaction carried out by the Issuer in May 2018 through the issuance of the Second Securitisation Notes.

"**Second Securitisation Class A Notes**" means the Euro 260,000,000 Class A Asset Backed Notes due January 2060 issued by the Issuer in the context of the Second Securitisation.

"**Second Securitisation Class B Notes**" means the Euro 153,000,000 Class B Asset Backed Notes due January 2060 issued by the Issuer in the context of the Second Securitisation.

"**Second Securitisation Notes**" means the Second Securitisation Class A Notes and the Second Securitisation Class B Notes.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation Law**" means the Italian Law no. 130 of 30 April 1999, as amended.

"**Securitisation Regulation**" Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a

specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended, supplemented and/or replaced from time to time.

"**Security Interest**" 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 Notes Subscription Agreement**" means the subscription agreement relating to the Senior Notes entered into on or about the Issue Date between the Issuer, the Arranger, the Representative of the Noteholders, the Reporting Entity and the Senior Notes Initial Subscribers, as amended, supplemented and/replaced from time to time.

"**Servicers**" means collectively the Master Servicer and the Additional Servicer, and each of them a "**Servicer**".

"**Servicing Agreement**" means the servicing agreement entered into on 8 June 2021 between the Issuer and the Servicers, as amended, supplemented and/replaced from time to time.

"**SME**" means any small and medium enterprises which, under article 2, paragraph 1, of the Recommendation of the European Commission 2003/361/CE dated 6 May 2013, which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

"**Stichting Rossini**" means Stichting Rossini, a foundation established in the Netherlands and operating pursuant to the laws of the Netherlands with registered office in Locatellikade 1, Amsterdam 1076 AZ, Netherlands registered at the Chamber of Commerce of Amsterdam number 60752734 Italian fiscal code 97691110155.

"**STS Verification**" means a report from Prime Collateralised Securities (PCS) EU SAS which verifies compliance of the Securitisation with the criteria stemming from articles 18, 19, 20, 21 and 22 of the Securitisation Regulation.

"**STS-securitisation**" means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the Securitisation Regulation.

"**Subordinated Loan**" means each subordinated loan granted by the Subordinated Loan Providers to the Issuer pursuant to the relevant Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means each subordinated loan agreement entered into between the Issuer and a Subordinated Loan Provider and "**Subordinated Loan Agreements**" means all of them.

"**Subordinated Loan Provider**" means each of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A. and "**Subordinated Loan Providers**" means all of them.

"**Subscription Agreements**" means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

"**Successor Servicer**" means the servicer that has been appointed pursuant to the Servicing Agreement and the Back-up Servicing Agreement as a successor of a Servicer.

"**TARGET 2 Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007, as amended, is open for the settlement of payments in Euro.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

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

"**Third Securitisation**" means the securitisation transaction carried out by the Issuer in June 2020 through the issuance of the Third Securitisation Notes.

"**Third Securitisation Class A1 Notes**" means the Euro 205,000,000 Class A1 Asset Backed Notes due January 2060 issued by the Issuer in the context of the Third Securitisation.

"**Third Securitisation Class A2 Notes**" means the Euro 20,000,000 Class A2 Asset Backed Notes due January 2060 issued by the Issuer in the context of the Third Securitisation.

"**Third Securitisation Class B Notes**" means the Euro 137,000,000 Class B Asset Backed Notes due January 2060 issued by the Issuer in the context of the Third Securitisation.

"**Third Securitisation Notes**" means the Third Securitisation Class A1 Notes, the Third Securitisation Class A2 Notes and the Third Securitisation Class B Notes.

"**Transaction**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"**Transaction Documents**" means the Transfer Agreement (as amended by the Amendment Agreement to the Transfer Agreement), the Repurchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement (as extended and amended by the Extension and Amendment Agreement to the Corporate Services Agreement), the Warranty and Indemnity Agreement, the Cash Management and Agency Agreement, the Subordinated Loan Agreements, the Intercreditor Agreement, the Quotaholders' Agreement (as extended and amended by the Extension and Amendment Agreement to the Quotaholders' Agreement), the Subscription Agreements and the Prospectus.

"**Transfer Agreement**" means the transfer agreement entered into on 8 June 2021 between the Originators and the Issuer pursuant to which the Originators transferred the Receivables to the Issuer, as amended according to the Amendment Agreement to the Transfer Agreement and as furtherly amended and supplemented from time to time.

"**Transfer Date**" means, in respect of each Individual Portfolio, 8 June 2021.

"**Trigger Event**" means any of the events described in Condition 11 (*Trigger Events*).

"**Trigger Notice**" means the notice described in Condition 11 (*Trigger Events*).

"**Usury Law**" means Italian Law no. 108 of 7 March 1996, as amended, and the relevant implementing regulations.

"**Valuation Date**" means the date falling on 4 June 2021 at 23:59 (Italian time).

"**VAT**" means the value added tax (*imposta sul valore aggiunto*) as defined in Italian Presidential Decree no. 633 of 26 October 1972, as amended.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into 8 June 2021 between the Originators and the Issuer, as amended, supplemented and/or replaced from time to time.

1. **FORM, DENOMINATION AND TITLE**

1.1 *Form:* The Notes are in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli through Monte Titoli Account Holders.

1.2 *Monte Titoli:* The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of article 83-*bis* and following of the Consolidated Financial Act and the Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

1.3 *Denomination:* The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

2. ***STATUS*, PRIORITY AND SEGREGATION**

2.1 *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 Portfolio and the Issuer's rights under the Transaction Documents subject to amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding the 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. By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio and under the Transaction Documents are segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer in the context of the First Securitisation, the Third Securitisation and/or any further securitisation pursuant to the Securitisation Law) and amounts deriving therefrom (once, and until, credited to one of the Issuer's accounts under this Securitisation and not commingled with other sums) will only be available, both prior to and on or following a winding-up of the Issuer (whether in the context of an insolvency proceeding or otherwise), in or toward satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction. Each Noteholder and any Other Issuer Creditor 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 any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital.

2.2 *Ranking and subordination:* The Notes of each Class will at all times rank *pari passu* and without preference or priority among themselves.

In respect of the obligations of the Issuer to pay interest and to repay principal on the Notes, it is provided as follows:

(i) in respect of the obligations of the Issuer to pay interest on the Notes prior to the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, and in priority to repayment of principal on the Class A Notes and to payment of interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes;

(ii) in respect of the obligations of the Issuer to repay principal on the Notes prior to the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* and without any preference or priority among themselves, but subordinated to the payment of interest on the Class A Notes and in priority to payment of interest and repayment of principal on the Class B Notes;

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

(iii) in respect of the obligations of the Issuer to pay interest on the Notes following the service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the repayment of principal on the Class A and to payment of interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes;

(iv) in respect of the obligations of the Issuer to repay principal on the Notes following the

service of a Trigger Notice:

(A) the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest on the Class A Notes and in priority to payment of interest and repayment of principal on the Class B Notes;

(B) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and to payment of interest on the Class B Notes.

2.3 *Conflict of interest:* 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 the interest of different Class of Noteholders, then the Representative of the Noteholders is required under the Rules of the Organisation of the Noteholders to have regard only to the interests of the Most Senior Class of Noteholders.

2.4 *Obligations of the Issuer only:* The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

3. COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as provided in or contemplated by any of the Transaction Documents:

(i) *Negative pledge*

create or permit to subsist any security interest whatsoever upon, or with respect to, the Receivables, or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Receivables or any of its other assets other than pursuant to the Transaction Documents, except in connection with the First Securitisation, the Third Securitisation or with further securitisations permitted pursuant to Condition 3(xiii) below; or

(ii) *Restrictions on activities*

(A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, except in connection with the First Securitisation, the Third Securitisation or with further securitisations permitted pursuant to this Condition 3(xiii) below;

(B) have any subsidiary (*societá controllata*) or affiliate company (*societá collegata*) (as defined in Article 2359 of the Italian Civil Code) or any employees or premises;

(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; or

(iii) *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholders (or successor quotaholder(s)), other than in accordance with the provisions of the Quotaholders' Agreement (as extended and amended by the Extension and Amendment Agreement to the Quotaholders' Agreement), or increase its equity capital; or

(iv) *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

(v) *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of the First Securitisation, the Third Securirisation and/or any further securitisations permitted pursuant to Condition 3(xiii) below) or give any guarantee, indemnity or security in respect of any indebtedness or of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

(vi) *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

(vii) *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or consent to any variation of, or exercise any powers of

consent or waiver pursuant to the terms of the Conditions, or any of the Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party to be released from the obligations provided for thereunder, save as envisaged in the Transaction Document to which it is a party; or

(viii) *Bank accounts*

have an interest in any bank account other than the Accounts or any bank account opened in relation to the First Securitisation, the Third Securitisation and/or any further securitisations permitted pursuant to Condition 3(xiii) below or other than in any other account to be opened pursuant to a Transaction Document; or

(ix) *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities; or

(x) *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originators and of any other person or entity; or

(xi) *Compliance with corporate formalities*

cease to comply with all necessary corporate formalities; or

(xii) *Residency and Centre of Main Interest*

become resident, including (without limitation) for tax purposes, in any country outside of the Republic of Italy or cease to be managed and administered in Italy or cease to have its centre of main interest in Italy; or

(xiii) *Further securitisations*

for avoidance of doubt, nothing shall prevent the Issuer from carrying out further securitisation transactions, without the prior written consent of the Representative of the Noteholders, as provided in or envisaged by any of the Transaction Documents, *provided that*: (a) a prior notice is delivered to the Rating Agencies, (b) any such further securitisation transaction would not adversely affect the then current rating of any of the Senior Notes, (c) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law and (d) all parties to the transaction documents executed in connection with the further securitisation and the holders of the notes issued in the context of such further securitisation will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Condition 7 (*Non Petition and Limited Recourse*);

(xiv) *Derivatives*

enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation.

4. PRIORITY OF PAYMENTS

4.1 Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

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

(ii) *Second*, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

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

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Paying Agent and the Cash Manager;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicers;

(vi) *Sixth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Principal Amount Outstanding of the Class A Notes;

(vii) *Seventh*, up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, to credit into the Cash Reserve Account the amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Cash Reserve Target Amount;

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

(ix) *Ninth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due (if any) by the Issuer to the relevant Originator pursuant to clause 4.3(b) of the Transfer Agreement;

(x) *Tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to

the extent not already paid or payable under other items of this Pre-Enforcement Priority of Payments;

(xi) *Eleventh*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Subordinated Loans;

(xii) *Twelfth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay, *pari passu* and *pro rata* according to the respective amounts thereof, principal under the Subordinated Loans;

(xiii) *Thirteenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay interest due and payable on the Principal Amount Outstanding of the Junior Notes;

(xiv) *Fourteenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to Euro 100,000;

(xv) *Fifteenth*, to pay the Premium (if any) on the Junior Notes;

(xvi) *Sixteenth*, to repay the Principal Amount Outstanding of the Junior Notes.

4.2 Following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

(ii) *Second*, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account the amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount;

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

(iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent and the Paying Agent and the Cash Manager;

(v) *Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicers;

(vi) *Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest due and payable on the Principal Amount Outstanding of the Senior Notes;

(vii) *Seventh*, to repay, *pari passu* and *pro rata* according to the respective amounts thereof, the Principal Amount Outstanding of the Senior Notes;

(viii) *Eighth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due (if any) by the Issuer to the relevant Originator pursuant to clause 4.3(b) of the Transfer Agreement;

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

(x) *Tenth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, interest and repay principal of the Subordinated Loans;

(xi) *Eleventh*, on or after the Payment Date in which the Senior Notes are redeemed in full, to pay interest due and payable on the Principal Amount Outstanding of the Junior Notes;

(xii) *Twelfth*, on or after the Payment Date in which the Senior Notes are redeemed in full, to repay the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to Euro 100,000;

(xiii) *Thirteenth*, to pay the Premium (if any) on the Junior Notes;

(xiv) *Fourteenth*, to repay the Principal Amount Outstanding of the Junior Notes.

5. **INTEREST**

5.1 *Payment Dates and Interest Periods*: The Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date. Interest in respect of the 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 on the Notes will be due on the Payment Date falling in October 2021 in respect of the period from (and including) the Issue Date up to (but excluding) such Payment Date.

5.2 *Rate of Interest*: The rate of interest applicable to the Notes (the "**Rate of Interest**") for each Interest Period, including the Initial Interest Period, shall be:

(a) with respect to the Senior Notes, the rate equal to 0,40% per annum; and

(b) with respect to the Junior Notes, the rate equal to 3% per annum.

5.3 *Determination of Rate of Interest and Calculation of Interest Payments*: On each Interest Determination Date, the Issuer shall determine (or cause the Paying Agent to determine):

(a) the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date in respect of each Class of Notes;

(b) the Euro amount (the "**Interest Payment Amount**") payable as interest on each Class of Notes in respect of such Interest Period. The Interest Payment Amount payable on each Class of Notes in respect of any Interest Period shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up); and

(c) the amount payable as Premium on each Junior Note in respect of the Interest Period beginning after each Interest Determination Date.

5.4 *Publication of the Rate of Interest, the Interest Payment Amount and the Premium:* The Issuer shall notify (or cause the Paying Agent to notify) the Rate of Interest and the Interest Payment Amount applicable to each Class of Notes for each Interest Period, the Premium applicable to the Junior Notes for each Interest Period and the Payment Date in respect of such Interest Payment Amount and Premium, promptly after determination (and in any event not later than the first day of each relevant Interest Period), to the Servicers, the Back-Up Servicer, the Representative of the Noteholders, the Account Banks, the Calculation Agent, the Corporate Servicer, Monte Titoli and, for what concerns the Senior Notes, Borsa Italiana and shall procure (or cause the Paying Agent to procure) that the same are published in accordance with Condition 14 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

5.5 *Determination or calculation by the Representative of the Noteholders*: If the Issuer (or the Paying Agent on its behalf) fails to determine the Rate of Interest and/or the Interest Payment Amount in accordance with the foregoing provisions of this Condition 5 (*Interest*), such determinations shall be made by the Representative of the Noteholders.

5.6 *Notifications to be final:* All notifications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them), the Issuer, the Paying Agent or the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders shall attach to the Reference Banks, the Issuer, the Paying Agent or the Representative of the Noteholders in connection therewith.

5.7 *Reference Banks and Paying Agent*: The Issuer shall ensure that, so long as any of the Notes remains outstanding, there will at all times be three Reference Banks and a Paying Agent. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. The terminated or resigning

Paying Agent shall continue to perform its obligations until a successor paying agent, approved in writing by the Representative of the Noteholders and notified to the Rating Agencies, has undertaken the role of the resigning Paying Agent and has adhered to the Cash Management and Agency Agreement, the Intercreditor Agreement and the other Transaction Documents to which the Paying Agent is a party. If a new Paying Agent is appointed, a notice will be published in accordance with Condition 14 (*Notices*).

5.8 *Unpaid Interest with respect to the Notes:* Unpaid interest on the Notes shall accrue no interest.

5.9 *Premium*: A Premium may be payable on the Junior Notes in Euro on each Payment Date following repayment in full of the Senior Notes, in accordance with the applicable Priority of Payments. The Premium payable on the Junior Notes will be equal to the Issuer Available Funds available after making all payments due under items from (i) *First* to (xiv) *Fourteenth* (both included) of the Pre-Enforcement Priority of Payments or under items from (i) *First* to (xii) *Twelfth* (both included) of the Post-Enforcement Priority of Payments (as applicable) and, on the Final Maturity Date, after making payments to be made in priority thereto, it shall include any surplus remaining on the balance of the Accounts (other than the Quota Capital Account). On or prior to each Calculation Date, the Calculation Agent will calculate the Premium (if any) payable on the Junior Notes.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 *Notes Final Maturity Date:* Unless previously redeemed in full or cancelled as provided in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer will redeem the Notes at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on the Final Maturity Date, will be cancelled.

The Issuer may not redeem the Senior Notes in whole or in part prior to that date except as provided below in Condition 6.2 (*Mandatory Redemption*), 6.3 (*Optional Redemption*) and 6.4 (*Optional redemption for taxation reasons*) but without prejudice to Condition 12 (*Actions following the delivery of a Trigger Notice*).

6.2 *Mandatory Redemption*: The Notes will be subject to mandatory redemption in full (or in part *pro rata*) starting from (and including) the Payment Date falling in October 2021, in each case if and to the extent that there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

6.3 *Optional Redemption*: Starting from:

(i) with respect to the Payment Dates falling before the date on which a Trigger Notice has been delivered, the Payment Date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date; or

(ii) with respect to the Payment Dates falling after the date on which a Trigger Notice has been delivered, the Payment Date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date,

the Issuer may redeem, respectively, the Class A Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, provided that:

(a) the Issuer has given no more than 60 (sixty) days and no less than 30 (thirty) days' prior notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 14 (*Notices*), of its intention to redeem such Notes;

(b) upon or prior to the delivery of the notice referred to in paragraph (a) above, the Issuer has provided evidence satisfactory to the Representative of the Noteholders that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge at least all of its outstanding liabilities in respect of, as the case may be, the Class A Notes and any other payment in priority to or *pari passu* with as the case may be, the Class A Notes in accordance with the applicable Priority of Payments; and

(c) the Rating Agencies have been notified in advance of such redemption.

Under the Intercreditor Agreement, the Issuer has irrevocably granted to the Originators an option right, pursuant to article 1331 of the Italian Civil Code, to repurchase (in whole but not in part) the Portfolio then outstanding on any date following the Payment Date on which:

(a) prior to the delivery of a Trigger Notice, the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date; or

(b) following the delivery of a Trigger Notice, the date on which the Principal Amount Outstanding of the Class A Notes is equal to or lower than 10% of the Principal Amount Outstanding of the Class A Notes as at the Issue Date,

in order to finance the early redemption of, as the case may be, the Class A Notes (and, to the extent there are sufficient Issuer Available Funds, of all or part of the Junior Notes). The exercise of the option is conditional upon the delivery by the relevant Originator to the Issuer and the Representative of the Noteholders of:

(A) a solvency certificate signed by the legal representative of the relevant Originator, dated the date on which the Receivables shall be repurchased, stating that the relevant Originator is solvent;

(B) a good standing certificate in relation to each Originator issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 5 (five) Business Days before the date on which the Receivables shall be repurchased, stating that no insolvency proceeding is pending against the relevant Originator.

6.4 *Optional redemption for taxation reasons*: Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid

interest thereon), in accordance with the applicable Priority of Payments, on any Payment Date after the date on which (i) the Portfolio, the Collections and the other Issuer's rights would become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or (ii) amounts payable in respect of the Notes would be subject to withholding or deduction (other than a Decree 239 Deduction) for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein (such events, hereinafter, a "**Tax Event**"), provided that:

(a) the Issuer has given no more than 60 (sixty) days and no less than 30 (thirty) days' prior notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 14 (*Notices*), of its intention to redeem the Notes;

(b) upon or prior to the delivery of the notice referred to in paragraph (a) above, the Issuer has provided evidence satisfactory to the Representative of the Noteholders that:

  (i) the occurrence of the Tax Event could not be avoided; and

  (ii) the Issuer will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge at least all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to, or *pari passu* with, the Senior Notes in accordance with the applicable Priority of Payments; and

(c) the Rating Agencies have been notified in advance of such redemption.

Following the occurrence of a Tax Event and provided that no Trigger Notice has been served on the Issuer, 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 Portfolio in accordance with this Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for taxation reasons*) and the Intercreditor Agreement. In case of such disposal, pursuant to the Intercreditor Agreement, the Originators (each in respect of the relevant Individual Portfolio or, with the prior written consent of the other Originator, the whole Portfolio) will be entitled to purchase the Portfolio and to be preferred to any third party potential purchaser, provided that (i) the conditions under clauses 16.1(a) and 16.1(b) of the Intercreditor Agreement are met, and (ii) no Insolvency Event has occurred in respect of the Originators. Subject to the foregoing, the Originators (each in respect of the relevant Individual Portfolio or the whole Portfolio) shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from the receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio. The Representative of the Noteholders shall promptly

notify in writing the Originators of the proposed disposal and the relevant sale price. The exercise of the pre-emption right is conditional upon the delivery by the relevant Originator to the Issuer and the Representative of the Noteholders of:

(A) a solvency certificate signed by its legal representative, dated the date on which the Portfolio is sold, stating that such purchaser is solvent; and

(B) a good standing certificate issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 5 (five) Business Days before the date on which the Portfolio is sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated.

6.5 *Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*: On or prior to each Calculation Date, the Issuer shall determine (or cause the Calculation Agent to determine):

(a) the amount of the Issuer Available Funds;

(b) the principal payment (if any) due on the Notes on the immediately following Payment Date and the Principal Payment Amount (if any) due on each Note; and

(c) the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note),

and shall cause each determination of Principal Payment Amount (if any) and Principal Amount Outstanding in respect of each Note to be notified by the Calculation Agent (through the Payments Report) to the Originators, the Representative of the Noteholders, the Paying Agent, the Account Banks, the Master Servicer, the Additional Servicer, the Back-Up Servicer, the Corporate Servicer, the Cash Manager, the Arranger, the Rating Agencies and Borsa Italiana. The Issuer shall cause notice of each determination of Principal Payment Amount (if any) and Principal Amount Outstanding in respect of each Note to be given by the Paying Agent to Monte Titoli and in accordance with Condition 14 (*Notices*).

If the Issuer (or the Calculation Agent on its behalf) fails to determine the amount of the Issuer Available Funds, the principal payment (if any) due on the Notes on the immediately following Payment Date and the Principal Payment Amount (if any) due on each Note and/or the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note) in accordance with the foregoing provisions of this Condition 6.5 (*Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), such determinations shall be made by the Representative of the Noteholders.

All notifications, determinations and calculations given or made for the purposes of this Condition 6.5 (*Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), whether by the Issuer, the Calculation Agent or the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful

misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders shall attach to the Issuer, the Calculation Agent or the Representative of the Noteholders in connection therewith.

The principal amount redeemable in respect of each Note of the relevant Class (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the principal payment due in respect of the relevant Class of Notes on such date, in accordance with the applicable Priority of Payments. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of the relevant Class of Notes, in accordance with the applicable Priority of Payments, on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of each Note of the relevant Class and the denominator of which is the then Principal Amount Outstanding of all the Notes, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of each Note of the relevant Class.

For the avoidance of any doubt, it remains understood that the purpose of the above is to set out a calculation procedure aimed at allocating the principal amount in respect of each Note of the relevant Class.

Furthermore, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Master Servicer's Report to the Calculation Agent by the relevant Quarterly Master Servicer's Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), (i) the Calculation Agent shall prepare the Payments Report on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) only the amounts to be paid under items from (i) *First* to (viii) *Seventh* (inclusive and (v) *Fifth* excluded) of the Pre-Enforcement Priority of Payments shall be due and payable, to the extent there are sufficient Issuer Available Funds to make such payments (the "**Provisional Payments**"). On the immediately following Calculation Date and subject to the receipt of the relevant Quarterly Master Servicer's Report from the Master Servicer in a timely manner, the Calculation Agent shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the Provisional Payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

Following the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Master Servicer's Report to the Calculation Agent by the relevant Quarterly Master Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner) (i) the Calculation Agent shall prepare the Payments Report on the basis of the provisions of the Transaction Documents and any other information available on the relevant

Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) all the amounts to be paid under the Post-Enforcement Priority of Payments shall be due and payable to the extent there are sufficient Issuer Available Funds to make such payments.

6.6 *Notice of Redemption*: Any notice of redemption must be given in accordance with Condition 14 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Senior Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*).

6.7 *No purchase by Issuer:* The Issuer is not permitted to purchase any of the Notes.

7. NON PETITION AND LIMITED RECOURSE

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

(a) no Noteholder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents or the Rules of the Organisation of the Noteholders, to direct the Representative of the Noteholders to take any proceedings against the Issuer;

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

(c) until the later of (i) the date falling two years and one day after the Final Maturity Date or, in case of early redemption in full or cancellation of the Notes, two years and one day after the date of the early redemption in full or cancellation of the Notes, and (ii) the date falling two years and one day after the final maturity date of the notes issued by the Issuer in the context of the First Securitisation and any further securitisation (including the Second Securitisation and the Third Securitisation) or, in case of early redemption in full or cancellation of such notes, two years and one day after the date of the early redemption in full or cancellation of such notes, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders following the occurrence of a Trigger Event and only if the representatives of the noteholders of the First Securitisation, the Third Securitisation and all further securitisation transactions carried out by the Issuer, if any, have been so directed by an extraordinary resolution of their respective most senior class of noteholders following the occurrence of a trigger event under the relevant securitisation

transaction) shall initiate or join any person in initiating an insolvency proceeding in relation to the Issuer; and

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

7.2 *Limited recourse obligations of Issuer*

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders (other than the payment of the Purchase Price of each Individual Portfolio to each Originator) are limited in recourse as set out below:

(a) 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 any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lower 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 sums payable to such Noteholder; and

(c) upon the Master Servicer having certified to the Representative of the Noteholders and the Representative of the Noteholders having given notice to the Noteholders on the basis of such certificate pursuant to Condition 14 (*Notices*) that there is no reasonable likelihood, following the application of all the Issuer Available Funds, of there being any further realisations in respect of the Portfolio or the other Issuer's Rights which would be available to pay unpaid amounts outstanding under the Transaction Documents (whether arising from judicial enforcement proceedings or otherwise), each Noteholder shall have no further claim against the Issuer in respect of any such outstanding amounts and any unpaid amounts shall be cancelled and deemed discharged in full. The provisions of this paragraph (c) are subject to none of the Most Senior Class of Noteholders objecting to such determination of the Master Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Most Senior Class of Noteholders objects such determination within such term, the Representative of the Noteholders may request an independent third party expert to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio which would be available to pay any amount outstanding under the Notes. Such determination shall be definitive and binding for all the Noteholders.

8. **PAYMENTS**

8.1 *Payments through Monte Titoli:* Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the

Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear or Clearstream to the accounts with Euroclear or Clearstream of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

8.2 *Payments subject to fiscal 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.

8.3 *Payments on business days:* The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

8.4 *Change of Paying Agent:* The Issuer may or, as the case may be, shall, pursuant to the terms of the Cash Management and Agency Agreement, terminate the appointment of the Paying Agent and appoint a replacement paying agent being an Eligible Institution. 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 14 (*Notices*).

9. TAXATION

9.1 *Payments free from Tax:* All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent or any paying agent, as the case may be, appointed under Condition 8.4 (*Change of Paying Agent*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

9.2 *No payment of additional amounts:* None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Condition 8.4 (*Change of Paying Agent*) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

9.3 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

10. 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.

11. TRIGGER EVENTS

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

(a) *Non-payment:*

(i) the Issuer defaults in the payment of the amount of interest due on the Senior Notes on a Payment Date and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

(ii) the Senior Notes or the Junior Notes are not redeemed in full on the Final Maturity Date;

(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its other obligations under the Notes (other than any obligation under paragraph (a) above) or the Transaction Documents (in any respect which is material for the interests of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) and such default remains unremedied for 10 (ten) 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 opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 10 (ten) days will be given);

(c) *Breach of representations and warranties:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated (in any respect which is material for the interests of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) and in respect of which no remedy has been taken within 10 (ten) calendar days from the discovery that such representations and warranties were untrue, incorrect or erroneous;

(d) *Insolvency of the Issuer:*

an Insolvency Event occurs in respect of the Issuer;

(e) *Unlawfulness:*

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

then the Representative of the Noteholders:

(i) in the circumstances set out under paragraph (a), (d) and (e) shall; or

(ii) in the circumstances set out under paragraph (b) and (c) may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders),

serve a written notice on the Issuer, with copy to the Originators, the Servicers, the Calculation Agent, the Corporate Servicer, the Noteholders and the Rating Agencies stating that a Trigger Event has occurred (the "**Trigger Notice**").

Following the delivery of a Trigger Notice, the Notes will become immediately due and repayable at their Principal Amount Outstanding in accordance with the Post-Enforcement Priority of Payments.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) direct the Issuer to dispose of the Portfolio in accordance with the Intercreditor Agreement. In case of such disposal, subject to certain conditions, the Originators will have the right to purchase the Portfolio with preference to any third party potential purchaser. It is understood that no provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter (d), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

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

12. ACTIONS FOLLOWING THE DELIVERY OF A TRIGGER NOTICE

12.1 *Proceedings:* At any time following the delivery of a Trigger Notice, the Issuer shall comply with all directions of the Representative of the Noteholders (save that the Representative of the Noteholders acts directly) in relation to the management and administration of the Receivables pursuant to the Intercreditor Agreement, including, without limitation, any direction to sell or otherwise dispose of the Portfolio (if the Representative of the Noteholders is so directed by an Extraordinary Resolution of the Senior Noteholders or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) according to the provisions of the Intercreditor Agreement.

12.2 *Determination to be final:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11 (*Trigger Events*) or this Condition 12 (*Actions following the delivery of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as

aforesaid) no liability towards the Noteholders shall attach to the Representative of the Noteholders in connection therewith.

12.3 *Individual proceedings:* No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so in a timely manner and such failure is continuing.

13. THE REPRESENTATIVE OF THE NOTEHOLDERS

13.1 *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.

13.2 *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 who has been appointed at the time of the issue of the Notes by the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers, in accordance with the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

14. NOTICES

14.1 *Notice:* Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli and, as long as the Class A Notes are admitted to trading on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT", if given in accordance with the rules of such multilateral trading facility. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required above.

14.2 *Other method of giving 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, with respect to the Senior Notes, to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the relevant Noteholders in such manner as the Representative of the Noteholders shall require and, with respect to the Senior Notes, in accordance with the rules of the stock exchange.

15. GOVERNING LAW AND JURISDICTION

15.1 *Governing Law and Jurisdiction of the Notes:* The Notes and any non-contractual obligation arising out of or in connection with them are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

15.2 *Governing Law and Jurisdiction of the Transaction Documents:* Each of the Transaction Documents, and any non-contractual obligation arising out of or in connection therewith, is governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of each of the Transaction Documents, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the court of Milan.

EXHIBIT 1 TO THE TERMS AND CONDITIONS OF THE NOTES – RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

Article 1

General

The Organisation of the Noteholders is created concurrently with the issue by Lanterna Finance S.r.l. of and subscription for the Euro 320,000,000 Class A Asset Backed Notes due April 2050, and the Euro 62,700,000 Class B Asset Backed Notes due April 2050 and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

These Rules are deemed to be an integral part of each Note issued by the Issuer.

Article 2

Definitions

Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Conditions.

Any reference herein to an "**Article**" shall be a reference to an article of these Rules.

In these Rules, the terms below shall have the following meanings:

"**Affiliate**" means, in respect of each of the Originators, (i) a company controlled directly or indirectly by the relevant Originator, (ii) a company or natural person controlling directly or indirectly the relevant Originator, (iii) a company controlled directly or indirectly by a company or a natural person controlling directly or indirectly the relevant Originator, or (iv) a company in respect of which an Originator can exercise (directly or indirectly, including through any of the entities under paragraphs (i), (ii) and (iii)) a material influence by virtue of contractual arrangements. For the purposes of this definition the concept of control must be construed in accordance with article 2359 of the Italian Civil Code.

"**Basic Terms Modification**" means any proposed modification which results in:

(a) a change in the date of maturity of the Notes of any Class;

(b) a change in any date fixed for the payment of principal, interest or Premium in respect of the Notes of any Class;

(c) the reduction, cancellation or annulment of the amount of principal, interest or Premium payable on any date in respect of the Notes of any Class (other than any reduction, cancellation or annulment permitted under the Conditions) or any alteration in the method calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(d) a change in the *quorum* required at any Meeting or the majority required to pass any Resolution;

(e) a change in the currency in which payments are due in respect of any Class of Notes;

(f) an alteration of the Priority of Payments;

(g) the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(h) to modify the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of any Class of Notes;

(i) to resolve on the matters set out in Condition 7.1 (*Non Petition*); or

(j) a change to this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the relevant Monte Titoli Account Holder for the purpose of voting at a Meeting.

"**Block Voting Instruction**" means, in relation to a Meeting, a document prepared by the Paying Agent summarising the results of the Voting Instructions received by or on behalf of the Noteholders and, in particular:

(a) where applicable, certifying that the Notes relating to the relevant Voting Instructions are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:

(i) the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent which issued the same not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying to have received appropriate evidence of the ownership of the Notes being the subject of the relevant Voting Instructions as at the relevant Record Date;

(c) certifying that the Holder of the relevant Notes or Blocked Notes, as the case may be, or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(d) listing the aggregate principal amount of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 8 of these Rules.

"**Class**" means a class of Notes.

"**Conditions**" means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules, by a majority of not less than three quarters of the votes cast.

"**Issuer**" means Lanterna Finance S.r.l..

"**Meeting**" means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

"**Monte Titoli**" means Monte Titoli S.p.A..

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

"**Ordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules, by a majority of the votes cast.

"**Principal Amount Outstanding**" means, on any date and with respect to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"**Proxy**" means any person appointed to vote at a Meeting other than any person whose appointment has been revoked and in relation to whom the Paying Agent, or in the case of a proxy appointed under a Voting Certificate, the Issuer has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting.

"**Relevant Fraction**" means:

(a) for voting on an Ordinary Resolution, one-half of the Principal Amount Outstanding of the Notes of each relevant Class;

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the Notes of each relevant Class; and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of each relevant Class;

provided that, in the case of a Meeting postponed pursuant to Article 10, it shall mean:

(a) for all voting other than on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes represented or held by Voters present at the Meeting; and

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, one-half of the Principal Amount Outstanding of the Notes in that Class, and

further provided that, in order to avoid conflict of interest that may arise as a result of the Originators having multiple roles in the Transaction, those Notes which are held by the Originators and/or their Affiliates shall not be deemed to bear voting rights and therefore shall not be taken into account for the purposes of (i) the *quorum* necessary to convene a Meeting of Noteholders and (ii) the *quorum* required to resolve in accordance with the Conditions on any of the following Businesses:

1) the revocation of each of the Originators in their capacity as Master Servicer or Additional Servicer, as the case may be;

2) the delivery of a Trigger Notice upon the occurrence of a Trigger Event in accordance with Condition 11 (*Trigger Events*);

3) the direction of the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 11 (*Trigger Events*);

4) the enforcement of any of the Issuer's rights under the Transaction Documents against any of the Originators in any role under the Transaction; and

5) Business related to any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, may exist a conflict of interest between the Noteholders (in such capacity) and the Originators in any role (other than as Class A Noteholder) under the Transaction.

Any Class A Note excluded from the voting rights pursuant to the above provisions, an "**Excluded Note**".

It remains understood that the above restriction on voting rights does not apply in case the then outstanding Notes are entirely held by the Originators and/or their Affiliates.

"**Resolution**" means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

"**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 a Monte Titoli Account Holder in accordance with the Regulation 13 August 2018, containing, *inter alia*, evidence of the ownership of the Notes being the subject of the relevant Voting Certificate as at the relevant Record Date.

"**Voting Instruction**" means, in respect to a Resolution, the voting instruction that must be delivered to the Paying Agent by each Noteholder wishing to vote without participating directly at the relevant Meeting, whether directly or through the relevant Monte Titoli Account Holder or custodian, stating that the vote(s) attributable to the Notes that are the subject of such voting instruction should be cast in a particular way in relation to the relevant Resolution (either in favour or against such Resolution).

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**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.

Article 3

Purpose of the Organisation

Each Noteholder is a member of the Organisation of the Noteholders.

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 interests of the Noteholders.

TITLE II

MEETINGS OF NOTEHOLDERS

Article 4

General Provisions

Subject to the provisions of these Rules and the 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 the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

Subject to Article 20 below, the following provisions shall apply where outstanding Notes belong to more than one Class:

(a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the 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 any 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;

(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 any 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.

Article 5

Voting Certificates and Validity of the Proxies and Voting Certificates

A Noteholder wishing to participate in person at a Meeting may obtain a Voting Certificate in respect of such Meeting.

A Noteholder wishing to vote but not wishing to participate in person at a Meeting shall deliver a Voting Instruction to the Paying Agent and appoint a Proxy to participate at the Meeting on its behalf.

Upon receipt of all Voting Instructions by the Paying Agent will issue a Block Voting Instruction summarising the Noteholders' instructions in accordance to which the designed Proxy will vote at the Meeting

The Notes in respect of which a Voting Instruction has been delivered or a Voting Certificate is being requested may, or may not, at the Issuer discretion, be blocked with a clearing system, the relevant Monte Titoli Account Holder. The relevant Notes, if blocked, will be Blocked Notes with effect from the date on which the Voting Instruction is submitted or the Voting Certificate is requested (as the case may be) until the earlier of: (i) the conclusion of the Meeting and (ii) the surrender to the Paying Agent, not less than 48 hours before the time fixed for the Meeting, of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders.

A Voting Certificate or Block Voting Instruction shall be valid, in case the relevant Notes are blocked, until the release of the Blocked Notes to which it relates or otherwise (unless earlier revoked) until the conclusion of the relevant Meeting.

Noteholders who, as at the Record Date, own beneficial interests (as shown in the records of the relevant clearing system, or the relevant Monte Titoli Account Holders) shall be deemed to be the Holder of the Notes for all purposes in connection with the Meeting.

A Block Voting Instruction or a Voting Certificate shall be valid only if it is 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, a notarial certified 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.

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

References to the blocking or release of Notes, where applicable, shall be construed in accordance with the usual practices (including blocking the relevant account) of any Relevant Clearing System.

Article 6

Convening the Meeting

The Representative of the Noteholders or the Issuer may convene a Meeting at any time.

The Representative of the Noteholders shall convene a Meeting at any time, if it is requested to do so in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes.

Whenever any of the Issuer or the Representative of the Noteholders is about to convene a Meeting, it shall immediately give notice in writing to that effect to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) specifying the proposed day, time and place of the Meeting and the items to be included in the agenda, *provided that* each Meeting may be held also by linking various venues in different locations by audio/video conferencing facilities, subject to the following conditions:

(a) that the Chairman of the Meeting is able to be certain as to the identity of those taking part, control how the Meeting proceeds, and determine and announce the results of voting; and

(b) that those taking part are able to participate in discussions and voting on the items on the agenda simultaneously, as well as to view, receive, and transmit documents.

The Meeting held by audio/video conferencing will be deemed to have taken place at the venue at which the Chairman of the Meeting is present.

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders, provided that such place is in a EU Member State.

Article 7

Notices

At least 21 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 (falling not later than 30 days after the date of delivery of such notice), time and place of the Meeting which will be held in any case in a EU Member State (as well as, if necessary, venues connected by audio or video conferencing that may be used by those involved), 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.

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that (i) Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Regulation 13 August 2018, as amended from time to time, (ii) the procedure to deliver a Voting Instruction and to appoint a Proxy and (iii) that Notes may or may not at the Issuer's discretion be

blocked in an account with a clearing system starting from the delivery of the relevant Voting Instruction or request of the relevant Voting Certificate, as the case may be.

A Meeting is validly held, notwithstanding the formalities required by this Article 7 are not complied with, if the entire Principal Amount Outstanding of the relevant Class or Classes is represented thereat and the Issuer and the Representative of the Noteholders are present.

Article 8

Chairman of the Meeting

The Meeting is chaired by an individual (who may, but need not to 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 is not present within 15 minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman.

The Chairman 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.

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.

Article 9

Quorum

The *quorum* at any Meeting shall be one or two Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes.

Article 10

Adjournment for lack of quorum

If a *quorum* is not present within 15 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

(b) otherwise, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the original date of such Meeting, and to such place (which in any case shall be in a EU Member State) as the Chairman determines with the approval of the Representative of the Noteholders *provided that* no meeting may be adjourned more than once for want of *quorum*.

Article 11

Adjourned Meeting

Except as provided in Article 10, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (which in any case shall

be in a EU Member State). 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.

Article 12

Notice following adjournment

If a Meeting is adjourned to another time and place (which in any case shall be in a EU Member State) in accordance with the provisions of Article 10 above, Articles 6 and 7 above shall apply to the resumed meeting except:

(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.

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 10.

Article 13

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) representatives of the Representative of the Noteholders;

(d) financial advisers to the Issuer and the Representative of the Noteholders;

(e) legal advisers to the Issuer and the Representative of the Noteholders;

(f) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting; and

(g) holders of Excluded Notes.

Article 14

Voting by show of hands

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

If before the vote by show of hands 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 request to vote pursuant to Article 15 below the question shall be voted on in compliance with the provisions of Article 15. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

A resolution is only passed on a vote by show of hands if unanimously approved by 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.

Article 15

Voting by poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the Notes entitled to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

The Chairman sets the rules 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 rules 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.

Article 16

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 nominal amount of each Note represented or held by the Voter, when voting by poll.

Unless the terms of any Voting Instruction 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.

Article 17

Voting by Proxy

Any vote by a Proxy in accordance with the relevant Voting Instruction shall be valid even if such Voting Instruction or any 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.

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 pursuant to Article 10. If a Meeting is adjourned pursuant to Article 10, any person appointed to vote in such Meeting must be appointed again by virtue of a Block Voting Instruction or Voting Certificate to vote at the resumed Meeting.

Article 18

Ordinary Resolutions

Without prejudice to Article 20 below, a Meeting shall have the exclusive power exercisable by Ordinary Resolution to determine any matter submitted to the Meeting in accordance with the provisions of these Rules and the Transaction Documents which is not subject to Article 19 below.

Article 19

Extraordinary *Resolutions*

Without prejudice to Article 20 below, a Meeting shall have exclusive power exercisable by Extraordinary Resolution only to:

(a) approve any Basic Terms Modification;

(b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;

(c) waive any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event;

(d) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;

(e) approve any amendments of the provisions of (i) these Rules, (ii) the Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Management and Agency Agreement, or (v) any other Transaction Document which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(f) discharge or exonerate, including prior or retrospective discharge or exoneration, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

(g) grant any authority, order or sanction and/or give any direction or instruction which, under the provisions of these Rules or of the Conditions or the Transaction Documents, must be granted or given pursuant to an Extraordinary Resolution (including in respect of the delivery of a Trigger Notice or the disposal of the Portfolio pursuant to the Intercreditor Agreement);

(h) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(i) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(j) appoint and remove the Representative of the Noteholders;

(k) authorise or object to individual actions or remedies of Noteholders under Article 24; and

(l) if the maintenance of the listing of the Senior Notes on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT" is unduly onerous, approve any change of the stock exchange on which the Senior Notes are listed.

Article 20

Relationship between Classes and conflict of interests

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 then outstanding.

Any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest.

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.

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interest of different Class of Noteholders, then the Representative of the Noteholders is required to have regard only to the interests of the Most Senior Class of Noteholders.

Article 21

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.

Article 22

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting. The minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regard as having been duly passed and transacted.

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 14 (*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.

Article 23

Written Resolution

Any Resolution may be adopted as a Written Resolution.

Article 24

Individual Actions and Remedies

Without prejudice to Condition 7 (*Non Petition and Limited Recourse*), 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 does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

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 of Noteholders has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

Save as provided in this Article 24, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

Article 25

Further Regulations

Subject to all other provisions 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

Article 26

Appointment, Removal and Remuneration

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 26, except for the appointment of the first Representative of the Noteholders which will be Zenith Service S.p.A.

The Representative of the Noteholders shall be:

(a) an entity incorporated in any jurisdiction of the European Union, or an entity incorporated in any other jurisdiction acting through an Italian branch; or

(b) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

Unless the Representative of the Noteholders is removed by resolution pursuant to Title II above or it resigns in accordance with Article 28 below, it shall remain in office until full repayment or cancellation of all the Notes. The Noteholders may remove the Representative of the Noteholders by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes at any time.

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 (a) and (b) above, has accepted its appointment and has adhered to the Intercreditor Agreement and the other relevant Transaction Documents to which the terminated Representative of the Noteholders is a party, 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.

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.

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.

Article 27

Duties and Powers of the Representative of the Noteholders

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders.

The Representative of the Noteholders is responsible for implementing all resolutions 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. The Representative of the Noteholders has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

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. 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. 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*). 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.

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

The Representative of the Noteholders shall exercise its rights and powers and perform its duties and obligations under this Agreement and the other Transaction Documents with such standards of diligence, skill and care as required by article 1176, second paragraph, of the Italian Civil Code.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment and has adhered to the Intercreditor Agreement and the other relevant Transaction Documents to which the resigning Representative of the Noteholders is a party, *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 26.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

(a) Without limiting the generality of the foregoing, 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 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) shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

(iv) shall not be responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(1) the nature, *status*, creditworthiness or solvency of the Issuer;

(2) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(4) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(5) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent, the Corporate Servicer, the Calculation Agent or any other person in respect of the Portfolio or the Notes;

(v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(vi) shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty or representation by any party other than the

Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating to thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(vii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(viii) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(ix) shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

(x) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;

(xi) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(xii) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio and the Notes; and

(xiii) 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.

(b) The Representative of the Noteholders:

(i) may agree to any amendment or modification to these Rules or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make in order to correct a manifest error or an error of a formal, minor or technical nature. Any such 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 modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter;

(ii) may agree to any amendment or modification or waivers to these Rules (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") or to the Transaction Documents which, in the opinion the Representative of the Noteholders, is not materially prejudicial to the interest of the Most Senior Class of Noteholders;

(iii) 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, *provided that* it shall be indemnified and/or secured to its satisfaction in respect of all its costs and expenses in obtaining such advice and/or certificate and/or opinion and/or information, 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;

(iv) 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 or the Servicer, 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;

(v) save as expressly otherwise provided herein, 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*);

(vi) 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;

(vii) in order to ascertain ownership of the Notes, may fully rely on the certificates issued by the relevant Monte Titoli Account Holder, which certificates are conclusive proof of the statements attested to therein;

(viii) 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 subject party to the Transaction Documents;

(ix) may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;

(x) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement or by any Other Issuer Creditor. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so; and

(xi) shall have no responsibility to procure that the Rating Agencies maintain the rating of the Senior Notes;

(xii) 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, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order to properly 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. It is understood that the Rating Agencies are under no duty to deliver such evaluation.

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.

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.

Article 30

Indemnity

Pursuant to the Subscription Agreements, the Issuer has covenanted with and undertaken to the Representative of the Noteholders to reimburse, pay or discharge (to the extent not already reimbursed, paid or discharged by any Other Issuer Creditor) all duly documented costs, liabilities, losses, charges, expenses, damages, actions proceedings, claims and demands (including, without limitation, legal fees and any VAT or similar tax) properly incurred or made against the Representative of the Noteholders or by any persons appointed by it to whom any power, authority or discretion has been delegated by the Representative of the Noteholders, in relation to the preparation and execution of the Subscription Agreements or the other Transaction Documents, the exercise or the purported exercise by the Representative of the Noteholders of its powers and the performance of its duties under, or in any other manner in relation to, the Subscription Agreements or the other Transaction Documents, including but not limited to all 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 by the Representative of the Noteholders pursuant to the Subscription Agreements and the other Transaction Documents or against the Issuer or any other persons for enforcing any obligations thereunder or under the Notes or the Transaction Documents, except insofar as the same are incurred as a result of the gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

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, save for gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER THE DELIVERY OF THE TRIGGER NOTICE

Article 31

Powers

It is hereby acknowledged that, following the delivery 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 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 ALTERNATIVE DISPUTES RESOLUTIONS

Article 32

Governing Law and Jurisdiction

These Rules and any non-contractual obligations arising on, or in connection with, them are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to these Rules and any non-contractual obligations arising on, or in connection with, them shall be subject to the exclusive jurisdiction of the court of Milan.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

THE SENIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Originators, the Arranger, the Representative of the Noteholders, the Reporting Entity and the Senior Notes Initial Subscribers, the Issuer has agreed to issue the Senior Notes and each of the Senior Notes Initial Subscribers has agreed to subscribe for the Senior Notes, subject to the terms and conditions set out thereunder, at the Issue Price equal to 100% of their Principal Amount Outstanding as of the Issue Date.

The Senior Notes Subscription Agreement is subject to a number of conditions precedent and may be terminated in certain circumstances.

The Senior Notes Subscription Agreement and any non-contractual obligations arising out of or connected with it shall be governed by and construed in accordance with the Italian law.

Any dispute or claim arising out of or in connection with the Senior Notes Subscription Agreement or its subject matter or formation (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the courts of Milan.

THE JUNIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Junior Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Junior Notes Initial Subscribers and the Originators, the Issuer has agreed to issue the Junior Notes and the Junior Notes Initial Subscribers have agreed to subscribe for the Junior Notes subject to the terms and conditions set out thereunder, at the Issue Price being equal to 100% of their Principal Amount Outstanding as of the Issue Date.

The Junior Notes Subscription Agreement is subject to a number of conditions precedent and may be terminated in certain circumstances.

The Junior Notes Subscription Agreement, and any non-contractual obligation in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

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

SELLING RESTRICTIONS

1. General

Pursuant to the Subscription Agreements, each of the Initial Subscribers has:

(i) represented, warranted and undertaken to the Issuer that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes this Prospectus or any related offering material, in all cases at its own expense;

(ii) represented and warranted that it has not made or provided and has undertaken not to make

or provide any representation or information regarding the Issuer or the Notes, save as contained in this Prospectus or as approved for such purpose by the Issuer or which is a matter of public knowledge;

(iii) undertaken that it will not, directly or indirectly, offer, sell or deliver any Notes or distribute or publish any prospectus (including this Prospectus), form of application, advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations;

(iv) acknowledged that, unless otherwise provided herein, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

2. EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), under the Subscription Agreements, each of the Issuer and the Initial Subscribers has represented, warranted and undertaken that with effect from and including the date on which the Prospectus Regulation has entered into force (the "**Prospectus Regulation Date**") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that it may, with effect from and including the Prospectus Regulation Date, make an offer of the Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(c) at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes. Any purchase, sale, offer and delivery of all or part of the Junior Notes shall be made in compliance with article 6 of the Securitisation Regulation.

3. United States of America

3.1 *No registration under Securities Act*

Under the Subscription Agreements, each of the Issuer and the Initial Subscribers has understood and agreed that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person even though Regulation S under the Securities Act would permit such offers or sales pursuant to an available exemption from the registration

requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and the regulations thereunder.

3.2 *Compliance by the Issuer with United States securities laws*

The Issuer has, pursuant to the Subscription Agreements, represented, warranted and undertaken to the Initial Subscribers that neither it nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, to any person any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or the qualification of any document related to the Notes as an indenture under the United States Trust Indenture Act of 1939 and, in particular, that:

(a) *No directed selling efforts*: neither it nor any its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes;

(b) *Offering restrictions*: it and its affiliates have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

3.3 *Compliance by the Initial Subscribers with United States securities laws*

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, represented and agreed that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. None of the Issuer and the Initial Subscribers, nor their respective Affiliates nor any persons acting on the Issuer and the Initial Subscribers, or its respective Affiliates', behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect.

The Notes covered hereby have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Notes Subscriber, except in either case in accordance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

3.4 *Initial Subscriber's compliance with United States Treasury regulations*

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, represented, warranted and undertaken to the Issuer:

(i) *Restrictions on offers, etc.*: except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"):

(a) *No offers, etc. to United States or United States persons*: it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and

(b) *No delivery of definitive Notes in United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;

(ii) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly *engaged* in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6),

and, with respect to each affiliate of any of the Initial Subscribers that acquires Notes from the Initial Subscribers for the purpose of offering or selling such Notes during the restricted period, each of the Initial Subscribers, under the relevant Notes Subscription Agreement, has undertaken to the Issuer that it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in paragraphs (i), (ii) and (iii) above.

3.5 *Interpretation*

Terms used in paragraphs 3.2 and 3.3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in paragraph 3.4 above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

4. United Kingdom

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, 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 Market Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

5. Republic of Italy

5.1 *No offer to public*

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as defined in article 2, letter (e) of the Prospectus Regulation and in accordance with any applicable Italian laws and regulations.

5.2 *Offer to "qualified investors"*

Any offer of the Notes by the Initial Subscribers to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Banking Law, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act, CONSOB Regulation number 20307 of 15 February 2018, the Banking Law and any other applicable laws and regulations.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Prospectus Regulation and the Consolidated Financial Act.

5.3 *General compliance*

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, acknowledged that:

(a) no action has or will be taken by it which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations;

(b) the Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by it in accordance with Italian securities, tax and other applicable laws and regulations; and

(c) no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

6. France

Each of the Issuer and the Initial Subscribers has, pursuant to the Subscription Agreements, represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of article L. 411-1 of the Code monétaire et financier and Title I of Book II of the *Règlement Général de l'Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer and the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, also represented and agreed in connection with the initial distribution of the Notes by it that:

(a) there has not been and there will be no offer or sale, directly or indirectly, of the Notes by it to the public in the Republic of France (*an offrè au public de titres financiers* as defined in article L. 411-1 of the French *Code monétaire et financier*);

(b) offers and sales of the Notes in the Republic of France will be made by it in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with articles L411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 and D. 411-4 of the French *Code monétaire et financier* acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) as mentioned in article L. 411-2, L. 533-16 and L. 533-20 of the French *Code monétaire et financier* (together the "**Investors**");

(c) offers and sales of the Notes in the Republic of France will be made by it on the condition that:

  (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors; and

  (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*).

7. Prohibition of Sales to EEA Retail Investors

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as

amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EC (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

8. Prohibition of Sales to UK Retail Investors

Each of the Initial Subscribers has, pursuant to the relevant Notes Subscription Agreement, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

(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 UK domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the Financial Services and Markets Act 200, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which is however subject to a potential retroactive change. Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective Noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

INCOME TAX

Article 6, paragraph 1, of the Securitisation Law and Decree of 1 September 1996, No. 239 ("**Decree No. 239**"), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to the Securitisation Law.

Italian Resident Noteholders

Where an Italian resident Noteholder is:

a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "**Capital gains tax**" below);
b) a non-commercial partnership;
c) a private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
d) an investor exempt from Italian corporate income taxation,

Interest relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. All the above categories are qualified as "net recipients".

In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial

activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate taxation (**IRES**) (and, in certain circumstances, depending on the "status" of the Noteholder, also to **IRAP** (the regional tax on productive activities ("IRAP")).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate SICAFs (together, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV ("*Società di investimento a capitale variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident Noteholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued

at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stock brokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to article 11(4)(c) of Decree No. 239 (the "**White List**"); or

b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or

d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must:

a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and

b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which

the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption.

Noteholders who are subject to the substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Noteholder.

CAPITAL GAINS TAX

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. The Noteholders may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholders holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year.

b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities may elect to pay the *imposta sostitutiva* separately on capital

gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:

i. the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

ii. an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholders or using funds provided by the Noteholders for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholders are not required to declare the capital gains in the annual tax return.

c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholders are not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains realised by a Noteholder who is a Fund will neither be subject to *imposta sostitutiva* on capital gains, nor to any other income tax in the hands of the relevant Noteholders; the Collective Investment Fund Tax will be levied on proceeds distributed by the Fund or received by certain categories of unitholders upon redemption or disposal of the units.

Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes traded on regulated markets are not subject to the *imposta sostitutiva*. The exemption applies provided that the non-Italian resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary is:

a) resident in a State included in the White List;
b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;
c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or
d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

INHERITANCE AND GIFT TAXES

Transfers of any valuable asset (including the Notes or other securities) as a result of death or donation are taxed as follows:

a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding, for each beneficiary, €1,000,000;
b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are

subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding, for each beneficiary, €100,000; and

c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

STAMP DUTY

Pursuant to article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000.00 if the Noteholder is not an individual.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods less than 12 months, the stamp duty is payable on a *pro-rata basis*.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client – regardless of the fiscal residence of the investor – (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

WEALTH TAX ON SECURITIES DEPOSITED ABROAD

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986), holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. The wealth tax cannot exceed Euro 14,000.00 for taxpayers different from individuals. In this case the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by

Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does apply.

TAX MONITORING

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Notes) directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

GENERAL INFORMATION

Listing and admission to trading

As of the date of this Prospectus, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Senior Notes to be admitted to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT". The Issuer reserves the right to make an application for the Senior Notes to be listed on any other stock exchange and/or admitted to trading on any other regulated market or multilateral trading facility after the Issue Date.

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

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 18 March 2021.

Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Class	*ISIN code*	*Common code*	*FISN code*	*CFI Code*
Class A Notes	IT0005450710	236010414	LANTERNA FIN/ABS 20500301 SEN CLA	DAFNBB
Class B Notes	IT0005450728	236010449	LANTERNA FIN/ABS 20500301 JUN CLB	DAFQBB

No material adverse change

There has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2020 that is material.

Legal and arbitration proceedings

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.

Documents available for inspection

Copies of the following documents will be available in electronic format for inspection during normal business hours at the registered office of each of the Issuer, the Representative of the Noteholders and the Paying Agent and on the Data Repository, in accordance with the Conditions:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the Transfer Agreement;

(c) the Amendment Agreement to the Transfer Agreement;

(d) the Repurchase Agreement;

(e) the Servicing Agreement;

(f) the Back-up Servicing Agreement;

(g) the Warranty and Indemnity Agreement;

(h) the Extension and Amendment Agreement to the Corporate Services Agreement (to which the Corporate Services Agreement executed in the context of the First Securitisation is attached);

(i) the Cash Management and Agency Agreement;

(j) the Intercreditor Agreement;

(k) the Extension and Amendment Agreement to the Quotaholders' Agreement (to which the Quotaholders' Agreement executed in the context of the First Securitisation is attached);

(l) the Subscription Agreements; and

(m) this Prospectus.

The documents listed above will be made available also on the Data Repository. Provided that after 12 months from the Issue Date such documents can be made available only on the Data Repository.

In addition, the Paying Agent shall provide by e-mail, such documents as may from time to time be required by the Representative of the Noteholders and/or Borsa Italiana S.p.A. or any Noteholder, in accordance with the Conditions.

The documents listed under paragraphs (b) to (m) (included) above constitute all the underlying documents that are essential for understanding the Transaction and include, but not limited to, each of the documents referred to in point (b) of article 7, paragraph 1, of the Securitisation Regulation.

Financial statements and other documents available

Since 24 June 2014 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the First Securitisation, the Second Securitisation, the Third Securitisation and the purchasing of the Portfolio, authorising the issue of the Notes, the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing and the purchase by Banca Carige of the 5% of the Issuer's quota capital). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited, after their approval, at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

In addition, upon publication, copies of the audited financial statements in respect of each financial

year, this Prospectus and the Investor Reports (starting with the first Investor Report which will be issued on or prior to October 2021) will be also made available in electronic form via the Banca Carige's internet website currently located at www.gruppocarige.it (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Transaction amount to approximately Euro 150,000.00 (including VAT and excluding servicing collection linked fees).

The estimated total expenses related to the admission of the Senior Notes to trading on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT", amount approximately to Euro 5,000 and will be payable by Banca Carige.

Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) code is 549300C8BNK81BLYTD88.

ISSUER

Lanterna Finance S.r.l.

Via Cassa di Risparmio, 15

16123 – Genoa (GE)

Italy

ORIGINATOR, MASTER SERVICER, SUBORDINATED LOAN PROVIDER, ACCOUNT BANK IN RELATION TO BANCA CARIGE ACCOUNTS, SENIOR NOTES INITIAL SUBSCRIBER AND JUNIOR NOTES INITIAL SUBSCRIBER

Banca Carige S.p.A.

Via Cassa di Risparmio, 15

16123 – Genoa (GE)

Italy

ORIGINATOR, ADDITIONAL SERVICER, SUBORDINATED LOAN PROVIDER, SENIOR NOTES INITIAL SUBSCRIBER AND JUNIOR NOTES INITIAL SUBSCRIBER

Banca del Monte di Lucca S.p.A.

Piazza S. Martino, 4

55100 – Lucca (LU)

Italy

REPRESENTATIVE OF THE NOTEHOLDERS AND BACK-UP SERVICER

Zenith Service S.p.A.

Via Vittorio Betteloni, 2

20131 – Milan (MI)

Italy

ACCOUNT BANK IN RELATION TO BNYM ACCOUNTS AND PAYING AGENT

The Bank of New York Mellon SA/NV, Milan Branch

Via Mike Bongiorno, 13

20124 – Milan

Italy

CALCULATION AGENT

The Bank of New York Mellon, London Branch

One Canada Square

London E14 5AL

United Kingdom

ISSUER'S QUOTAHOLDERS

Banca Carige

Via Cassa di Risparmio, 15

16123 – Genoa (GE)

Italy

Stichting Rossini

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1076 AZ Amsterdam

The Netherlands

ARRANGER

Intesa Sanpaolo S.p.A. – IMI CIB

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20121 – Milan (MI)

Italy

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To the Arranger

Chiomenti

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To the Originators

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