INFORMATION MEMORANDUM DATED 25 November 2025

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

BPL Mortgages S.r.l.
(incorporated with limited liability under the laws of the Republic of Italy)

€4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050
Issue price: 100 per cent.

€834,448,000 Class J Asset Backed Notes due April 2050
Issue price: 100 per cent.

This Information Memorandum contains information relating to the issue by BPL Mortgages S.r.l., a limited liability company with sole quotaholder incorporated in the Republic of Italy under article 3 of Italian law number 130 of 30 Aprile 1999, as amended from time to time (the "**Securitisation Law**"), having its registered office at via Alfieri, 1, 31015 Conegliano (*Treviso*), Italy, enrolled in the companies' register of Treviso-Belluno under number 04078130269, fiscal code and VAT number 04078130269, enrolled in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 12 dicembre 2023*) under number 33259.3 (the "**Issuer**") of the Notes (as collectively defined below).

On 25 November 2025 (the "**Issue Date**"), the Issuer will issue € 4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050 (the "**Class A Notes**") and the € 834,448,000 Class J Asset Backed Notes due April 2050 (the "**Class J Notes**" and, together with the Class A Notes, the "**Notes**").

The Class A Notes are referred to as the "**Senior Notes**" and the Class J Notes are referred to as the "**Junior Notes**". The Issuer will issue the Notes in order to fund the Purchase Price for the Portfolio purchased from the Originator on the Transfer Date in accordance with the Transfer Agreement.

This document constitutes a "*Prospetto Informativo*" for the purposes of article 2, sub-section 3 of the Securitisation Law and article 7, paragraph 1, letter (c) of the Securitisation Regulation but it 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 and supplemented from time to time, the "**Prospectus Regulation**"). This Information Memorandum constitutes also the admission document of the Senior Notes for the admission to trading on the professional segment ("**Euronext Access Milan Professional**") of the multilateral trading facility "*Euronext Access Milan*" ("**Euronext Access Milan**"), which is a multilateral system for the purposes of the Market in Financial Instruments 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 Information Memorandum and no application has been made to list the Junior Notes on any stock exchange.

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections and other recoveries (including, for the avoidance of doubt, any sum arising from the enforcement of any Guarantees, including the FCG Guarantees) made in respect of the Portfolio of the Receivables arising out of the relevant Loan Agreements. The Issuer has purchased the Portfolio on the Transfer Date pursuant to the Transfer Agreement.

Interest on the Notes is payable by reference to successive Interest Periods. Interest on the Notes will accrue on a daily basis and will be payable in euro quarterly in arrears on each Interest Payment Date in accordance with the relevant Priority of Payments (in each case, subject to adjustment for non-business days as set out in Condition 7 (*Interest*)). The Rate of Interest applicable to the Class A Notes for each Interest Period shall be the higher of (i) 0% (zero per cent) and (ii) the sum of the EURIBOR for three months deposits (as determined under Condition 7 (*Interest*)) plus the Margin.

The Class A Notes are expected to have assigned a rating of "Aa3" by Moody's and "AA-" by S&P on the Issue Date.

As of the date of this Information Memorandum, Moody's is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended and supplemented by Regulation (EU) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**") and S&P is established in the European Union and was registered on 31 October 2011 in accordance with the CRA Regulation. Each of the Rating Agencies is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (the "**ESMA Website**"), for the avoidance of doubt, such website does not constitute part of this Information Memorandum). It is not expected that the Junior Notes will be assigned a credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.**

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

As at the date of this Information Memorandum, all payments of principal and interest in respect of the Notes will be made free and clear of any withholding or deduction for or on account of Italian taxes, unless such a withholding or deduction is required to be made by Decree No. 239 or otherwise by applicable law. If any withholding or deduction for or on account of tax is made in respect of any payment under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes. For further details, see the section entitled "*Taxation in the Republic of Italy*".

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

The Notes will be issued in dematerialised form (*in forma dematerializzata*) on behalf of the ultimate owners, until redemption or cancellation thereof, through Monte Titoli S.p.A. *("***Euronext Securities Milan**"*)* for the account of the relevant Euronext Securities Milan Account Holders. The expression "Euronext Securities Milan Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan and includes any depository banks appointed by Clearstream Banking S.A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear"**). Euronext Securities Milan shall act as depository for Clearstream and Euroclear in accordance with article 83 -*bis* of the Consolidated Financial Act, through the authorised institutions listed in article 83-*quarter* of the Consolidated Financial Act. Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes.

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

The Issuer has no assets other than the Receivables included into the Portfolio and the Issuer's Rights as described in this Information Memorandum as well as the portfolio under the Previous Securitisations still outstanding and the agreements entered into by the Issuer in relation to the Previous Securitisations which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

Banco BPM, in its capacity as Originator, will retain from the Issue Date, in respect of the Notes, on an on-going basis for the entire life of the Securitisation, a material net economic interest of not less than 5% in the Securitisation 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 (which does not take into account any corresponding national measures). Please refer to the section entitled "*Risk retention and transparency requirements*" for further information.

The Securitisation is intended to qualify as a simple, transparent and standardised (STS) securitization within the meaning of article 18 of the Securitisation Regulation ("**STS Securitisation**"). Hence the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**") and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27(2) of the Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS Requirements has been complied with under the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Information Memorandum, https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre) (the "**ESMA STS Register**")).
The Originator has used the service of Prime Collateralised Securities EU SAS ("**PCS**"), as a third party authorised under article 28 of the Securitisation Regulation to verify compliance of the Notes with the STS Requirements (the "**STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 of the CRR (the "**CRR Assessment**" and, together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Information Memorandum, https://pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Information Memorandum.
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 Originator. The investors should verify the current status of the Securitisation on ESMA's website from time to time. As at the date of this Information Memorandum, 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 a 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 a 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, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as a STS Securitisation under the Securitisation Regulation at any point in time. Please refer to the section entitled "*Compliance with STS Requirements*" for further information.

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 CRA Regulation.

This Information Memorandum comprises a "transaction summary" for the purposes of article 7(1)(c) of the Securitisation Regulation and the transaction described in this Information Memorandum is structured to satisfy the risk retention, due diligence or other requirements of the Securitisation Regulation.

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

Each of the Noteholders is required to independently assess and determine the sufficiency of the information described in this Information Memorandum for the purposes of complying with article 5 of the Securitisation Regulation, and none of the Issuer, the Originator or any other party to the Transaction Documents makes any representation that the information described in the Information Memorandum is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

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".

CONSOB AND BORSA ITALIANA HAVE NOT EXAMINED NOR APPROVED THE CONTENT OF THIS INFORMATION MEMORANDUM.

UNDERWRITER

BANCO BPM S.P.A.

RESPONSIBILITY STATEMENTS

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

The Issuer accepts responsibility for the information contained in this Information Memorandum. The information in respect of which each of Banco BPM, The Bank of New York Mellon SA/NV – Milan branch, Bank of New York Mellon, London Branch, Zenith and Banca Finint accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

Banco BPM accepts responsibility for the information contained in this Information Memorandum in the sections entitled "The Portfolio", "Banco BPM", "The Credit and Collection Policies", "Compliance with STS Requirements", "Risk retention and transparency requirements" and any other information contained in this Information Memorandum relating to itself, the Receivables, the Loan Agreements, the Loans and the Guarantees. To the best of the knowledge and belief of Banco BPM (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

The Bank of New York Mellon SA/NV –Milan branch accepts responsibility for the information contained in this Information Memorandum in the section entitled "The Paying Agent and Payments Account Bank" and any other information contained in this Information Memorandum relating to itself. 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 true 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 contained in this Information Memorandum in the section entitled "The Computation Agent" and any other information contained in this Information Memorandum relating to itself. 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 true and does not omit anything likely to affect the import of such information.

Zenith accepts responsibility for the information contained in this Information Memorandum in the section entitled "The Back-Up Servicer Facilitator and the Representative of the Noteholders" and any other information contained in this Information Memorandum relating to itself. To the best of the knowledge of Zenith (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

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

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

Interest material to the offer

Save as described under the section headed "Subscription and Sale and Selling Restrictions" 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.

Representations about the Notes

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

U.S. Risk Retention Rules

*The Notes sold on the Issue Date may not be purchased by any person except for persons that are not "**U.S. persons**" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**").*

*"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.*

Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

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

Selling Restrictions

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

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

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

ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

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

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

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

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

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Information Memorandum, see the section entitled "Subscription and Sale and Selling Restrictions".

PRIIPs / EEA Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, 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**"); (ii) a customer within the meaning of Directive 2016/97/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in article 2 of the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) 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.*

PRIIPS / UK Retail Investors

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in article 2 of Regulation (EU)*

*2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

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

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

***UK MiFIR product governance / target market** - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) no. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate dis tribution channels.*

Benchmark Regulation (Regulation (EU) 2016/1011)

*Amounts payable in relation to the Senior Notes which bear a floating interest rate will be calculated by reference to the EURIBOR which is provided and administered by the European Money Markets Institute (**EMMI**). As at the date of this Information Memorandum, EMMI is included on the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of Regulation (EU) 2016/1011. The Benchmark Regulation could have a material impact on the Notes, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements.*

Interpretation and definitions

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

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

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

The language of this Information Memorandum is English. Certain legislative references and technical

terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

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

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

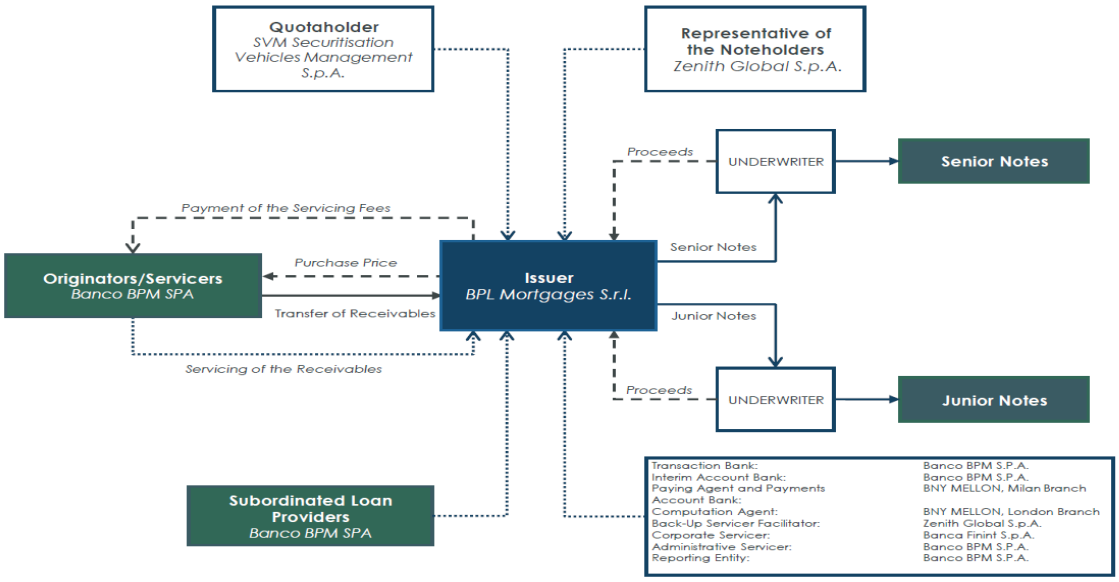
TABLE OF CONTENTS

TRANSACTION OVERVIEW

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

1. THE TRANSACTION DIAGRAM

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum. Words and expressions defined elsewhere in this Information Memorandum shall have the same meanings in this structure diagram.



2. THE PRINCIPAL PARTIES

Issuer

BPL Mortgages S.r.l., a limited liability company with sole quotaholder incorporated in the Republic of Italy under article 3 of the Securitisation Law, having its registered office at via Alfieri, 1, 31015 Conegliano (*Treviso*), Italy, enrolled in the companies' register of Treviso-Belluno under number 04078130269, fiscal code and VAT number 04078130269, enrolled in the register of the special purpose vehicles heldby the Bank of Italy (*albo delle società*

	veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 12 dicembre 2023) under number 33259.3. The issued Euro 12,000 equity capital of the Issuer is entirely held by SVM Securitisation Vehicles Management S.r.l.. The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out Further Securitisations in addition to the one contemplated in this Information Memorandum, subject to the Conditions. In accordance with the Securitisation Law, the Issuer has already engaged the Previous Securitisations carried out in accordance with the Securitisation Law and completed with the issuance of the Previous Notes. For further detail, see the Section "*The Issuer*", below.
Quotaholder	**SVM Securitisation Vehicles Management S.r.l..**
Originator	**Banco BPM.**
Reporting Entity	**Banco BPM.** The Reporting Entity will be designated under the Transfer Agreement and the Intercreditor Agreement. The Reporting Entity will act as such, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation.
Servicer	**Banco BPM.** The Servicer will act as such pursuant to the Servicing Agreement.
Computation Agent	**The Bank of New York Mellon, London Branch**, a banking corporation organised under the laws of the State of New York and operating through its branch in London at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom ("**BNY, London Branch**"). The Computation Agent will act as such pursuant to the Agency and Accounts Agreement.
Transaction Bank	**Banco BPM.** The Transaction Bank will act as such pursuant to the Agency and Accounts Agreement.
Interim Account Bank	**Banco BPM.** The Interim Account Bank will act as such pursuant to the Agency and Accounts Agreement.
Paying Agent and Payments Account Bank	**The Bank of New York Mellon – SA/NV, Milan branch.,** a bank incorporated under the laws of Belgium, having its registered office at Multi Tower Boulevard Anspachlaan 1, B-1000, Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan under no. 09827740961, enrolled as a "filiale di banca estera" under no. 8070 and with ABI code 3351.4 with the

	banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act ("**BNY, Milan Branch**") The Paying Agent and Payments Account Bank will act as such pursuant to the Agency and Accounts Agreement.
Subordinated Loan Provider	**Banco BPM.** The Subordinated Loan Provider will act as such pursuant to the Subordinated Loan Agreement.
Representative of the Noteholders	**Zenith Global S.p.A.** a joint stock company (*società per azioni*), incorporated and organised under the laws of the Republic of Italy, having its registered office at Corso Vittorio Emanuele II, 24/28, 20122 Milan, fiscal code and enrolment number with the companies register of Milan – Monza – Brianza – Lodi no. 02200990980, VAT code 11407600961, belonging to the Arrow Global VAT Group number 11407600961, enrolled in the general register of financial intermediaries (*Albo Unico degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under No. 30, with a share capital of Euro 2.000.000,00 fully paid up("**Zenith**") The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other Transaction Documents.
Administrative Servicer	**Banco BPM**. The Administrative Servicer will act as such pursuant to the Administrative Services Agreement.
Corporate Servicer	**Banca Finint.** The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Back-Up Servicer Facilitator	**Zenith.** The Back Up Servicer Facilitator will act as such pursuant to the Intercreditor Agreement.
Underwriter	**Banco BPM**. The Underwriter will act as such pursuant to the Subscription Agreement.

3. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
Class A Notes	€ 4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050 (the "**Class A Notes**")
Class J Notes	€ 834,448,000 Class J Asset Backed Notes due April 2050 (the "**Class J Notes**")
The Senior Notes	The Class A Notes. The Class J Notes.

The Junior Notes

The Senior Notes and the Junior Notes.

The Notes

The Junior Notes will not be offered pursuant to this Information Memorandum.

Issue Price

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

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

Interest on the Senior Notes

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the relevant Issue Date at Margin above Euribor (the "**Rate of Interest**") (as determined under Condition 7 (*Interest*)). The Rate of Interest applicable to the Class A Notes for each Interest Period shall be the higher of (i) 0% (zero per cent) and (ii) EURIBOR (as determined under Condition 7 (*Interest*)) plus the Margin. In respect of the Class A Notes, for the first Interest Period following the Issue Date, the Rate of Interest will be obtained upon linear interpolation of the EURIBOR for three and six-month deposits in euro (as determined in accordance with Condition 7 (*Interest*)), plus a margin equal to 0.5% per cent per annum.

Junior Notes Remuneration

The Junior Noteholders are entitled to be paid of the Junior Notes Remuneration (if any) on each Interest Payment Date in accordance with the applicable Priority of Payments as being calculated on each Calculation Date.

Accrual of interest

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

Form and denomination

The denomination of the Senior Notes will be Euro 100,000 and multiples of 100,000. The denomination of the Junior Notes will be Euro 1,000 and multiples thereof. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The Notes will be accepted for clearance by Euronext Securities Milan with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of the article 83-*bis* of Consolidated Financial Act and the Joint Regulation. No physical document of title will be issued in respect of the Notes.

ISIN Codes

Upon acceptance for clearance by Euronext Securities Milan the Notes were assigned the following ISIN Codes:

Class A Notes	IT0005678500
Class J Notes	IT0005678542

Status and subordination

In respect of the obligation of the Issuer to pay interest and principal on the Notes, the Conditions provide that:

(i) the Senior Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and

(ii) the Junior Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes and subordinated to the Senior Notes.

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

Withholding on the Notes

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

Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption in full or in part *pro rata* on each Interest Payment Date thereafter in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Enforcement Priority of Payments.

Mandatory redemption following the delivery of an Issuer Acceleration Notice

After the delivery of an Issuer Acceleration Notice, the Issuer Available Funds and any other amounts received or recovered by the Representative of the Noteholders shall be applied by the Representative of the Noteholders in accordance with the Post-Enforcement Priority of Payments.

Optional redemption

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem on any Interest Payment Date the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), at their Principal Amount Outstanding (plus any accrued but unpaid interest up to and including the relevant Interest Payment Date) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any

Interest Payment Date, subject to the Issuer:

(a) giving not more than 60 (sixty) nor less than 30 (thirty) days' prior written notice to the Representative of the Noteholders, the Noteholders and the Rating Agencies, in accordance with Condition 17 (*Notices*), of its intention to redeem the Notes; and

(b) having provided to the Representative of the Noteholders (also through the Servicer), upon or before the delivery of the notice under (a) above, a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the necessary funds on such Interest Payment Date to discharge all its obligations under the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) any other obligations ranking in priority, or *pari passu*, thereto in accordance with the Post-Enforcement Priority of Payments.

The Issuer may obtain the funds necessary to finance such early redemption of the Notes from the sale of the Portfolio to the Originator. Pursuant to the Transfer Agreement, the Issuer has irrevocably granted to the Originator an option right to repurchase (in whole but not in part) the Portfolio then outstanding, in order to finance the early redemption of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) pursuant to the terms and subject to the conditions set out therein.

For further detials please refer to section entititled "*The Transfer Agreement*" and "*Terms and Conditions of the Notes*".

Cancellation

The Notes will be cancelled on the Cancellation Date.

Optional Redemption for taxation reasons

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

(i) any Tax Deduction (other than a Decree 239 Withholding) in respect of any payments to be made to the Noteholders, or (ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation, subject to the following:

(1) that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) of its intention to redeem

all (but not some only) of the Notes of each Class; and

(2) that upon or prior to giving such notice, the Issuer:

(a) has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

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

then the Issuer may redeem on any Interest Payment Date the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), at their Principal Amount Outstanding (plus any accrued and unpaid interest thereon up to and including the relevant Interest Payment Date), and any other payment ranking higher or pari passu with the Notes to be redeemed, in accordance with the Post-Enforcement Priority of Payments.

The Issuer may obtain the funds necessary to finance such early redemption of the Notes from the sale of the Portfolio to the Originator. Pursuant to the Transfer Agreement, the Issuer has irrevocably granted to the Originator an option right to repurchase (in whole but not in part) the Portfolio then outstanding, in order to finance the early redemption of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), pursuant to the terms and subject to the conditions set out therein.

For further detials please refer to section entititled "*The Transfer Agreement*" and "*Terms and Conditions of the Notes*".

Maturity Date

Unless previously redeemed in full, the Notes are due to be

repaid in full at their Principal Amount Outstanding on the Maturity Date. The Notes, to the extent not redeemed in full on their Maturity Date as a result of the Issuer having insufficient funds for application in or towards such redemption, shall be cancelled on the earlier of (a) the date on which the Notes are redeemed in full and (b) the date on which the Representative of the Noteholders has certified to the Issuer, in accordance with the Conditions and the Intercreditor Agreement, that the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any unpaid amounts under the Notes and the Transaction Documents as applicable.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio and the other 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 Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Portfolio may not be seized or attached in any form by creditors of the Issuer (including for avoidance of doubts, noteholders and the Issuer's other creditors in respect of the Previous Securitisations and any other securitisation transactions carried out by the Issuer) other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of an Issuer Acceleration Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer and the Other Issuer Creditors in respect of the Portfolio, the other Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such power.

Events of Default

If any of the following events occurs:

(i) ***Non-payment***

the Issuer defaults in the payment of the amount of interest and/or principal when due on the Senior Notes and such default is not remedied within a period of 5 (five) Business Days from the due date thereof (for the avoidance of doubt, the Event of Default relating to non-payment of principal may only occur in case of non-payment of principal on the Maturity Date or on any date on which the principal becomes due and payable following a notice of redemption having been served to the Noteholders pursuant to Condition

8.5 (*Optional Redemption*) or 8.6 (*Optional Redemption for taxation reasons*)); or

(ii) ***Breach of other obligations***
the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of being remedied or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of being remedied remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied; or

(iii) ***Insolvency***
an Insolvency Event occurs with respect to the Issuer; or

(iv) ***Unlawfulness***
it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party and such unlawfulness remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of it to the Issuer requiring the same to be remedied,

then the Representative of the Noteholders,
(1) in the case of an Event of Default under (i) (*Non-payment*) and (iii) (*Insolvency*) above, or
(2) in the case of an Event of Default under (ii) (*Breach of other obligations*) or (iv) (*Unlawfulness*) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,
shall serve an Issuer Acceleration Notice on the Issuer (and copy to the Rating Agencies) and the Noteholders pursuant to Condition 17 (*Notices*) declaring the Notes to be due and repayable at their Principal Amount Outstanding.

Upon the delivery of an Issuer Acceleration Notice, all payments in respect of the Notes of each Class shall (subject to Condition 16 (*Limited recourse and non-petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest, without further action, notice or formality, and all payments due by the Issuer shall be made in accordance with the Post-Enforcement Priority of Payments.
For further details see the Condition 10 (*Events of Default*).

Non petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations

and no Noteholder or Other Issuer Creditor shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular:

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

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

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

Limited recourse obligations of Issuer

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

(i) each Noteholder and 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;

(ii) sums payable to each Noteholder or Other Issuer Creditor

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

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full. The provisions of this paragraph (iii) are subject to none of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objecting to such determination of the Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior 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 and Other Issuer Creditors.

The Organisation of the Noteholders and the Representative of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as 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 appointed at the time of issue of the Notes, who is appointed by the Underwriter in the Subscription Agreement. Each Noteholder by holding, at any time, any of the Notes is deemed to accept such appointment.

Rating	The Class A Notes are expected to have assigned a rating of "Aa3" by Moody's and "AA-" by S&P on the Issue Date. The Junior Notes will not be assigned any credit rating. As of the date of this Information Memorandum, Moody's is established in the European Union and was registered on 31 October 2011 in accordance with the CRA Regulation and S&P is established in the European Union and was registered on 31 October 2011 in accordance with the CRA Regulation. Each of the Rating Agencies is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website, for the avoidance of doubt, such website does not constitute part of this Information Memorandum). **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.**
Expected Weighted Average Life of the Notes	The actual weighted average life of the Senior Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations of the estimated weighted average life of the Senior Notes have been based on certain assumptions including, *inter alia*, the assumptions that the Loans are subject to a constant payment rate as shown in "*Estimated weighted average life of the Senior Notes and assumptions*". The estimated weighted average life of the Senior Notes is set out under "*Estimated weighted average life of the Senior Notes and assumptions*".
Listing and admission to trading	Application has been made for the Class A Notes to be admitted to trading on the professional segment Euronext Access Milan Professional of the multilateral trading facility "Euronext Access Milan", which is a multilateral trading system for the purposes of the MIFID II managed by Borsa Italiana S.p.A.. No application has been made to list the Junior Notes on any stock exchange.
Governing law	The Notes will be governed by Italian law.
Purchase of the Notes	The Issuer may not purchase any Note at any time.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. For further details see the section entitled "*Subscription and Sale and Selling Restrictions*".

4. THE PRIORITY OF PAYMENTS

Pre-Enforcement Priority of Payments	Prior to (i) the service of an Issuer Acceleration Notice, or (ii) the exercise by the Issuer of the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional*

redemption for taxation reasons), or (iii) the Maturity Date, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

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

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

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

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent and Payments Account Bank;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Interest Amounts due and payable on each Senior Notes;

(vi) *sixth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;

(vii) *seventh,* for so long as there are Senior Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the Payments Account;

(viii) *eigth*, in or towards repayment, *pro rata* and *pari passu*, of the Senior Notes Principal Payment;

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents; and

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement;

(xi) *eleventh,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre- Enforcement Priority of Payments);

(xii) *twelfth*, in or towards satisfaction of all amounts due and payable to the Originator in respect of the Rateo Amounts (if any) under the terms of the Transaction Documents;

(xiii) *thirteenth*, upon repayment in full of the Senior Notes, in or towards repayment, *pro rata* and *pari passu*, of the Junior Notes Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account); and

(xiv) *fourteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

Post-Enforcement Priority of Payments

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), or on the Maturity Date, the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

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

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

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent and Payments Account Bank;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of Interest Amount (including any interest accrued but unpaid) on the Senior Notes at such date;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Senior Notes Principal Payment;

(vii) *seventh*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents; and

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement;

(viii) *eighth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post- Enforcement Priority of Payments);

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth*, in or towards repayment, *pro rata* and *pari passu*, of the Junior Notes Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro

1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xi) *eleventh,* on the Cancellation Date, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding on the Junior Notes until the Junior Notes are redeemed in full; and

(xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date.

5. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

The Portoflio

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and recoveries (including, for the avoidance of doubt, any sum arising from the enforcement of any Guarantees, including the FCG Guarantees) made in respect of the Portfolio purchased on the Transfer Date by the Issuer pursuant to the terms of the Transfer Agreement.

In accordance with the Securitisation Law and subject to the terms and conditions of the Transfer Agreement, the Portfolio has been assigned and transferred to the Issuer on the Transfer Date without recourse (*pro soluto*) against the Originator in case of a failure by any of the Debtors to pay amounts due under the Loan Agreements. The purchase price for the Portfolio will be funded by the Issuer (subject to the conditions set out in the Transfer Agreement being fulfilled) upon transfer of the Portfolio, through the net proceeds of the issuance of the Notes.
See for further details "*The Portfolio*" and "*The Transfer Agreement*".

Pursuant to the Servicing Agreement the Issuer appointed Banco BPM to perform the administration, management and collection of the Receivables from time to time purchased by the Issuer, including the collection of payments and the management of the data in respect thereof, and to act as "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to article 2, sub-paragraph 3(c) and paragraph 6-bis, of the Securitisation Law.

Servicing of the Portfolio

The Servicer has agreed, *inter alia*, to administer and service the Portfolio on behalf of the Issuer and, in particular, to:

(a) collect amounts due in respect thereof;

(b) administer relationships with any person who is a borrower under a Loan; and

(c) commence and pursue any enforcement proceedings in respect of any borrowers who may default.

Any of the Collections are initially paid to the Servicer.

The Collections are required to be transferred by the Servicer into the Interim Account by no later than the same Business Day on which are received for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made:

(i) through the direct debit mechanism will automatically pass from the current

account of the relevant Debtor to the Interim Account; and

(ii) by, respectively, cash, inter-banking direct debit of the Debtors' bank account open with a bank other than the Originator (Sepa Direct Debit (SDD) and payment request (MAV - Mediante Avviso)) will be credited by the Servicer on the Interim Account through an automatic process.

The Servicer has undertaken to prepare and submit to the relevant addressee specified in the Servicing Agreement on each Reporting Date the Servicer Report, together with the Loan by Loan Report and the Inside Information and Significant Event Report, all in accordance with the terms set out under the Servicing Agreement.

See for further details "*The Servicing Agreement*".

Warranties and indemnities

Under the Warranty and Indemnity Agreement, the Originator will give certain representations and warranties to the Issuer in relation to, *inter alia*, itself, the Receivables, the Loans and the Securitisation Regulation and will agree to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties. The representations and warranties under the Warranty and Indemnity Agreement shall be deemed to be repeated and confirmed by the Originator as at the Issue Date.

See for further details "*The Warranty and Indemnity Agreement*".

6. CREDIT STRUCTURE, ACCOUNTS AND OTHER TRANSACTION DOCUMENTS

Accounts

The Issuer has established with the Interim Account Bank the Interim Account.

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

(a) the Collection Account;

(b) the Cash Reserve Account; and

(c) the Expenses Account.

The Issuer has established with the Transaction Bank also the Equity Capital Account, into which its contributed quota capital has been deposited.

Furthermore, the Issuer has established with the Paying Agent and Payments Account Bank the Payments Account.

For further details, see the section headed "*The Issuer's Accounts*" and *"The Agency and Accounts Agreement".*

Intercreditor Agreement

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders has agreed, *inter alia*, to ensure that, following the service of a Issuer Acceleration Notice, all the Issuer Available Funds are applied in or towards satisfaction of all the Issuer's payment

obligations to the Other Issuer Creditors and third party creditors for costs and expenses incurred in the context of the Securitisation, in accordance with the Post-Trigger Notice Priority of Payments. The obligations owed by the Issuer to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds, in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents. See for further details "*The Intercreditor Agreement*".

Agency and Accounts Agreement

Under the terms of the Agency and Accounts Agreement, *inter alio*s, the Computation Agent, the Interim Account Bank, the Transaction Bank, the Paying Agent and Payments Account Bank and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts and with certain agency services. See for further details "*The Agency and Accounts Agreement*".

Cash Reserve

On the Issue Date the Issuer will establish a reserve fund in the Cash Reserve Account in an amount equal to the Cash Reserve Initial Amount.

The Cash Reserve Initial Amount will be funded on the Issue Date by (i) applying a part of the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) as being credited into the Cash Reserve Account from the Collection Account, and (ii) utilising the amounts drawn down by the Issuer under the Subordinated Loan Agreement.

On each Interest Payment Date, the Cash Reserve will be replenished up to the Target Cash Reserve Amount out of the Issuer Available Funds and in accordance with the Pre-Enforcement Priority of Payments.

On each Calculation Date, the Cash Reserve will be used to increase the Issuer Available Funds.

Corporate Services Agreement

Under the terms of the Corporate Services Agreement between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide certain corporate and accounting services to the Issuer. See for further details "*Description of the other Transaction Documents - The Corporate Services Agreement*".

Administrative Services Agreement

Under the terms of the Administrative Services Agreement between the Issuer and the Administrative Servicer, the Administrative Servicer has agreed to provide certain administrative services to the Issuer. See for further details "*Description of the other Transaction Documents - The Administrative Services Agreement".*

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Issuer Acceleration

Notice being served upon the Issuer following the occurrence of a Event of Default or upon failure by the Issuer to exercise its rights under the Transaction Documents and subject to certain conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party. See for further details "*Description of the other Transaction Documents - The Mandate Agreement*".

Governing Law of the Transaction Documents

Each of the Transaction Documents is governed by and shall be construed in accordance with Italian law.

7. RISK RETENTION AND TRANSPARENCY REQUIREMENTS

Retention risk

Banco BPM, in its capacity as Originator, will retain on an on-going basis for the entire life of the Securitisation, a material net economic interest of not less than 5% in the Securitisation 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 Originator will meet its obligation above by retaining an interest in the Junior Notes, being the first-loss tranche of the Securitisation, as required by article 6(3)(d) of the Securitisation Regulation.

Reporting Entity

Under the Intercreditor Agreement and the Transfer Agreement, each of the Issuer and the Originator has agreed that Banco BPM 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, Banco BPM 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 Securitisation Repository.

For further details, see the section entitled "*Risk Retention and transparency requirements*".

8. SECURITISATION REGULATION

STS securitisation

The Securitisation 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. Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and the Originator intends to submit on or about the Issue Date the STS 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. Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originator of how each of the STS criteria set out in articles 19 to 22 has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA's website at the ESMA STS Register.

PCS Services

The Originator and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to service the STS Verification and to prepare the CRR Assessment and the compliance with STS 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/) together with a detailed explanation of its scope at https://pcsmarket.org/disclaimer/. For the avoidance of doubt, the PCS websites and the contents thereof do not form part of this Information Memorandum. 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 Information Memorandum, 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 a 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 STSSecuritisation 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 Originator or any other party to the Transaction Documents makes any representation or accepts any liability in that respect.

For further details, see the section entitled "*Compliance with STS requirements*" and "*PCS Services*".

RISK FACTORS

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

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

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

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

RISK FACTORS RELATED TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in Italy on 30 April 1999. As at the date of this Information Memorandum, as far as the Issuer is aware, only limited interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for limited regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Information Memorandum. For further details, see the sections entitled "*Selected aspects of the Italian law*".

Issuer's ability to meet its obligations under the Notes

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

As at the date hereof, the Issuer's principal assets in respect of the Securitisation are the Receivables. The Issuer will not have any significant assets, for the purpose of meeting its obligations under the Securitisation, other than the Receivables, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party.

Consequently, there is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Maturity Date, upon redemption by acceleration of maturity following the service of an Issuer Acceleration Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay principal of the Notes in full.

Following the delivery of a Issuer Acceleration Notice, the Issuer may (with the prior consent of the Representative of the Noteholders), or the Representative of the Noteholders may (or shall if so

requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) direct the Issuer to, dispose of the Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement and the Conditions.

No independent investigation in relation to the Receivables

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

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

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held by the Servicer at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer.

In particular, 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 notes 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 notes; (ii) amounts due by the special purpose vehicle to any counterparty of any derivative transaction entered into by the special purpose vehicle in connection with the transaction for the purposes of hedging risks relating to the receivables and securities assigned; and (iii) the other creditors of the special purpose vehicle with respect to other costs incurred by the special purpose vehicle in connection with the transaction. In case of any proceedings pursuant to Title IV of the Consolidated Banking Act, or any bankruptcy proceedings 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 and wait for the distributions and the restitutions of sums.

In addition, such risk is mitigated through the obligation of the Servicer under the Servicing Agreement to transfer any Collections held by the Servicer to the Interim Account on a daily basis. For further details, see the section entitled "*The Servicing Agreement*".

However, prospective Noteholders should also consider that the aforementioned 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.

Moreover, it has to be also noted that the Paying Agent and the Payments Account Bank is an Italian branch of foreign credit institutions. As a consequence, it is possible that the segregation provisions of Article 3, paragraph 2-bis of the Securitisation Law may not apply in respect of such Issuer's Accounts in the context of any reorganisation proceedings of the Paying Agent and the Payments Account Bank, as such proceedings would not be governed by Italian law.

Liquidity and credit risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the scheduled instalment payment dates. This risk is mitigated, in respect of the Senior Notes, through the establishment of the Cash Reserve into the Cash Reserve Account.

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

It is not certain that the Servicer will duly perform at all times its obligations under the Servicing Agreement and that a suitable alternative Servicer could be available to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated.

In addition, the Issuer is subject to the risk that, in the event of insolvency of the Servicer, the collections then held by the Servicer are lost or temporarily unavailable to the Issuer. It should be noted, however, that such risk has been mitigated by the recent amendments made to the Securitisation Law in respect to the segregation of the accounts opened in the context of securitisation transactions (please see the risk factor headed "*Claims of unsecured creditors of the Issuer*").

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

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

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

In addition, the Issuer's ability to make payments in respect of the Notes may depend to an extent upon the Originator's performance of their obligations under the Warranty and Indemnity Agreements. In particular, in the event that the Originator becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its indemnification obligations to the Issuer under the Warranty and Indemnity Agreements. In such case, any payments made by such Originator as indemnity under the Warranty and Indemnity Agreements, or as indemnity for renegotiation of the Receivables under the Servicing Agreement or as repurchase price of the Receivables under the relevant Transfer Agreement, may be subject to ordinary claw back regime under Italian Law.

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

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Claims (if any). In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Portfolio. The performance by such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

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

Such risk is mitigated by the provisions of the Servicing Agreement in relation to the appointment of the Back-Up Servicer and of the Intercreditor Agreement pursuant to which the Back-Up Servicer Facilitator has undertaken to assist and cooperate with the Issuer, if necessary, in order to identify an eligible entity available to be appointed as Successor Servicer under the Transaction Documents. For further details, see the section entitled " *The Servicing Agreement*" and "*The Intercreditor Agreement*".

Claims of unsecured creditors of the Issuer

By operation of article 3 of the Securitisation Law and the Transaction Documents, the rights, title and interests of the Issuer in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any amounts deriving therefrom will be exclusively available both prior to and following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Securitisation. Amounts deriving from the Portfolio and the other Segregated Assets will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation.

Under Italian law, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for commence insolvency or winding up proceedings of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders and the Other Issuer Creditors) would have the right to claim in respect of the Portfolio and the other Segregated Assets, even in commence insolvency or winding up proceedings 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 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 petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any Further Securitisation undertaken by the Issuer or the Previous Securitisations have been redeemed in full or cancelled in accordance with their terms and conditions.

In order to ensure the segregation:

a) the Issuer is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction;

b) the Servicer shall be able to identify at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; and

c) the parties to the Securitisation have undertaken not to credit to the Accounts amounts other than those set out in the Agency and Accounts Agreement.

Moreover, the provisions of article 3 of the Securitisation Law concerning the *patrimonio separato* are not likely to apply in circumstances where the cash-flow referred to above is commingled with the assets of a party other than the Issuer (such as, for example, the Servicer - see in this respect the above section headed "*Liquidity and credit risk*"). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

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

In addition, no guarantee can be given on the fact that the parties to the Securitisation will comply with the law and contractual provisions which have been inserted in the relevant Transaction Documents in order to ensure the segregation of assets. Furthermore, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any

unpaid debt.

In any case, the corporate purpose of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted, *inter alia,* not to enter into any transaction whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide and envisage that the Issuer will engage.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses, the Issuer has established the Expenses Account, into which the Retention Amount has been credited on the Issue Date and shall be replenished on each Interest Payment Date up to (but excluding) the Interest Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period.

To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Interest Payment Date under item *First* of the Priority of Payments.

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

Further Securitisations

The Issuer may carry out Further Securitisations in addition to the Securitisation and the Previous Securitisations as described in this Information Memorandum in accordance with Condition 5.11 (*Issuer Covenants -Further Securitisations*).

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

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Euro or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

RISK FACTORS RELATED TO THE NOTES

Suitability

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

the Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition and upon advice from such advisers as they may deem necessary.

Investment in the Notes is only suitable for investors who:

(a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;

(c) are capable of bearing the economic risk of an investment in the Notes; and

(d) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses. Therefore, prospective investors in the Notes should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary.

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

No communication (written or oral) received from the Issuer, the Originator or the Underwriter from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

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

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

Limited sources of payments to Noteholders

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

Limited recourse nature of the Notes

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest (or Junior Notes Remuneration, as applicable) on the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Issuer Available Funds to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of an Issuer Acceleration 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.

In this respect, the net proceeds of the realisation of the Issuer’s rights under the Transaction Documents may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all

claims in respect of which shall be extinguished.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of repayment of principal on the Receivables (including prepayments and sale proceeds arising on enforcement of a Loan) and on the actual date (if any) of exercise of the early redemption pursuant to Condition 8.5 (*Redemption, Purchase and Cancellation - Optional Redemption*) and Condition 8.6 (*Redemption, Purchase and Cancellation - Optional Redemption for taxation reasons).* Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Loans.

Prepayments may result in connection with refinancing or sales of properties by Debtors voluntarily.

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

The yield to maturity of the Notes will also depend on the actual date (if any) of exercise of the early redemption pursuant to Condition 8.5 (*Redemption, Purchase and Cancellation - Optional Redemption*) and Condition 8.6 (*Redemption, Purchase and Cancellation - Optional Redemption for taxation reasons)*. Such yield may be adversely affected by higher or lower than anticipated rates of payment, delinquency and default of the Receivables.

Subordination

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, subject to the Priority of Payments, the Notes of each Class rank as set out in Condition 6 (*Priority of Payments*). As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders and then (to the extent that the Senior Notes have not been redeemed) by the Senior Noteholders as described above. As long as the Notes are outstanding, the holders of the Most Senior Class of Notes shall be entitled to determine the remedies to be exercised in connection with the outstanding Notes.

Limited Enforcement Rights

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

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

Risks relating to certain potential conflict of interests

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

Without limiting the generality of the foregoing, under the Securitisation (i) Banco BPM will act as Originator, Servicer, Reporting Entity, Administrative Services Provider, Interim Account Bank, Transaction Bank and Underwriter; and (ii) Zenith will act as Representative of the Noteholders and Back-Up Servicer Facilitator.

In addition, the Servicer may hold and/or service receivables arising from loans other than those relating to the Receivables and providing general financial services to the Debtors. Even though under the

Servicing Agreement the Servicer has undertaken to act in the interest of the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the same Debtors.

As such, conflict of interests may influence the performance by the parties to the Transaction Documents of their obligations under the Transaction Documents and ultimately affect the interests of the Noteholders.

The Representative of the Noteholders

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders with respect to the exercise and performance of all powers, authorities, duties and discretion under the Transaction Documents (except where expressly provided otherwise), shall have regard to the interests of both the Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders shall have regard solely to the interests of the Noteholders.

In addition, if there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

Finally, pursuant to the Terms and Conditions and the Intercreditor Agreement, if at any time there is a conflict between the interests of different Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the applicable Priority of Payments for the payment of the amounts therein specified.

Limited secondary market

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

Although an application has been made for the Senior Notes to be admitted to trading on the Euronext Access Milan Professional, there can be no assurance that a secondary market for any of the 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 such Senior Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Senior 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 in the secondary market may continue to have an adverse effect on the market value of the asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Limited nature of credit ratings assigned to the Senior Notes

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agencies' assessment only of the likelihood that interest will be paid promptly and principal will be paid by the 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:

- the possibility of the imposition of Italian or European withholding tax;

- the marketability of the Senior Notes, or any market price for the Senior Notes; or

- whether an investment in the Senior Notes is a suitable investment for the relevant Noteholder.

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

Any Rating Agency may lower its ratings or withdraw its ratings if, in the sole judgement of that Rating

Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

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

Senior Notes as eligible collateral for Eurosystem operations

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

There is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time. In the event that Senior Notes are not recognised (or cease to be recognised) as an eligible collateral for Eurosystem operations, the holders of such Senior Notes would not be able to access the ECB funding. In such case, there is no assurance that the holders of the Senior Notes will find alternative sources of funding or, should such alternative sources be found, these will be at equivalent economic terms compared to those applied by the ECB. In the absence of suitable sources of funding, the holders of the Senior Notes may ultimately suffer a lack of liquidity

None of the Issuer, the Originator, the Underwriter or any other party to the Transaction Documents gives any representation or warranty as to whether Eurosystem will ultimately accept the Senior Notes as eligible collateral for Eurosystem monetary policy and intra-day operations by Eurosystem for such purpose, nor do they accept any obligation or liability in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

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

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

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

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various types of regulated investors (including, inter alia, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among

other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Originator or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

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

It should be noted that the European authorities have adopted the Securitisation Regulation and the Regulation (EU) no. 2401 of 12 December 2017 amending the CRR, as amended and/or supplemented from time to time (the "**CRR Amendment Regulation**") which apply from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by the Basel Committee on Banking Supervision (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to the certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019, including securitisations established prior to the date where further securities are issued on or after 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originator, the Servicer, the Representative of the Noteholders, the Underwriter or any other party to the Transaction Documents makes any representation to any prospective investor regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

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

The Securitisation Regulation and the STS framework

On 12 December 2017, as stated above, 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. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the the

Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (the "**Solvency II Regulation**") and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. In addition, the Securitisation Regulation creates a European framework for STS Securitisation. 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 Information Memorandum or made available by the Issuer and Banco BPM for the purposes of complying with any relevant requirements and none of the Issuer, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the Securitisation Regulation. Prospective investors in the Notes must make their own assessment in relation to compliance with such requirements.

The Securitisation is intended to qualify as a STS Securitisation within the meaning of article 18 of Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Information Memorandum, the requirements of articles 19 to 22 of the Securitisation Regulation and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation under the STS Notification. Pursuant to article 27(2) of the Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Information Memorandum, https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation).

The Originator has used the service of PCS, as a third party verifying STS compliance authorised under article 28 of the Securitisation Regulation to carry out the STS Verification in order to verify compliance of the Notes with the STS Requirements and to prepare the CRR Assessment of compliance of the Notes with the relevant provisions of article 243 of the CRR. It is expected that the STS Assessments prepared by PCS will be available on the PCS website (being, as at the date of this Information Memorandum, https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer/. For the avoidance of doubt, such PCS website and the contents thereof do not form part of this Information Memorandum. No assurance can be provided that the Securitisation does or will continue to qualify as a STS Securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on ESMA website.

It is important to note that the involvement of PCS as third party verifying STS compliance is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessments with respect to the Securitisation Regulation and the relevant provisions of article 243 of the CRR, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. In addition, Banco BPM has not used the service of PCS, as third party authorised under article 28 of the Securitisation Regulation, to prepare an assessment of compliance of the Notes with article 7 and article 13 of Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions,

as amended by Commission Delegated Regulation (EU) no. 1620 of 13 July 2018 (the "**LCR Regulation**"); therefore, the relevant entities shall make their own assessments with respect to compliance with such provisions of the LCR Regulation. In this regard, it should be noted that, however, as at the date of this Information Memorandum, the Notes are not expected to satisfy the requirements of the LCR Regulation.

Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes.

No assurance can be provided that the Securitisation does or will continue to qualify as a STS Securitisation under the Securitisation Regulation as at the date of this Information Memorandum or at any point in time in the future.

None of the Issuer, Banco BPM (in any capacity), the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as a STS Securitisation under the Securitisation Regulation at any point in time.

The STS Securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework (such as Type 1 securitisation under Solvency II Regulation, as amended by the Solvency II Amendment Regulation and regulatory capital treatment under the securitisation framework of the CRR).

Non-compliance with the status of a STS Securitisation may in particular result in higher capital requirements for investors as an investment in the Notes would not benefit from the reduced risk weights set out in articles 260, 262 and 264 of the CRR. Furthermore, any marketing of the Securitisation described in this Information Memorandum as a STS Securitisation whilst not complying with such status could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer in accordance with articles 27(2) and 32 of the Securitisation Regulation. As no reimbursement payments to the Issuer for the payment of any of such administrative sanctions and/or remedial measures are foreseen, the repayment of the Notes may be adversely affected.

Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS Notification or other disclosed information. Investors should make themselves of the consequences of investing in a non-STS Securitisation transaction.

Investors who are uncertain as to those consequences should seek guidance from their regulator and/or independent legal advice on the issue.

Investors' compliance with due diligence requirements under the Securitisation Regulation

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

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

Prospective investors in the Notes are responsible for analysing their own regulatory position and should consult their own advisers in this respect. Noteholders should take their own advice on compliance with, and in the application of, the provisions of articles 5 and 6 of the Securitisation Regulation.

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

Failure to comply with articles 5 and 6 of the Securitisation Regulation may adversely affect the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market

Article 5 of the Securitisation Regulation and the applicable regulatory technical standards place an obligation on an institutional investor to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its retention obligation as provided under article 6 of the Securitisation Regulation through the Retained Interest (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction. The Originator has undertaken in the Intercreditor Agreement to retain on an on-going basis a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of all the Junior Notes (the "**Retained Interest**").

Among other undertakings, the Originator undertook not to hedge, sell or in any other way mitigate its credit risk in relation to such Retained Interest. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Receivables. The Originator (in its capacity as Reporting Entity) will also provide on a quarterly basis confirmations as to the continued holding of its Retained Interest, which will be made available to the Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors by means of the SR Investor Report and the Loan by Loan Report, as provided for in

article (7)(1)(e)(iii) of the Securitisation Regulation. The Originator (in its capacity as Reporting Entity) have made available the documents required by article (7)(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes by means of publication through the Securitisation Repository. It should be noted that there is no certainty that references to the retention obligation and the Retained Interest in this Information Memorandum or the undertakings of the Originator also in its capacity as Reporting Entity will constitute adequate due diligence (on the part of the Noteholders) or explicit disclosure (on the part of the Originator in its capacity as Reporting Entity) for the purposes of articles 5 and 7 of the Securitisation Regulation or any other applicable provision of the Securitisation Regulation.

If the Originator (also in its capacity as Reporting Entity) does not comply with its undertakings, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected. Article 5 of the Securitisation Regulation also places an obligation on institutional investors (as defined under article 2(12) of the Securitisation Regulation), before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Originator (in its capacity as Reporting Entity) has undertaken to provide to, *inter alios*, the Issuer and the Representative of the Noteholders such information as may be reasonably required by the Noteholders, or prospective investors, to be included in the SR Investor Report to enable such Noteholders, or prospective investors, to comply with their obligations pursuant to the Securitisation Regulation. Where the relevant requirements of articles 5 of the Securitisation Regulation (which include, inter alia, an obligation to verify the Originator's compliance with articles 6 and 7 of the Securitisation Regulation) are not complied with in any material respect and there is negligence or omission in the fulfilment of its due diligence obligations on the part of an institutional investor that is investing in the Notes, a proportionate additional risk weight of no less than 250% (two hundred and fifty per cent.) of the risk weight (with the total risk weight capped at 1250% (one thousand two hundred and fifty per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such institutional investor, progressively increasing with each subsequent infringement of the due diligence provisions. Additionally, non-compliance with the requirements of the Securitisation Regulation may adversely affect the price and liquidity of the Notes.

Noteholders should make themselves aware of the provisions of the Securitisation Regulation and make their own investigation and analysis as to the impact of the Securitisation Regulation on any holding of Notes. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Issuer as to the ability of the Originator (also in its capacity as Reporting Entity) to comply with any obligation, including the Retained Interest, provided for in, or otherwise ensuring the compliance of the Transaction with, the EU Securitisation Regulation and as to the information complying with the Securitisation Regulation.

Noteholders should take their own advice on compliance with, and in the application of, the provisions of the Securitisation Regulation.

For futher details, please see the risk factor headed "*Risk retention and Transparency Requirements*".

Disclosure requirements under CRA Regulation and Securitisation Regulation

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 (**SFIs**). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the CRA Regulation, came into force on 26 January 2015.

These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation no. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to Article 8b of the CRA Regulation by that date. In the press release ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the 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 this Information Memorandum issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the 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, 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.

Bank Recovery and Resolution Directive

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

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

The Bank Recovery and Resolution Directive applies, *inter alia*, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

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

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

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

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

In addition to the above, it should be noted that due to the fact that Banco BPM is a credit institution established in the European Union, it is subject to the BRRD. Therefore, in case of failure by Banco BPM 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, Banco BPM may not be in a position to meet its obligations under the Transaction Documents, including its obligations as Servicer and as indemnity provider under the Warranty and Indemnity Agreement.

U.S. Risk Retention requirements

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

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

The Notes sold on the Issue Date may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator and the Underwriter or any of their affiliates or any other party to accomplish such compliance.

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

None of the Issuer, the Originator, the Servicer, the Underwriter, the Representative of the Noteholders or any other party to the Transaction Documents, or any of their respective affiliates, makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Information Memorandum complies with the U.S. Risk Retention Rules on any Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) by the Directive 2013/36/UE adopted on 27 June 2013 by the European Parliament and the European Council – which, repealed the so-called "Capital

Requirements Directives" (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the "**CRD**"), as amended and/or supplemented from time to time, relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions – in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

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

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule". The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and foreign banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading in financial instruments; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions. An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the ICA) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations. Not all investment vehicles or funds, however, fall within the definition of a "covered fund" for the purposes of the Volcker Rule. For example, for most non-U.S. banking entities, a non-U.S. issuer that offers its securities only to non-U.S. persons may be considered not to be a "covered fund". Additionally, the Issuer should not be a "covered fund" for the purposes of the regulations adopted to implement Section 619 of the Volcker Rule pursuant to an exclusion from the definition of "covered fund" commonly referred to as the "loan securitization exclusion", which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights designed to ensure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding loans and assets received in lieu of debts previously contracted, although there may be additional exclusions or exemptions available to the Issuer. However, if the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer and this could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements. "Ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Underwriter or any other Transaction Party makes any representation regarding: (i) the status of the Issuer under the Volcker Rule; or (ii) the ability of any purchaser to acquire or hold the Notes, on the Issue Date or at any time in the future.

Changes or uncertainty relating to Euribor may affect the value or payment of interest under the

Senior Notes

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

Key international reforms of Benchmarks include IOSCO's proposed Principles for Financial Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").

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

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

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

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

Furthermore, pursuant to the Conditions in certain circumstances, EURIBOR may be amended if an Alternative Base Rate (as defined thereby) is determined in accordance with Condition 7.11 (*Fallback provisions*). In this respect, please see the section entitled "*Terms and Conditions of the Notes*".

RISK FACTORS RELATED TO THE UNDERLYING ASSETS

Management of the FCG Guarantees

The Portfolio is composed of Loans which at the Valuation Date are secured by the FCG Guarantees granted by the Central Guarantee Fund for SMEs managed by MCC (the "**CGFS Fund**").

The main characteristics of the FCG Guarantees are regulated by 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 applies in respect of the FCG Guarantees. As a consequence, for the maintenance and, if applicable, the successful enforcement of the FCG Guarantees, the Issuer – through the 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 guarantees issued in the past years by the CGFS Fund, given the fact that some of the FCG Guarantees are regulated by the provisions of Law Decree No. 23 of 8 April 2020 (as converted by Law No. 40 of 5 June 2020), by Law Decree No. 104 of 14 August 2020 (as converted by Law No. 126 of 13 October 2020), by Law No. 178 of 30 December 2020, by Law Decree no. 73 of 25 May 2021 (as converted by Law no. 106 of 23 July 2021) and/or by Law No. 234 of 30 December 2021, by Law Decree No. 228 of 30 December 2021 (as converted by Law No. 15 of 25 February 2022) and/or by Law Decree No. 17 of 1 March 2022 (as converted by Law No. 34 of 27 April 2022), the application of the Operational Provisions have had at the moment a limited number of tests.

In order to mitigate the risk arising from such uncertainty, under the Securitisation, (i) the Servicer – 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 FCG 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 FCG Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the Operational Provisions, as better set out in the Servicing Agreement.

Right to future Receivables

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

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

Insolvency proceedings of the Debtors

The Loans have been entered into with Debtors which are commercial companies or commercial entrepreneurs (*imprenditore che esercita un'attività commerciale*) and, as such, may be subject to insolvency proceedings (*procedure concorsuali*) under the Code of Business Crisis and Insolvency being, *inter alia*, judicial winding-up (*liquidazione giudiziale*) or pre-bankruptcy agreement (*concordato preventivo*). Judicial winding-up procedure applies to commercial entrepreneurs which are in a state of insolvency. An entrepreneur which is a "state of financial distress" (which may not be a state of insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*).

Such agreement may provide for the restructuring of debts and terms for the satisfaction of creditors, the assignment of the debtor's assets, the division of creditors in classes and the different treatments for creditors belonging to different classes. Furthermore, pursuant to article 44 and article 57 of the Code of Business Crisis and Insolvency, an entrepreneur in a state of financial distress can enter into a debt restructuring agreement with its creditors representing at least 60 per cent. of the debtor's debts, together with, inter alia, a report of an expert in relation to the feasibility of said agreement, particularly with respect to the regular payments of the debts to the creditors who have not entered into the agreement.

With respect to such insolvency proceedings, due to their complexity, the time involved and the possibility for challenges and appeals by the Debtors and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of the outstanding amounts due under the Loans or that such proceedings would be concluded before the stated maturity of the Senior Notes. For further details see the following paragraph entitled "*Selected Aspects of Italian Law*".

Legal proceedings

Banco BPM and, more in general, the entities of the Banco BPM Group are subject to a variety of claims and are party to a large number of legal proceedings arising in the ordinary course of business. Although the outcome of such claims is inherently uncertain and several litigants claim relatively large sums in damages, Banco BPM has represented and warranted that, as of the date of the Warranty and Indemnity Agreement, to its knowledge, it is not involved in any litigation the outcome of which might jeopardise, its ability to perform the obligations under the Transaction Documents to which it is a party.

Risk of losses associated with Debtors

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

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

In the event of insolvency of a Debtor (to the extent the same is subject to the Code of Business Crisis and Insolvency), the relevant payments or prepayments under a Loan Agreement may be declared ineffective pursuant to article 166 of the Code of Business Crisis and Insolvency. In this respect, it should be noted that the Securitisation Law provides that: (a) the claw-back provisions set forth in article 166 of the Code of Business Crisis and Insolvency do not apply to payments made by Debtors to the Issuer in respect of the securitised Receivables; and (b) prepayments made by Debtors under securitised Receivables are not subject to the declaration of ineffectiveness pursuant to article 166 of the Code of Business Crisis and Insolvency. For further details, please see the section headed "*Selected aspects of Italian Law*".

Prepayments under Loan Agreements

Pursuant to article 164 of the Code of Business Crisis and Insolvency, payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made within the two years immediately preceding the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the debtor regardless of whether the debtor was insolvent at the time the payment was made. However, pursuant to article 4, paragraph 3 of the Securitisation Law it has been provided that articles 164 and 166 of the Code of Business Crisis and Insolvency shall not apply to the payments made by the assigned debtors to the assignee in the context of securitisation transactions.

Settlement of the crisis (*sovraindebitamento*)

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

The Code of Business Crisis and Insolvency, which reformed the regulation of the settlement of the crisis, provides for special composition procedures for situations of over-indebtedness (*procedure di composizione della crisi da sovraindebitamento*), and for a special court-supervised liquidation for situations of over-indebtedness (*liquidazione controllata del sovraindebitamento*), which apply to:

a) consumers, professionals, small enterprises who/which are in a situation of crisis or insolvency; and

b) any other debtor which cannot be subject to judicial liquidation (liquidazione giudiziale) or any other liquidation procedure under Italian law applicable for situations of crisis (crisi) or insolvency (insolvenza).

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

Prospective Noteholders should note that the Portfolio comprise Receivables only deriving from Loans classified as performing (*crediti in bonis*) by the Originator, in accordance with the Bank of Italy's guidelines as at the relevant Valuation Date, as at the relevant Transfer Date and the Issue Date. Without prejudice to the fact that all the Receivables are not Defaulted Claims as at the Valuation Date, however it cannot be excluded that any Debtor may become subject to a Settlement Agreement after the Issue Date.

Prospective Noteholders should also note that under the Servicing Agreement the Servicer has undertaken to adhere to Settlement Agreements exclusively within the terms and limits provided for therein in respect of, *inter alia*, settlements, renegotiations and suspensions. For further details on such terms and limits, see the section entitled *"The Servicing Agreement"*.

For further details regarding the relevant features of the Settlement Agreement, see the section entitled "S*elected aspects of Italian law - Restructuring agreements*".

RISK FACTORS RELATED TO TAX MATTERS

Tax Treatment of the Issuer

The Issuer is an Italian corporate entity and, as such, is subject in principle to corporate income tax ("*IRES*") and regional tax for productive activities ("*IRAP*"). Taxable income of the Issuer for corporate income tax purposes is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. However, based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E of 6 February 2023, Rulings No. 77/E of 4 August 2010, No. 18 of 30 January 2019, No. 56 of 15 February of 2019 and No. 132 of the 2 March 2021, issued by the Italian tax authority) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

Specifically, it has been upheld that, due to the segregation of the assets relating to a securitisation transaction, the economic results (*risultati economici*) deriving from the management of the assets of the securitisation transaction shall not be deemed to be attributable or to pertain to the relevant issuer (*non entrano nella disponibilità giuridica della società veicolo*). Accordingly, only at the end of the securitisation, once the obligations vis-à-vis all the creditors of the segregated assets have been discharged, the residual economic result, if any, deriving from the management of the assets of the securitisation may become attributable and pertain (if so agreed) to the relevant issuer and, as such, be included in its taxable income for the purposes of Italian corporation tax (IRES) and the Italian regional tax on productive activities (IRAP).

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above. As confirmed by the tax authority (Ruling No. 222 issued by *Agenzia delle Entrate* on 5 December 2003), the interest accrued on the Accounts will be subject to withholding tax on account of corporate income tax.

As of the date of this Information Memorandum, such withholding tax is levied at the rate of 26 per cent. and is to be imposed at the time of payment. This withholding tax is a provisional tax on account of the Italian corporate income tax and, based on the guidelines issued by *Agenzia delle Entrate* (Ruling No. 222 of 5 December 2003 and Ruling No. 77 of 4 August 2010), may be offset against the Italian corporate income tax only when, upon termination of the segregation of the securitised assets and fulfilment of all the related obligations, the income, if any, becomes taxable under the Italian law. However, to the extent that the relevant issuer is not expected to realize any taxable income, it may only be able to recover this withholding tax through a tax refund application.

A transfer of claims falls within the scope of VAT if it can be characterized as a supply of financial services pursuant to pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No 633 rendered by the purchaser versus consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. In such a case, the transfer of the claims is subject to VAT at the zero percent. rate (VAT exempt transaction) provided that it could not be qualified as credit recovery (*attività di recupero crediti*) subject to VAT rate of 22%. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been analysed by the EU Court of Justice and *Agenzia delle Entrate* in cases dealing with the VAT analysis of the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Ruling No 32/E of 11 March 2011 issued by *Agenzia delle Entrate*).

However it is also to be mentioned that since both factoring and securitisation transaction share similar financial purposes, the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. According to the above-mentioned judgments and resolutions, the remuneration of the financial transaction executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called Discount) as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In such a case, the transfer of the claims is subject to VAT at the 0%. rate (VAT exempt transaction). In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a financial transaction for VAT purposes. In a judgment (Judgment of October 27, 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows "an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment". On the basis of a cross interpretation of principles embodied in Ruling No 32/E of 2011 and EU Court of Justice C-93/10, it can be summarised that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no financial service for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as the one at stake, if:

(i) a portfolio of performing claims is not transferred either for a consideration due by the transferor to the transferee or for a discount below the face value of the claims; or

(ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment,

the relevant transfer could not be treated as a financial transaction rendered by the Issuer versus consideration and therefore the transaction could not qualify for VAT purposes as operazione esente (VAT exempt subject to VAT at the 0% rate) and could qualify instead as *operazione fuori campo* (out of the scope of VAT and not subject to VAT). In this respect, if a transaction does not fall within the scope

of VAT, VAT is not due and proportional registration tax will be applicable. Should for any reason the Transfer Agreement be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred claims.

See for further details the section headed "*Taxation in the Republic of Italy*".

Withholding Tax under the Notes

Payments of interest and other proceeds under the Notes may or may not be subject to withholding or deduction for or on account of Italian tax pursuant to Decree No. 239.

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

Italian Tax Reform

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 ("Law 111"), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "Tax Reform"). With Law No. 120 of 8 August 2025, published on the Official Gazette No. of 8 August 2025 and in force from 24 August 2025, the Italian Parliament extended the delegation to the Government for the enactment of such Tax Reform to thirty-six months (i.e. to 29 August 2026).

According to Law 111, the Tax Reform may significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided herein may not reflect the future tax landscape accurately. Therefore, investors in the Notes should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realized under the Notes, resulting in a possible lower return of their investment, and this will not result in any obligation of the Issuer to pay the Noteholders any additional sum by way of compensation for such greater tax burden.

U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as "**FATCA**"), provide that various information reporting requirements must be satisfied with respect to (i) certain payments from sources within the United States, (ii) "foreign pass-through payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution (any such investors being "**Recalcitrant Account Holders**"). Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments. Pursuant to FATCA, the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold such U.S. tax at this 30 per cent rate on all, or a portion of, "foreign passthru payments". According to Proposed U.S. Treasury Regulations, such withholding should begin no earlier than 2 years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payments". Such withholding may have to be made in respect of such "foreign passthru payments" on (i) any Notes characterized as debt (or which are not otherwise characterized as equity) for U.S. federal tax purposes that are issued or materially modified after the date that is six months after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payments" and (ii) any Notes characterized as equity for U.S. federal tax purposes, whenever issued.

In order to improve international tax compliance and to implement FATCA, the United States and a number of other jurisdictions have negotiated intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA

jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Account Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the U.S. Internal Revenue Service.

The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015. Pursuant to the US-Italy IGA, the Issuer is now required to report certain information in relation to its U.S. account holders to the Italian tax authorities in order (i) to obtain an exemption from FATCA withholding on certain payments it receives and/or (ii) to comply with any applicable Italian law. However, it is not yet certain how the United States and Italy will address withholding on "foreign passthrough payments" (which may include payments on the Notes) or if such withholding will be required at all.

This withholding tax may be triggered on payments on the Notes where the Issuer or the Paying Agent and Payments Account Bank is a foreign financial institution ("FFI") that is required to withhold on "foreign passthrough payments" that it makes to a "recalcitrant account holder" or another FFI that is neither a "participating FFI" nor a "deemed-compliant FFI" (as such terms are defined in FATCA, including any accompanying U.S. regulations or guidance). The IGA may modify such withholding tax requirements.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, the Paying Agent and Payments Account Bank or any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected. An investor who is able to claim the benefits of an income tax treaty between its own jurisdiction and the United States may be entitled to a refund of amounts withheld pursuant to the FATCA rules, though the investor would have to file a U.S. tax return to claim this refund and would not be entitled to interest from the U.S. Internal Revenue Service for the period prior to the refund.

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

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

GENERAL RISK FACTORS

Geographic concentration risk

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

on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

Loans comprised in the Portfolio may also be subject to geographic concentration risks within certain regions of Italy. To the extent that specific geographic regions in Italy have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) than other regions in Italy, a concentration of the Loans in such a region may exacerbate the risks relating to the Loans described in this section. Certain geographic regions in Italy rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Debtors in that region or the region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as coronavirus, SARS, swine flu, or other epidemic diseases) in a particular region or geopolitical instabilities, may weaken economic conditions and negatively impact the ability of affected Debtors to make timely payments on the Loans. This may affect receipts on the Loans. If the timing and payment of the Loans is adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes.

Economic conditions in the Eurozone

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Originator, the Servicer and/or any Debtor in respect of the Receivables). Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Political and economic developments in the Republic of Italy and in the European Union

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

Risks connected with the disruption and volatility in the global financial markets may affect the performance of the Securitisation

The Issuer as well as the market value and the liquidity of the Notes may be affected by disruptions and volatility in the global financial markets. Pursuant to a referendum held in June 2016, the UK has voted to leave the European Union (EU). The UK left the EU on 31 January 2020 at 11:00pm, and the transition period ended on 31 December 2020 at 11:00pm. The exit of the United Kingdom from the European Union, and the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets' liquidities.

On 24 February 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Information Memorandum, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian oligarchs. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and

business activity globally and therefore could adversely affect the performance of the Securitisation.

In addition, the re-election of Donald Trump as President of the United States has created uncertainties on global trade and fiscal policies. The electoral manifesto of the new President included the introduction of steep tariffs on trade with major trade partners of the United States, the lowering of taxes and a deregulation drive aimed at easing red tape for businesses. The escalation of trade tariffs may impact negatively the European (already weak) economic growth, and more in general international trade resulting in higher costs for key industries.

The severity and duration of the conflict and its impact on global economic and market conditions, the continued tensions in the Middle East, including those related to the conflict between Israel and the Palestinian territory of Gaza which began on 7 October 2023 and is still ongoing as at the date of this Information Memorandum, as well as the escalation of trade tariffs, are impossible to predict, and as a result, present material uncertainty and risk with respect to the performance of the Securitisation. Should the performance of the Portfolio deteriorate as a result of these circumstances, the amounts payable under the Notes might be affected.

Risks related to changes to the structure and documents

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

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

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

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

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

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

Claw Back of the sales of the Receivables

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 166 of the Code of Business Crisis and Insolvency, but only in the event that the adjudication of bankruptcy of the Originator is made within three months from the securitisation transaction or, in cases where paragraph 1 of article 166 of the Code of Business Crisis and Insolvency applies, within six months from the securitisation transaction.

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

According to article 4, paragraph 3, of the Securitisation Law, payments made by a Debtor to the Issuer are not subject to any claw-back action according to article 166 of the Code of Business Crisis and Insolvency. Furthermore, pursuant to the same provision, payments made by Debtors in relation to Receivables in the context of the Securitisation under the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 164 of the Code of Business Crisis and Insolvency.

Save for what described above, all other payments made to the Issuer by any party under a Transaction Document in the one year or six-month, as applicable, suspect period prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation may be subject to claw-back action according to article 166 of the Code of Business Crisis and Insolvency. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency of such party 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 in its discretion may consider all relevant circumstances.

Interest rate risk

The floating rate payments obligations under the Senior Notes are expected to be met primarily from payments received by the Issuer from Collections and recoveries made in respect of the Receivables. However, it should be noted that the interest component in respect of the payment of such amount may not be linked to the EURIBOR from time to time applicable in respect of the Senior Notes. The Issuer will also be exposed to potential liquidity risks due to the timing mismatch between payments on the Notes (quarterly) and payments collected on the Portfolio (a mixture of monthly, quarterly and semiannual receipts). A timing mismatch could result in a temporary shortfall, which could lead to the occurrence of an Event of Default. The Issuer has not entered into any interest rate hedging agreement in connection with the Securitisation and the Senior Notes and therefore it will be exposed to the interest rate and timing mismatch between assets and liabilities.

However, it should be noted that, whilst an amount equal to 63.21% of the aggregate Principal Amount Outstanding of the Receivables included in the Portfolio as at the Valuation Date derives from Loans with a floating interest rate indexed to one month EURIBOR, three month EURIBOR or six month EURIBOR, 36.79% of the aggregate outstanding principal of the Receivables included in the Portfolio as at the Valuation Date derives from Loans with a fixed interest rate.

With reference to the floating rate Loans included in the Portfolio, the analysis of the historical gap between different Euribor indexes has led to the conclusion that the basis risk of mismatch among three month EURIBOR, six month EURIBOR and one month EURIBOR (being the index to which interest amounts due on the Senior Notes is linked) is limited and not material and would not have a negative impact on the Senior Notes.

With reference to the fixed rate Loans included in the Portfolio, the potential risk due to the increasing interest scenario is appropriately mitigated by:

(i) the analysis of the current interest rate forward curve for three month EURIBOR (being the index to which interest amounts due on the Senior Notes is linked), which suggests that no hedging instrument is required as, despite this index, it will remain above the weighted average of the fixed rate component of the Portfolio during the expected weighted average life of the Senior Notes;

(ii) the credit enhancement due to the subordination of the different Classes of Notes;

(iii) the Securitisation 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;

(iv) the fact that the remuneration of the Junior Notes (equal to 15% of the Principal Amount Outstanding of the Portfolio) is constituted by a Junior Notes Remuneration not linked to any Euribor index nor accruing over time. In other words, payment of interest on the Senior Notes (representing 85% of the Outstanding Principal of the Portfolio as at the Valuation Date) is funded by the Collections relating to the 100% of the Outstanding Principal of the Portfolio;

(v) only with reference to the Senior Notes, the availability of the Cash Reserve, which shall at all times be an amount equal to the Target Cash Reserve Amount. The Cash Reserve shall be applied in order to cover any interest shortfall on the Senior Notes on any Interest Payment Date. If used, the Cash Reserve shall be replenished up to the Target Cash Reserve Amount on the immediately following Interest Payment Date.

Notwithstanding the above, there can be no assurance of the timely and full payment of interest amounts due under the Senior Notes. Prospective investors should therefore take into consideration the potential negative impact that any mismatch between interest accruing on the Senior Notes and on the Portfolio may have on the ability of the Issuer to timely and fully pay interest amounts due under the Notes.

Historical Information

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

Servicing of the Portfolio

The Receivables have been serviced by Banco BPM in its capacity as Servicer starting from the Transfer Date pursuant to the Servicing Agreement. Previously, the Receivables were always serviced by Banco BPM in its capacity as owner of the Receivables.

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

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

Back-Up Servicer Facilitator

Pursuant to the terms of the Intercreditor Agreement, the Back-Up Servicer Facilitator has undertaken, in the event that the appointment of the Servicer is terminated, to reasonably assist and cooperate with the Issuer in order to identify an eligible Successor Servicer or a Back-Up Servicer to be appointed by the Issuer in accordance with the Servicing Agreement (for further details, see the section entitled " *The Intercreditor Agreement*" of this Information Memorandum).

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

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

Under general principles of Italian law, the borrowers are entitled to exercise rights of set-off in respect of amounts due under any loan against any amounts payable by the originator to the relevant borrower. The assignment of receivables under the Securitisation Law is governed by article 58 paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions,

such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice in the Official Gazette and (ii) the date of its registration in the competent companies' register. Consequently, Debtors may exercise a right of set off against the Issuer on the basis of claims against the Originator and/or the Issuer which have arisen before both the publication of the notice in the Official Gazette and the registration in the competent companies register have been completed.

In addition, on 24 December 2013, Decree No. 145 came into force providing that "*from the date of the publication of the notice of the assignment in the Official Gazette or from the date certain at law on which the purchase price has been paid, even in part, (…) in derogation from any other provisions, the relevant assigned debtors may not set-off the receivables purchased by the securitisation company with such debtors' receivables vis-à-vis the assignor arisen after such date*.". The transfer of the Portfolio from Banco BPM to the Issuer has been (i) registered on the Companies Register of Treviso-Belluno on 29 October 2025, and (ii) published in the Official Gazette No. 129, Part II, of 30 October 2025.

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

Italian Usury Law

The Usury Law introduced legislation preventing lenders from applying interest rates equal to or higher than the threshold rates – *tassi soglia* - (the "**Usury Rates**") set every three months by a Decree issued by the Italian Treasury (the last such Decree having been issued on 26 June 2025 and being applicable for the quarterly period from 1 October 2025 to 31 December 2025 and published in the Official Gazette No. 227 of 30 September 2025). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In some judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Moreover, according to a certain interpretation of the Usury Law (which was generally considered, in the Italian legal community, to have been accepted in the above mentioned rulings of the *Corte di Cassazione*), if at any point in time the rate of interest payable on a loan (including a loan entered into before the entry into force of the Usury Law or a loan which, when entered into, was in compliance with the Usury Law) exceeded the then applicable Usury Rate, the contractual provision providing for the borrower's obligation to pay interest on the relevant loan would become null and void in its entirety.

The Italian Government has intervened in this situation with Law Decree No. 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law No. 24 by the Italian Parliament on 28 February 2001, which provides, inter alia, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion seems having been confirmed by the Italian Supreme Court, who stated (Cass. Sez. I, 11 January 2013, No. 602 and Cass. Sez. I, 11 January 2013, No. 603) that a reduction of the interest rate to the Usury Rates applicable from time to time, shall automatically apply. 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 has also provided that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (namely 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters

fixed by the Usury Law Decree.

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

The Italian Supreme Court, under decision No. 350/2013, as confirmed by decision No. 23192/17 and No. 19597/2020, 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 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. Also, the *Sezioni Unite* of the Italian Supreme Court, with the decision number 16303 of 20 June 2018, have clarified the necessity to make the comparison between omogeneous elements taking into account for the *commissione di massimo scoperto* the portion of Usury Rate corresponding to the *commissione di massimo scoperto*.

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

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

Compounding of Interest (Anatocismo)

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

In this respect, it should be noted that article 25, paragraph 3, of Legislative Decree No. 342 of 4 August 1999 ("**Law No. 342**") enacted by the Italian Government under a delegation granted pursuant to Law No. 142 of 19 February 1992 (the "***Legge Delega***") has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest will still be possible upon the terms established by

a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) dated 9 February 2000 and published on 22 February 2000. Law No. 342 was challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under the *Legge Delega*. By decision No. 425 dated 9 October 2000, the Italian Constitutional Court declared as unconstitutional on these grounds such Article 25, paragraph 3, of Law No. 342.

According to a ruling of the Tribunal of Bari dated 29 October 2008 the amortisation plans known as "French amortisation plans" (applied to certain type of loans in Italy, such as the Loan Agreements) are not valid, being in breach of rticles 1283 and 1284 of the Italian Civil Code. The rationale behind such ruling seems 58 to be, inter alia, that the French amortisation plans would per se lead to apply to the relevant loan an interest rate higher than the interest rate contractually agreed between the lender and the borrower and, therefore, to increase the cost of the financing for the borrower. According to such ruling, banks which use in their loans the French amortisation plan would be in breach of Article 1283 and 1284 as the relevant rate of interest and the cost of the financing would not be clearly indicated in the relevant loan agreement. As a result, the relevant contractual interest rate may be challenged by the relevant borrower and the legal interest rate may apply. It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Law No. 147 of 27 December 2013. In particular, such Law (become effective on 1 January 2014), seems to remove the possibility for compounding of interest.

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

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been also amended by article 17-*bis* of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the Originator has represented that all Loan Agreements have been executed and performed in compliance with all applicable laws, provisions and regulations including, inter alia, all the forms of publicity provided by Article 116 of the Consolidated Banking Act and by the C.I.C.R. Resolution dated 4 March 2003 on I.S.C. (*Indicatore Sintetico di Costo*) and T.A.N. (*Tasso Annuo Nominale*).

Furthermore, the Originator has undertaken to indemnify the Issuer from and against, inter alia, all damages, loss, claims, liabilities, costs and expenses incurred by it arising from the non-compliance of the terms and conditions of any relevant Loan Agreement with the provisions of article 1283 of the Italian Civil Code.

Concentration of roles in Banco BPM

Under the terms of the Transaction Documents Banco BPM has performed and will perform multiple roles in the context of the Securitisation, such as, inter alia, the Originator and the Servicer. The concentration of such roles in one entity may, in the event of insolvency of Banco BPM, adversely impact the structure of the Securitisation and the Issuer's ability to meet its obligations under the Notes.

Prospective Noteholders should note, however, that such risk is mitigated by the provisions of the Transaction Documents, which already provide and regulate the terms and conditions of the replacement of the different Issuer's counterparts in the context of the Securitisation.

Change of Law

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

Projections, forecasts and estimates

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this

Information Memorandum, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements.

Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Information Memorandum and are based on assumptions that may prove to be inaccurate. No one undertakes any obligation to update or revise any forward-looking statements contained in this Information Memorandum to reflect events or circumstances occurring after the date of this Information Memorandum.

The risk factors described above are updated as of the date of this Information Memorandum.

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

RISK RETENTION AND TRANSPARENCY REQUIREMENTS

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

For further information on the requirements referred to above and the corresponding risks, please refer to the risk factors entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*", "*The Securitisation Regulation and the STS framework*", "*Investors' compliance with due diligence requirements under the Securitisation Regulation*" and "*Disclosure requirements under CRA Regulation and the Securitisation Regulation*".

1. Risk retention

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

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

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

(c) procure that any change to the manner in which such retained interest is held in accordance with paragraph (b) above will be notified to the Computation Agent to be disclosed in the SR 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,

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

In addition, the Originator has warranted and undertaken that:

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

(b) it has not selected the Receivables with the aim of rendering losses on the Receivables transferred to the Issuer higher than the losses on comparable receivables held on the balance sheet of the Originator, pursuant to article 6(2) of the Securitisation Regulation.

2. Transparency requirements

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the Securitisation Regulation.

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that European DataWarehouse GMBH, being as at the Issue Date the entity appointed by the Reporting Entity as Securitisation Repository, is registered in accordance with article 10 of the Securitisation Regulation and meets the requirements set out in the fourth sub-paragraph of article 7(2) of the Securitisation Regulation. Under the Intercreditor Agreement, the Reporting Entity has further undertaken to inform the potential investors in the Notes in accordance with Condition 17 (*Notices*) in case of replacement of the Securitisation Repository.

In addition, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the Securitisation Regulation.

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

(a) through the Securitisation Repository, the information under point (a) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and the information and documentation under points (b), (c) and (d) of the first sub-paragraph of article 7(1) of the Securitisation Regulation;

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

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

As to post-closing information, the Servicer, the Computation Agent and the Issuer, *inter alios,* have agreed and undertaken as follows:

(a) pursuant to the Servicing Agreement, the Servicer shall:

    (i) prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the Collection Period immediately preceding the relevant Reporting Date, in compliance with point (a) of the first sub-paragraph of article 7(1) of 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, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date; and

    (ii) prepare the Inside Information and Significant Event Report, containing the information

set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, on each Reporting Date (simultaneously with the Loan by Loan Report and the SR Investor Report);

(b) pursuant to the Agency and Accounts Agreement, the Computation Agent shall, subject to receipt of any relevant information from the Servicer, prepare the SR Investor Report in accordance with the provisions of the Agency and Accounts Agreement and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Securitisation Repository, the SR Investor Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date;

(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Information Memorandum, the other final Transaction Documents, the final STS Notification and any other final document or information required under article 22(5) of the Securitisation Regulation, in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to the 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 provided by other parties),

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

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

Each of the parties to the Intercreditor Agreement has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the specific framework for STS Securitisations and the EU Securitisation Rules. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient for such purposes.

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 Originator and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

The Securitisation is intended to be qualified as a STS Securitisation within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Information Memorandum the STS Requirements and, on or about the Issue Date, the Originator intents to submit a STS Notification to ESMA for the Securitisation to be included in the list published by ESMA as referred to in article 27(5) of the Securitisation Regulation.

Pursuant to article 27, paragraph 2, of the Securitisation Regulation, the STS Notification will include an explanation by the Originator of how each of the STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA's website at https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre.

The Originator and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to carry out the STS Verification and to prepare the CRR Assessment on the compliance of the Notes with the relevant provisions of article 243 of the CRR 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 (being, at the date of this Information Memorandum https://pcsmarket.org/sts-verification-transactions/) 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 Information Memorandum.

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 Originator. The investors should verify the current status of the Securitisation on ESMA's website from time to time.

As at the date of this Information Memorandum, 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 a 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 a 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 Originator or any other party to the Transaction Documents makes any representation or accepts any liability in that respect.

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.

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

Banco BPM 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 Securitisation as a 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 Securitisation as a 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 Securitisation does or continues to qualify as a STS Securitisation under the Securitisation Regulation.

PCS SERVICES

Application has been made to PCS to carry out the CRR Assessment on the Notes. 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 Securitisation to receive a STS Verification from PCS verifying compliance with the STS Requirements. There can be no assurance that the Securitisation will receive the STS Verification (either before issuance or at any time thereafter) and if the Securitisation does receive the STS Verification, this shall not, under any circumstances, affect the liability of the Originator 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 Verification and the CRR Assessment (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-verification-transactions/) 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 website and the contents thereof do not form part of this Information Memorandum 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 Originator. 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 Originator 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 NCAs 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 NCAs Interpretations may not

differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guidelines or interpretation. In particular, guidelines issued by EBA are not binding on any NCAs. 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 NCAs interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCAs 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 NCAs.

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. 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.

THE PORTFOLIO

Introduction

Pursuant to the terms of the Transfer Agreement the Issuer purchased from Banco BPM without recourse (*pro soluto*) the Portfolio and other connected rights arising out of the Loans on the Transfer Date in accordance with Securitisation Law.

The relevant Receivables have been selected as at the Valuation Date on the basis of the relevant Criteria set out below and which were published on 30 October 2025 in No. 129 Part II of the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and registered with the competent companies' register on 29 October prot. n. 155343/2025 as required under the Securitisation Law.

The Receivables included in the Portfolio have characteristics that (taken together with the structural features of the Securitisation and the arrangements entered into or to be entered into in accordance with the Transaction Documents) demonstrate capacity to produce funds to service any payments due and payable on the Senior Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Receivables and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Noteholders may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Information Memorandum, including without limitation under the section headed "*Risk factors*", above.

The Loans have been originated only by Banco BPM S.p.A.. For further details please refer to section headed "*Banco BPM*".

Under the Warranty and Indemnity Agreement, the Originator represented, *inter alia*, that (i) in any case it has carried out a credit assessment in respect of the relevant borrower of each Loan, in accordance with its credit and underwriting policies, and (ii) under the Loan Agreements, the interest calculation methodologies related to the Loans are based on generally used sectoral rates reflective of the cost of funds in compliance with the applicable laws, and do not refer to complex formulae or derivatives pursuant to Article 21(3) of the Securitisation Regulation.

As at the Valuation Date:

(i) the Portfolio consisted of 56,581 Loans;
(ii) the aggregate Outstanding Principal of the Receivables included in the Portfolio is equal to Euro 5,533,114,373.52;
(iii) the Outstanding Principal of the Receivables included in the Portfolio owed by the same Debtor does not exceed 2% of the Outstanding Principal of all the Receivables included in the Portfolio.

The Portfolio consists of Loans denominated in Euro, which is the same currency of the Notes.

Criteria

The Receivables included in the Portfolio arise out of Loans which, as at Valuation Date, met the following Criteria:

(1) loans disbursed by Banco BPM or by other banks and subsequently merged into Banco BPM following a merger, demerger, transfer of business branch(es), or sale of business branch(es);

(2) loans whose main debtors (including following novation and/or subdivision) are (a) natural persons (including sole proprietorships) residing in Italy or (b) legal entities (including partnerships) established under Italian law and having their registered office in Italy;

(3) loans whose main debtors fall within the definition of small and medium-sized enterprises as indicated in the Commission Recommendation of May 6, 2003, No. 2003/361/EC;

(4) loans whose main debtor belongs to one of the following categories of Economic Activity Sector (SAE), according to the classification criteria defined by the Bank of Italy with circular no. 140 of February 11, 1991, as subsequently amended and supplemented (Instructions on the classification of clients by sector and groups of economic activity): No. 166 (Producers of Welfare, Recreational, and Cultural Services), No. 256 (Private Financial Holdings), No. 268 (Other Financial Institutions), No. 280 (Insurance Brokers, Agents, and Consultants), No. 283 (Financial Advisors), No. 284 (Other Financial Auxiliaries), No. 430 (Productive Enterprises), No. 431 (Private Holdings), No. 432 (Private Operational Holdings), No. 450 (Associations of Non-Financial Enterprises), No. 480 (Non-Financial Artisan Quasi-Corporations - Units or Companies with 20 or More Employees), No. 481 (Non-Financial Artisan Quasi-Corporations - Units or Companies with More Than 5 and Less Than 20 Employees), No. 482 (Non-Financial Artisan Quasi-Corporations - Companies with Fewer Than 20 Employees), No. 490 (Other Non-Financial Quasi-Corporations - Units or Companies with 20 or More Employees), No. 491 (Other Non-Financial Quasi-Corporations - Units or Companies with More Than 5 and Less Than 20 Employees), No. 492 (Other Non-Financial Quasi-Corporations - Companies with Fewer Than 20 Employees), No. 614 (Artisans), No. 615 (Other Producing Households).To evaluate the compliance of their loan with the criterion in this point 4, each borrower may verify their category and whether their loan has been classified as a business-related loan by contacting the branch where the payments for the same loan are domiciled;

(5) fully disbursed loans for which there is no obligation or possibility of further disbursements;

(6) performing loans denominated in euros;

(7) loans deriving from loan agreements governed by Italian law;

(8) loans:

(i) secured by unconditional guarantees granted by “Fondo Centrale di Garanzia PMI” established by article 2, paragraph 100, lett. (a), of Italian Law No. 662 of 23 December 1996 and managed by Mediocredito Centrale – Banca del Mezzogiorno S.p.A. (c.d. *Fondo Centrale di Garanzia*); and

(ii) whose relevant loan agreement has been executed between 13 November 2015 (included) and 20 August 2025 (excluded).

(9) loans whose installments are not more than 30 days overdue as of the Valuation Date;

(10) loans in respect of which at least one installment has become due and has been paid;

(11) loans whose installment payments are based on French or Italian amortization schedules, with monthly, bi-monthly, quarterly, four-monthly, semi-annual, or annual maturities;

(12) loans with a residual principal balance of at least EUR 4,000;

(13) loans whose installment payments are made (a) by automatic debit from the debtor's current account (including payments via SEPA Direct Debit (SDD)), (b) via MAV (payment notice), or (c) in cash;

(14) loans that, from three years prior to the Valuation Date up to the Assignment Date, have not been subject to forbearance measures (as defined in the Bank of Italy's Supervisory Provisions), based on information available at any Banco BPM branch.

However, all claims arising from loans that, as of the Valuation Date, while meeting the characteristics indicated above, also exhibit as of the same date (unless otherwise provided) one or more of the characteristics indicated in paragraphs (A) to (J) below are excluded from the assignment:

A. loans granted, even as co-borrowers of the relevant loan, to individuals who, as of the Valuation Date, were employees and/or directors (including, by way of example but not limited to, executives and officers) of Banco BPM or of any other company within the Banco BPM Banking Group;

B. loans stipulated with disbursement pursuant to any law (including regional and/or provincial) or regulation that provides for capital and/or interest subsidies (so-called subsidized loan) or that otherwise benefit from financial contributions of any kind under laws or agreements;

C. loans granted to public entities, public administrations, or ecclesiastical institutions;

D. loans with one or more installments not yet due but paid in advance, in whole or in part, as of the Valuation Date;

E. loans for which (a) the suspension of installment payments has been imposed under mandatory primary or secondary laws or by an order of the supervisory authority, or (b) the borrower has obtained the suspension of installment payments under mandatory primary or secondary laws or by an order of the supervisory authority, and in both cases, (c) such suspension is in effect as of the Valuation Date;

F. loans other than those indicated under criterion 8, paragraphs (i), that, as of the Valuation Date, are secured by sureties or other so-called omnibus guarantees in favor of Banco BPM that also secure at least one other legal relationship between Banco BPM and the relevant debtor and/or guarantor;

G. loans whose payment terms include, under their respective contracts, bullet or balloon repayment methods;

H. loans disbursed by Banca Italease S.p.A. and subsequently merged into Banco BPM following a merger, demerger, transfer of business branch(es), or sale of business branch(es);

I. loans that, as of the Valuation Date, are registered in the procedure called ABACO (Collateralized Banking Assets), managed by the Bank of Italy;

J. loans whose debtors are subject to Insolvency Proceedings as at the Valuation Date.

Loans that, while meeting the characteristics indicated above as of the Valuation Date (or as of the specific date mentioned in the relevant criterion), are individually listed (with the identifying code of the respective loan) in the PDF file titled “BPL Mortgages 9 2025 – Elenco dei crediti da escludere” available for consultation at the websitehttps://gruppo.bancobpm.it/BPL-Mortgages-9-2025/ and at the registered office of Banco BPM S.p.A. in Piazza Meda, 4 - 20121 Milan, are also excluded from the assignment.

For the purposes of the criteria outlined in the preceding paragraphs, "execution date" shall mean the original date on which the loan was effectively executed, regardless of any novation agreements entered into after that date or, in the case of subdivision, the date of the respective subdivision.

The list of loans assigned without recourse to BPL Mortgages S.r.l., which, as of the Valuation Date, met each of the cumulative criteria listed above, is available for consultation in the PDF file titled “BPL Mortgages 9 2025 – Elenco dei crediti ceduti” available for consultation at the website https://gruppo.bancobpm.it/BPL-Mortgages-9-2025/ and at the registered office of Banco BPM S.p.A. in Piazza Meda, 4 - 20121 Milan.

Under the Subscription Agreement, the Originator also represented that in respect of all the Receivables at least one instalment has been paid as at the Transfer Date.

Main characteristics of the Portfolio

The Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables. The Loans include only loans granted to the Debtors and classified as unsecured loans granted to SMEs, assisted by the FCG Guarantees granted by the "*Fondo Centrale di Garanzia PMI*". In any event no residential mortgage loans are included in the Portfolio.

The information relating to the Receivables contained in this Information Memorandum is, unless otherwise specified, a description of the Portfolio as at the Valuation Date.

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

The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer.

As of today, the Receivables included in the Portfolio backing the issues of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

Portfolio as of 19/10/2025	
Outstanding Principal Amount (€)	5.533.114.373,52
Number of Loans	56.581
Largest Outstanding Principal Amount (€)	5.000.000,00
Average Outstanding Principal Amount (€)	97.791,03
Initial Principal Amount (€)	11.546.380.270,91
Largest Initial Principal Amount (€)	6.000.000,00
Smallest Initial Principal Amount (€)	4.000,00
Average Initial Principal Amount (€)	204.068,15
Weighted Average Yield (%)	3,24
Weighted Average Original Term (years)	6,91
Weighted Average Seasoning (years)	2,80
Weighted Average Residual Term (years)	4,11
No. of Debtors	49003
Largest Debtor's Outstanding Principal Amount (€)	8.660.000,00
Largest 10 Debtors Outstanding Principal Amount (€)	55.008.978,21
Largest 20 Debtors Outstanding Principal Amount (€)	92.396.641,26
WA Guarantee (based on Outstanding Principal Amount)	76,61%
Fixed Rate Loans % (by Outstanding Principal Amount)	36,79%
Floating Rate Loans % (by Outstanding Principal Amount)	63,21%

Type of guarantee	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Guarantee	56.581	100,00%	5.533.114.374	100,00%
Secured	-	0,00%	-	0,00%
Unsecured	-	0,00%	-	0,00%
Total	56.581	100,00%	5.533.114.374	100,00%

SAE	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
>200 - < 299	216	0,38%	9.282.998	0,17%
> 400 - <499	41.343	73,07%	5.109.296.362	92,23%
614	4.487	7,93%	85.908.984	1,55%
615	10.535	18,62%	334.626.030	6,05%
Total	56.581	100,00%	5.533.114.374	100,00%

Outstanding Loan Amount			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
-	<=	20.000,00	23.214	41,03%	226.150.422	4,09%
20.000,00	<=	40.000,00	8.183	14,46%	236.163.817	4,27%
40.000,00	<=	60.000,00	5.021	8,87%	248.734.955	4,50%
60.000,00	<=	80.000,00	3.684	6,51%	255.834.071	4,62%
80.000,00	<=	100.000,00	2.709	4,79%	242.890.035	4,39%
100.000,00	<=	300.000,00	9.588	16,95%	1.639.114.919	29,62%
300.000,00	<=	400.000,00	1.387	2,45%	480.932.737	8,69%
400.000,00	<=	500.000,00	817	1,44%	366.160.015	6,62%
500.000,00	<=	600.000,00	508	0,90%	278.289.920	5,03%
600.000,00	<=	700.000,00	340	0,60%	220.511.109	3,99%
700.000,00	<=	800.000,00	263	0,46%	197.810.331	3,58%
800.000,00	<=	900.000,00	180	0,32%	153.373.035	2,77%
900.000,00	<=	1.000.000,00	157	0,28%	149.149.301	2,70%
1.000.000,00	<=	2.000.000,00	442	0,78%	600.007.032	10,84%
2.000.000,00	<=	3.000.000,00	70	0,12%	169.534.228	3,06%
3.000.000,00	<=	4.000.000,00	14	0,02%	49.127.227	0,89%
4.000.000,00	<=	5.000.000,00	4	0,01%	19.331.220	0,35%
5.000.000,00			-	0,00%	-	0,00%
Total			56.581	100,00%	5.533.114.374	100,00%

Disbursed			Number of Loans	% of Total Number of Loans	Original Balance (€)	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
-	<=	20.000,00	4.649	8,22%	66.177.538	37.196.011	0,67%
20.000,00	<=	40.000,00	17.952	31,73%	499.069.743	207.517.441	3,75%
40.000,00	<=	60.000,00	3.335	5,89%	175.289.189	86.707.326	1,57%
60.000,00	<=	80.000,00	2.614	4,62%	191.991.461	93.924.304	1,70%
80.000,00	<=	100.000,00	3.948	6,98%	384.950.783	182.162.479	3,29%
100.000,00	<=	300.000,00	14.252	25,19%	2.821.914.704	1.322.769.067	23,91%
300.000,00	<=	400.000,00	2.502	4,42%	928.350.795	435.884.489	7,88%
400.000,00	<=	500.000,00	2.388	4,22%	1.164.804.492	537.662.444	9,72%
500.000,00	<=	600.000,00	970	1,71%	562.720.363	275.396.251	4,98%
600.000,00	<=	700.000,00	661	1,17%	448.464.244	214.068.493	3,87%
700.000,00	<=	800.000,00	665	1,18%	519.702.907	255.960.410	4,63%
800.000,00	<=	900.000,00	221	0,39%	193.006.520	99.270.879	1,79%
900.000,00	<=	1.000.000,00	951	1,68%	947.381.000	441.741.757	7,98%
1.000.000,00	<=	2.000.000,00	1.169	2,07%	1.743.001.300	879.508.943	15,90%
2.000.000,00	<=	3.000.000,00	223	0,39%	565.928.232	307.441.378	5,56%
3.000.000,00	<=	4.000.000,00	50	0,09%	179.777.000	84.398.438	1,53%
4.000.000,00	<=	5.000.000,00	24	0,04%	114.200.000	50.911.643	0,92%
5.000.000,00			7	0,01%	39.650.000	20.592.621	0,37%
Total			56.581	100,00%	11.546.380.271	5.533.114.374	100,00%

Disbursement year		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
2015	<	3	0,01%	245.235	0,00%
2016		10	0,02%	1.070.394	0,02%
2017		38	0,07%	6.956.949	0,13%
2018		82	0,14%	12.841.369	0,23%
2019		461	0,81%	45.370.151	0,82%
2020		22.388	39,57%	785.160.597	14,19%
2021		13.815	24,42%	1.061.704.525	19,19%
2022		6.577	11,62%	973.092.460	17,59%
2023		4.194	7,41%	732.400.747	13,24%
2024		5.054	8,93%	1.027.395.091	18,57%
2025	>	3.959	7,00%	886.876.856	16,03%
Total		56.581	100,00%	5.533.114.374	100,00%

Disbursement date			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Seasoning (Years)
	<=	31/12/2016	13	0,02%	1.315.630	0,02%	9,17
01/01/2017	<=	30/06/2017	20	0,04%	3.262.143	0,06%	8,46
01/07/2017	<=	31/12/2017	18	0,03%	3.694.806	0,07%	7,95
01/01/2018	<=	30/06/2018	28	0,05%	4.686.624	0,08%	7,53
01/07/2018	<=	31/12/2018	54	0,10%	8.154.745	0,15%	6,93
01/01/2019	<=	30/06/2019	156	0,28%	20.255.606	0,37%	6,47
01/07/2019	<=	31/12/2019	305	0,54%	25.114.545	0,45%	5,95
01/01/2020	<=	30/06/2020	7.474	13,21%	101.137.502	1,83%	5,35
01/07/2020	<=	31/12/2020	14.914	26,36%	684.023.094	12,36%	5,00
01/01/2021	<=	30/06/2021	10.123	17,89%	695.364.594	12,57%	4,47
01/07/2021	<=	31/12/2021	3.692	6,53%	366.339.931	6,62%	3,99
01/01/2022	<=	30/06/2022	4.797	8,48%	690.200.221	12,47%	3,46
01/07/2022	<=	31/12/2022	1.780	3,15%	282.892.239	5,11%	2,96
01/01/2023	<=	30/06/2023	2.363	4,18%	407.512.083	7,36%	2,46
01/07/2023	<=	31/12/2023	1.831	3,24%	324.888.664	5,87%	1,97
01/01/2024	<=	30/06/2024	2.696	4,76%	536.790.073	9,70%	1,47
01/07/2024	<=	31/12/2024	2.358	4,17%	490.605.018	8,87%	0,97
01/01/2025			3.959	7,00%	886.876.856	16,03%	0,43
Total			56.581	100,00%	5.533.114.374	100,00%	2,80

Remaining Term			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Remaining Term (Years)
	<=	31/12/2025	-	0,00%	-	0,00%	
01/01/2026	<=	31/12/2027	31.136	55,03%	1.696.662.284	30,66%	1,37
01/01/2028	<=	31/12/2030	18.997	33,57%	2.371.180.768	42,85%	3,78
01/01/2031	<=	31/12/2033	4.709	8,32%	906.499.289	16,38%	6,33
01/01/2034	<=	31/12/2036	1.528	2,70%	424.895.140	7,68%	9,36
01/01/2037	<=	31/12/2039	175	0,31%	112.310.533	2,03%	12,32
01/01/2040	<=	31/12/2042	35	0,06%	19.066.359	0,34%	14,68
01/01/2043	<=	31/12/2045	1	0,00%	2.500.000	0,05%	19,34
Total			56.581	100,00%	5.533.114.374	100,00%	4,11

Interest rate - % (Fixed and floated loans)			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Interest Rate
	<=	2	24.337	43,01%	932.537.523	16,85%	1,23
2	<=	3	5.376	9,50%	761.966.319	13,77%	2,70
3	<=	4	13.170	23,28%	2.678.411.227	48,41%	3,50
4	<=	5	9.479	16,75%	953.777.089	17,24%	4,39
5	<=	6	3.366	5,95%	179.724.123	3,25%	5,37
6	<=	7	651	1,15%	21.549.208	0,39%	6,31
7	<=	8	157	0,28%	4.123.814	0,07%	7,25
8			45	0,08%	1.025.070	0,02%	10,05
Total			56.581	100,00%	5.533.114.374	100,00%	3,24

Current Rate Type	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Interest Rate	Weighted Average Spread
Fixed	36.446	64,41%	2.035.826.199	36,79%	2,58%	1,571%
Floating	20.135	35,59%	3.497.288.175	63,21%	3,62%	1,573%
Total	56.581	100,00%	5.533.114.374	100,00%	3,24%	

Amortization Index	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Eur 1m	6	0,03%	9.903.692	0,28%
Eur 3m	20.123	99,94%	3.483.955.854	99,62%
Eur 6m	6	0,03%	3.428.628	0,10%
Total	20.135	100,00%	3.497.288.175	100,00%

Amortization Type	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
French	55.547	98,17%	4.927.858.664	89,06%
Italian	1.034	1,83%	605.255.709	10,94%
Total	56.581	100,00%	5.533.114.374	100,00%

Spread on Floating rate - %			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Spread
0	<=	0,05	-	0,00%	-	0,00%	
0,05	<=	0,1	-	0,00%	-	0,00%	
0,1	<=	0,5	41	0,20%	20.869.197	0,60%	0,42
0,5	<=	1	1.371	6,81%	611.261.828	17,48%	0,88
1	<=	1,5	4.757	23,63%	1.316.198.953	37,63%	1,30
1,5	<=	2	5.966	29,63%	979.697.362	28,01%	1,78
2	<=	3	6.046	30,03%	494.391.366	14,14%	2,46
3	<=	5	1.861	9,24%	73.089.422	2,09%	3,64
5	<=	7	81	0,40%	1.555.096	0,04%	5,50
7			12	0,06%	224.952	0,01%	8,94
Total			20.135	100,00%	3.497.288.175	100,00%	1,57

Payment Frequency	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Monthly	49.109	86,79%	4.247.942.409	76,77%
Quarterly	7.459	13,18%	1.279.239.228	23,12%
Semi annual	13	0,02%	5.932.737	0,11%
Total	56.581	100,00%	5.533.114.374	100,00%

Arrears			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
	<=	0	62.633	99,01%	5.783.205.087	99,44%
0	<=	30	625	0,99%	32.727.407	0,56%
30	<=	60	-	0,00%	-	0,00%
60	<=		-	0,00%	-	0,00%
Total			63.258	100,00%	5.815.932.494	100,00%

Guarantee	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
FGPMI Covid	41.282	72,96%	2.597.220.813	46,94%
FGPMI DIRETTA	15.299	27,04%	2.935.893.560	53,06%
Total	56.581	100,00%	5.533.114.374	100,00%

Percentage of guarantee			Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average % of guarantee
	0 <=	10	-	0,00%	-	0,00%	
	10 <=	20	-	0,00%	-	0,00%	
	20 <=	30	14	0,02%	11.578.180	0,21%	29,61
	30 <=	40	12	0,02%	5.507.314	0,10%	36,84
	40 <=	50	1.322	2,34%	326.837.569	5,91%	49,90
	50 <=	60	3.730	6,59%	735.735.985	13,30%	58,14
	60 <=	70	199	0,35%	61.929.338	1,12%	69,18
	70 <=	80	26.114	46,15%	3.682.070.892	66,55%	79,97
	80 <=	90	7.006	12,38%	543.003.556	9,81%	90,00
	90 <=	100	18.184	32,14%	166.451.540	3,01%	100,00
	100 >		-	0,00%	-	0,00%	
Total			56.581	100,00%	5.533.114.374	100,00%	76,61

Geografical Distribution	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
VENETO	6.629	11,72%	672.279.226	12,15%
EMILIA ROMAGNA	6.479	11,45%	631.233.495	11,41%
LOMBARDIA	18.911	33,42%	1.843.847.996	33,32%
TRENTINO ALTO ADIGE	301	0,53%	43.988.957	0,80%
PIEMONTE	4.671	8,26%	439.796.995	7,95%
LIGURIA	2.651	4,69%	179.074.880	3,24%
VALLE D'AOSTA	97	0,17%	7.182.851	0,13%
MOLISE	212	0,37%	19.734.635	0,36%
SICILIA	3.343	5,91%	249.671.005	4,51%
MARCHE	180	0,32%	33.032.686	0,60%
FRIULI VENEZIA GIULIA	479	0,85%	60.447.433	1,09%
UMBRIA	363	0,64%	61.075.279	1,10%
PUGLIA	1.154	2,04%	129.566.808	2,34%
LAZIO	2.031	3,59%	158.713.110	2,87%
CAMPANIA	1.702	3,01%	153.423.013	2,77%
SARDEGNA	92	0,16%	20.014.432	0,36%
ABRUZZO	93	0,16%	19.528.663	0,35%
CALABRIA	53	0,09%	9.624.882	0,17%
TOSCANA	7.112	12,57%	795.225.541	14,37%
BASILICATA	28	0,05%	5.652.486	0,10%
other	-	0,00%	0	0,00%
Total	56.581	100,00%	5.533.114.374	100,00%

Pool Audit Reports

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

BANCO BPM

Introduction

Banco BPM S.p.A. (the "**Bank"** and together with its subsidiaries, the "**Group"** or the "**Banco BPM Group"**) was incorporated on 13 December 2016 and is one of the largest banking groups in Italy as at 30 June 2025, based on revenues, assets and net income, with 18,651 employees, 1,430 branches. Banco BPM's duration has been set to 23 December 2114, however it may be extended.

The Group is the product of the combination between Banco Popolare Società Cooperativa ("**Banco Popolare"**) and Banca Popolare di Milano S.c.a.r.l. ("**BPM**") which took place on 1 January 2017 (the "**Merger**").

The Group's core activities are divided into the following business segments: (i) Commercial, (ii) Corporate and Investment Banking (CIB), (iii) Insurance, (iv) Strategic Partnerships, (v) Finance and (vi) Corporate Centre.

The majority of the Group's activities are based in Italy. Outside of Italy, the Group has foreign operations in Switzerland, China and India.

History of the Group

BPM

BPM was incorporated as a limited liability co-operative company in 1865 to facilitate access to credit for merchants, small businessmen and industrialists. In 1876, BPM became part of the "*Associazione nazionale delle Banche Popolari*" and in the early 1900s it increased its business through the establishment of new branches in northern Italy. From the 1950s onwards, BPM grew considerably through the acquisition of interests in other lending institutions and the incorporation of several banks such as Banca Popolare di Roma, Banca Briantea, Banca Agricola Milanese, Banca Popolare Cooperativa Vogherese, Banca Popolare di Bologna e Ferrara, Banca Popolare di Apricena, INA Banca, Cassa di Risparmio di Alessandria, Banca di Legnano and Banca Popolare di Mantova. The late 1980s saw the establishment of the Bipiemme – Banca Popolare di Milano group (the **BPM Group**), of which BPM was the parent company, performing, in addition to banking activities, strategic guidance, governance and supervision of its financial and instrumental subsidiaries. The BPM Group operated mainly in Lombardy (where 63% of its branches were situated), but also in Piedmont, Lazio, Puglia and Emilia Romagna, predominantly providing commercial banking services to retail and small-medium sized enterprises (SMEs) as well as to corporates, through a dedicated internal structure. In addition, BPM offered its customers capital market services, brokerage services, debt and equity underwriting, asset management, insurance underwriting and sales, factoring services and consumer credit. From 1999 onwards, BPM operated an online banking service called WeBank.

Banco Popolare

Banco Popolare was incorporated on 1 July 2007 following the merger between Banco Popolare di Verona e Novara Società Cooperativa a Responsabilità Limitata (**BPVN**) and Banca Popolare Italiana – Banca Popolare di Lodi Società Cooperativa (**BPI**). Banco Popolare, together with its subsidiaries, formed the Banco Popolare group (the **Banco Popolare Group**).

In turn, BPVN was incorporated in 2002 as a result of the merger between Banca Popolare di Verona – Banco S. Geminiano and S. Prospero Società cooperativa di credito a responsabilità limitata.

BPI was incorporated in 1864 and was the first cooperative bank established in Italy. It was formed to promote savings by local customers and to provide banking services to support their business activities.

BPI was listed on the *Mercato Ristretto* of the Italian Stock Exchange in 1981 and was listed on the MTA from 1998 onwards. In June 2005, BPI changed its name from Banca Popolare di Lodi S.c. a r.l. to Banca Popolare Italiana – Banca Popolare di Lodi Società Cooperativa.

Banco Popolare operated abroad through an international network made up of banks, representative offices and international desks. It also had relationships with around 3,000 correspondent banks. The Group's foreign operations included a subsidiary company, Banca Aletti Suisse, and representative offices in China (Hong Kong and Shanghai), India (Mumbai) and Russia (Moscow). In 2014, following a merger by incorporation of Credito Bergamasco, Banco Popolare further simplified its organisational model by rationalising Credito Bergamasco's local management. On 16 March 2015, Banca Italease S.p.A. was merged into Banco Popolare with effect for accounting and tax purposes as of 1 January 2015.

Banco BPM

Banco BPM carries out the functions of a bank and holding company, which involve operating functions as well as coordination and unified management functions in respect of all the companies included within the Banco BPM Group.

Structure of the Group

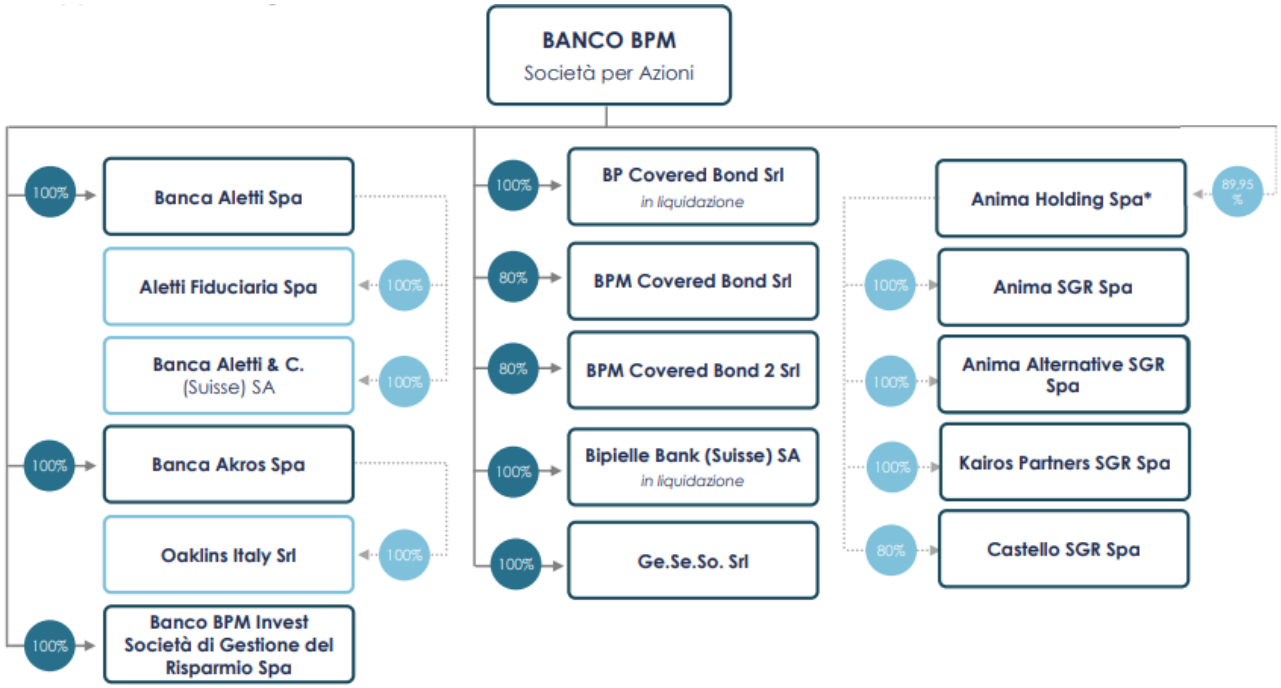
During last years, the BPM Group completed the below detailed initiatives with the aim of streamlining its corporate and organisational structure, simplifying its structure, optimizing and enhancing resources and reducing costs.

In particular, the partial demerger of Tecmarket Servizi to Banco BPM was finalised; it regarded the assignment of a business unit relating to the activities carried out by the subsidiary on the technology platform for the You Business Web service, intended for entities and companies that are customers of Banco BPM, as well as technological services, functional to specific businesses of Banco BPM for its customers. The activities related to the management of terminals and technical assistance to customers for POS and Mobile POS services, which were subsequently the subject of the project to enhance the e-money business, as described in the paragraph "*Strategy*" below, were excluded from the scope of sale. The partial demerger, carried out with a simplified procedure pursuant to Articles 2505 and 2506-*ter* of the Italian Civil Code, is effective, also for accounting and tax purposes, from 1 January 2023.

Furthermore, on 29 May 2023, the Boards of Directors of the parent company and the subsidiary Banca Akros approved the project for the partial demerger, pursuant to Arts. 2506-*bis* and 2501-*ter* of the Italian Civil Code, which envisages the assignment by Banca Akros to Banco BPM of the business unit consisting of the set of assets and resources organised for the performance of the "Proprietary Finance" activities of Banca Akros and includes the related financial assets and liabilities, of a 20% equity interest in Vorvel SIM, relations with custodian banks, brokers and counterparties, in addition to employment contracts with 60 employees.

Since the share capital of Banca Akros is, at the effective date, entirely held by Banco BPM, the Demerger was implemented in a simplified form, pursuant to the combined provisions of Articles *2506*-ter, fifth paragraph, and 2505, first paragraph, of the Italian Civil Code and, therefore, without determining any exchange ratio. Following the issue on 22 September 2023 of the ECB's authorisation pursuant to Art. 57 of Italian Legislative Decree no. 385/1993, the next stages of the corporate demerger process were carried out, the last of which was the signature of the demerger deed on 18 December 2023. The demerger took effect from 1 January 2024.

The structure of the BPM Group, as at the date of this Information Memorandum, is as follows:



* Controllata per il tramite di Banco BPM Vita Spa (non appartenente al Gruppo Bancario) di cui Banco BPM detiene il 100% del capitale sociale

Term of Banco Bpm
The Banco BPM's term, pursuant to the provision of article 2 of the Banco BPM's Articles of Association (the "**By-laws**"), ends on 23 December 2114, and may be extended.

Corporate purpose
The purpose of Banco BPM, according to article 4 of the By-laws, is to collect savings and provide loans in various forms, both directly and through subsidiaries. In compliance with applicable regulations and after obtaining the necessary authorisations, Banco BPM may carry out, directly or through its subsidiaries, all banking, financial and insurance transactions and services, including the setting up and management of open or closed-end pension schemes, and other activities that may be performed by lending institutions, including issuance of bonds, the exercise of financing activity regulated by special laws and the sale and purchase of company receivables.
Banco BPM may carry out any other transaction that is instrumental to or in any way related to the achievement of its corporate purpose. To pursue its objectives, Banco BPM may adhere to associations and consortia of the banking system, both in Italy and abroad.
Banco BPM, in its capacity as parent company of the BPM Group, pursuant to the laws from time to time in force, including article 61, Paragraph 4, of the Consolidated Banking Act, in exercising the activity of direction and coordination, issues guidelines to BPM Group's members, also for the purpose of executing instructions issued by the Regulatory Authorities and in the interest of the stability of the BPM Group.

Principal Shareholders

Pursuant to Article 120 of the Consolidated Financial Act, shareholders who hold more than 3% of the share capital of a listed company are obliged to notify that company and the Italian regulator Consob of their holding.

As at the date of this Information Memorandum the significant shareholders of Banco BPM are the following (source: Consob):

	% of Ordinary Shares
Crédit Agricole SA[1]	19.804
Blackrock Inc.	5.036

The following positions are in addition to the shareholdings shown in the chart above:

- the stake held by Davide Leone through his subsidiaries DL Partners Opportunities Master Fund Ltd, DL Partners Core Master Fund Ltd, DL Partners F Fund LP and DL Partners A Fund LP. The position is represented by voting rights relating to shares (equal

[1] the aggregate investment is equal to 20.104% of the ordinary shares following the subscription, on 30 July 2025, of a "total return swap" derivative contract with cash settlement but with the right to request, subject to obtaining the necessary authorisations, that the settlement take place with physical delivery of the Banco BPM shares underlying the derivative contract. The shares underlying the derivative contract represent up to a maximum of 0.300% of Banco BPM's share capital.

to 2.26% of Banco BPM's share capital) and other long positions with physical settlement and settlement in cash (equal to 6.05% of Banco BPM's share capital).

- the stake held by The Goldman Sachs Group Inc. and three other subsidiaries. This is represented by voting rights referable to shares (1.05% of the share capital) and by Potential investment and Other long positions with physical settlement and settlement in cash (5.02% of the share capital).

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(Last update: 14 November 2025)

Recent developments

Establishment of e-money joint venture

On 30 September 2024, Banco BPM, BCC Banca Iccrea, FSI and Numia S.p.A. ("**Numia**") finalised the transaction related to the strategic partnership announced to the market on 14 July 2023 and leading to the creation of the second player in the e-money sector in Italy.

The completion of the transaction occurred following the obtainment of regulatory and legal approvals, with Numia Group S.p.A. ("**Numia Group**", the company holding the entire capital of Numia) becoming 42.86% owned by FSI and 28.57% owned by each of the Bank and BCC Banca Iccrea.

As part of the transaction, Banco BPM transferred its e-money activities to Numia, in exchange for an immediate fixed consideration of €500 million, comprising an upfront cash component of €228 million and €272 million represented by shares in Numia Group, as well as a potential additional deferred price components of up to €80 million. The upfront capital gain accrued on the transaction results in a positive impact on Banco BPM's fully loaded CET1 ratio of about 88 basis points1, while the 28.57% interest in Numia Group increases deductions from capital with an effect on the CET1 ratio of -49 basis points (for a total impact, before dividend payout, of +39 basis points).

Launch of voluntary public cash tender offer on the entire share capital of Anima Holding S.p.A.

On 6 November 2024, Banco BPM Vita S.p.A. ("**Banco BPM Vita**") launched a voluntary tender offer on the entire share capital of Anima Holding S.p.A. ("**Anima**"), a strategic partner of Banco BPM for over 15 years. The offer, which was completed on 11 April 2025 resulting in Banco BPM Vita owning 89.95% of Anima's share capital, is mainly aimed at strengthening Banco BPM Vita's business model, with the goal to transforming it into an integrated life insurance and asset management player.

Voluntary public exchange offer launched by UniCredit S.p.A. for all the shares of Banco BPM

On 24 April 2025, the Board of Directors of Banco BPM unanimously approved the notice (the "**Notice**") pursuant to art. 103, paragraphs 3 and 3-bis of the Consolidated Financial Act and art. 39 of Consob Regulation 11971/1999 (the "**Issuers' Regulation**"), in relation to the voluntary public exchange offer promoted by UniCredit S.p.A. ("**UniCredit**") over all outstanding BBPM shares (the "**Offer**"), pursuant to articles 102, paragraph 1, and 106, paragraph 4 of the Consolidated Financial Act and related implementing provisions of the Issuers' Regulation.

The Board of Directors, following a careful evaluation of the terms and conditions as described in the offer document published by UniCredit on 2 April 2025 and other available information, and taking into account various factors as more fully set forth in the Notice, has determined that the Offer is not convenient and the consideration offered inadequate.

For additional information, the relevant press releases and notices are available on the website of the Issuer at: https://gruppo.bancobpm.it/en/investor-relations/public-exchange-offer-from-unicredit-on-banco-bpm-shares/.

Corporate Governance System

The corporate governance of Banco BPM is based on a traditional corporate governance system with a Board of Directors and a Board of Statutory Auditors.

The Board of Directors is responsible for the strategic supervision and management of Banco BPM and carries out all of the ordinary or extraordinary transactions that prove necessary, useful or in any way appropriate for achieving the Bank's corporate purpose, with the assistance of the Intra-Board Committees and the Co-General Managers.

The Board of Statutory Auditors is appointed by the shareholders' meeting based on a list of nominees. The nomination mechanism requires that the Chairman of the Board of Statutory Auditors be drawn from the minority list (in accordance with article 35 of the By-laws).

THE CREDIT AND COLLECTION POLICIES

Credit policies

Mortgage Loans are entered into by the Originator as *mutui fondiari* and *mutui ordinari ipotecari*.
The Borrowers pay either a monthly, quarterly and semi-annually loan instalment by direct debit from their accounts, or by cash payment or by MAV.
The decision to enter into and advance a Mortgage Loan is taken at the appropriate decision-making level in the Originator accordingly with limits defined in the Credit Policy.
The analysis and credit-decision process is supported by a preliminary investigation of the loan which takes into account multiple risk factors and fully covers the grant from the "*request*" to the fund "*allocation*".
The main criteria adopted are as follows:

1. The credit worthiness of each single debtor is ascertained through an internal rating process to be attributed to the debtor, automatically updated from time to time upon occurrence of certain circumstances.

2. In addition to the internal rating process, in determining the credit worthiness of a debtor, evaluations are being made as to the past performance of such debtor and any of its related entities and/or guarantors.

3. Loan to value ratios do not exceed 80%.

4. Mortgage over real estate properties (which is first ranking in an economic sense) is 150% than the loan amount.

The main documents the customer has to provide for a loan procedure are:

1. Certificates from the registry office regarding the applicant and the other parties involved in the signature of the loan agreement;

2. income documentation and any other documentation proving the ability to repay;

3. technical documentation for the assets offered as guarantee (e.g. title deeds and land registry certificates); and

4. a Notary's report.

The same documentation described in points 1 and 2 is requested also for the guarantors.
Moreover, apart from the above documentation, additional documentation shall be requested, depending on the type of debtor:

- if the applicant is the owner of an individual firm or is an independent professional:

    a) registration in the Professional Register and/or Chamber of Commerce;

    b) accounts and tax documentation linked to the business in question;

    c) useful information on the business in question (e.g. sector performance, corporate development programme, etc.).

- if the applicant is a company:

    a) articles of Association and last available copy of these for the company;

    b) updated Chamber of Commerce certificate, from which can be proved, for the company and its directors, the non-existence of bankruptcy proceedings and the validity of the appointments;

c) statement on the assignment of proxy powers (if necessary);

d) balance sheet with income statement for the current financial period;

e) financial statements for the last two financial periods (if belonging to a group with consolidated financial statements and financial statements for the most important companies in the group);

f) updated report on bank guarantees and how they are used.

The approval level is automatically defined by PEF procedure, according to the managerial Risk Weighted Assets (RWA) metric[2].
After the approval, the preparation of the documentation and the conclusion of the Mortgage Loans are delegated to the Back Offices Department (BO) which:

- enter the transaction in the internal mortgage procedure;
- appoint an appraiser to evaluate the property;
- verify that the property insurance is in favour of the Originator;
- prepare the minutes of the mortgage loan;
- check property documentation received by the notary; and
- upon successful completion of the previous activity checks, update the mortgage loan status to "payable";
- upon request of the agency send the minutes to the notary for the mortgage contract signature.

Once the bank and the customer stipulated the contract and the notary registered the mortgage, relevant documents are sent to the Back Office that stores them.
The Back Office Department, based on the necessary feasibility analyses and in compliance with the applicable credit/authorization decision, is also responsible for:

- on economic conditions: verifying the coherence between the single operation and the internal credit decision and the internal regulations and verifying the mortgage validity;
- issuance of specific certifications requested by the borrowers, in particular the certifications concerning the amount of interest to be paid/expenses sustained;
- pre-payment of the Mortgage Loans, which involves the reduction to nil of the outstanding balance of the loan and is often accompanied by a request for the release of the Mortgage;
- preparation of amendments and other acts ancillary to the Mortgage Loans Agreements, such as:
    - the extension of the Mortgage Loan, following a restructuring of the transaction or an extension of payments;
    - the taking over (*accollo*) of the loan, customarily requested by the purchaser of the Real Estate Asset, as a method to pay part of the purchase price;
    - the reduction/cancellation of the Mortgage, or the partial or total release of the Mortgage; and

[2] The metric measures risk for deliberative purposed and is developed with a methodology consistent with the provisions of EU Regulation No. 575/2013.

any request made to the insurance companies for the release of the *vincolo* on the insurance policies.

Collection policies

The monitoring of credit risk is carried out also by mean of processes for monitoring and managing performing loans as well as loans included in the watch list and non-performing loans.
For each of these processes, Banco BPM Group uses IT procedures in support of the activities of the position Managers.
The Collection Policies described below are consistent with the credit status of each borrower position.
Monitoring and managing loans classified as performing
The Customer Relationship Manager, is responsible for managing the relationship with customers included in his portfolio, closely monitoring the evolution of relationships to maintain and improve credit quality.
The process of monitoring and managing performing loans consists of a set of activities carried out by the Customer Relationship Manager and by other internal departments to promptly detect any signs of delay and/or irregularity.
In particular, with reference to mortgages, the systematic examination of the evidences reported by the automatic performance assessment tools and the monitoring of compliance with the commitments allows the rapid activation of the Customer Relationship Manager for a concrete solution of the problems detected, facilitating the timely adoption of measures to maintain the relationship performing (alias "*in bonis*").
Referring to the latter, an IT system of "credit warnings" is put in place, within which, in the section "detection of overruns", all the daily overrides on credit lines and overdue instalments are reported every day. In these situations, the Relationship Manager contacts the customer to verify the reasons for the failure or partial payment and, consequently, to propose the most appropriate actions (accept the delay because the payment will take place in a short period of time, propose a renegotiation to decrease the instalments amount, propose a suspension of payments for a specific period of time, etc.). A specific IT system called "ELISE" , dedicated to the management of loans and used both by the Back Office department and by the entire Branch network, sends communications to debtors on regular basis, at each unpaid instalment. The automatic alerts are sent on the last working day of the month in which the instalment is due when the due date is at least three working days before the end of the month. Otherwise, the alerts are sent on the last working day of the following month.
For performing positions ("*in bonis*"), the Bank grants few days within which the payment can be made without any consequences. For all payments made in this period, default interests are not applied and the value date of the payment of the instalment is the original due date.
After that date, default interests contractually agreed start to be applied up to the maximum limit set by provisions on usury. The "usurious" interest rate is defined by a decree of the Ministry of Economy and Finance on quarterly basis (the current legislation envisages that the verification of non-usury of default rates is carried out, as for the corresponding interest payments, at the agreement and not at the payment).
Irrespectively of the Relationship Manager's behavior, the IT system automatically intercepts (i.e. in a way which is independent from elements of discretion of the Relationship Manager) the positions that show the first signals of anomaly. Thus, the IT system will insert these positions in a specific "watch list".
Monitoring and managing "watch list loans"
For all the positions classified as performing, where anomalies are detected through trend risk indicators - the valuation is expressed by the counterparty's internal rating and other particularly serious events concerning the credit quality - are included in a "watch list" properly supported by an IT procedure.
The "Monitoring of performing credit" process consists of a set of activities carried out by the Relationship Manager along with other people responsible for credit monitoring and control; these activities are aimed at promptly identify any signals of tensions and/or irregularity as well as to carry out any interventions required to restore the position to a performing status or, when this is not possible, to take the necessary actions to protect the Bank's credit claims.
According to the process, the Relationship Manager maintains the responsibility to manage the customers belonging to his own portfolio with the aim to put in place the necessary management actions to bring the relationship back to regular conditions. Assessment objectivity is ensured through a system of rules aimed at guaranteeing, both during the internal classification and during the identification of the related management actions, the put into place of adequate mechanisms of organizational interaction between

the roles responsible for the relationship management (Relationship Manager) and the credit quality control roles ("*Monitoring and default prevention*" structure and "*Credit governance*" of the parent company).
The phases of the abovementioned process, with the support of the PMG IT procedure, involve:

- on daily basis, the automatic identification of positions with irregularities that requires the adoption of dedicated management interventions;

- the Relationship Manager's analysis in order to properly evaluate the risk, considering any participation in Groups of linked borrowers as well as relationships in place with other companies within the Banking Group;

- analysis of consistency of the calculated rating and assessment of the need to activate a potential rating override process;

- classification, within the process, in an "management category" consistent with the type of irregularity found and with the timing of recovery of regular operations;

- the definition of behaviour and actions, within the pre-determined period of time, whose outcome is subject to measurement;

- the maintenance of the performing classification and the automatic exclusion from the watch list either when the interception causes are no longer verified or through a specific decision taken by the decision making bodies (Organi della Banca) when it has been verified the absence of the financial difficulty of the customer and there are no exposures that benefit from an active measure of tolerance;

- the classification to a higher level of risk is realized automatically either when all the conditions for the classification under Past Due or Unlikely to Pay have been found or through an automatic or manual request and then approved by the decision making bodies defined in the "Regulations of the limits of autonomy and powers for loan granting and management".

To support the recovery of exposures against "Private" and "Business" customers up to 300k of exposure, a process to solicit payments has been put in place and it is triggered when the first delay occurs in the payment of the loan periodical instalment or for negative bank account balance .
This process pursues the objective of promptly implementing the actions necessary to collect exposure of the position, avoiding customer's default and simultaneously maintaining the relationship with the customer.
The process is supported by the IT procedure named "Recupera" integrated into the PMG system, which governs a series of actions, starting from the written reminder to the borrower, to the telephone contact and the assignment of debt recovery to different external recovery companies according the persistence of the unpaid positions.
The management of the positions within the solicit of payments process is highlighted to the Relationship Manager to avoid any overlap of the actions taken by the external recovery companies with those taken internally by the Bank. Furthermore, the IT procedure permits to identify in any moment the list of the position under management along with their level of insolvency, updated accounting data, the plaintiff and the action underway as well as the results of solicit actions that have been already carried out.
Exposures with unpaid amounts are in any case subject to monitoring activities set by another IT procedure Definition of Default (DOD) with the aim to verify the achievement of time and materiality thresholds for the automatic classification as non-performing loan (Past due) defined by art 178 of L. 675/2013 .
Monitoring and managing "Forbearance positions"
Banco BPM has defined the criteria for the identification and management of "Forbearance" or "Forborne loan".
The renegotiation of contractual agreements of a loan, granted to the customer in order to allow him to meet his requirements despite the situation of financial difficulty that he is going through, constitutes a measure of forbearance.

The situation of financial difficulty of the borrower is automatically checked by the PEF procedure that, according to customer type, type of credit facilities undergoing a renegotiation, etc, propose a short list of possible intervention aimed to cure the position itself and thus prevent default.
After the choice the relationship manager is requested a susteneability analysis of the customer, supporting the proposal of the forbearance measure; only in case of positive results it is possible to submit the file to the decision maker body.
Once classified as "forborne", exposures are managed as part of the referred processes ("*Monitoring and managing non-performing loans*" for "*Impaired forbearance exposures*" and "*Performing loan monitoring and management*" for "*Other forborne exposures*").
Following the concession of forbearance, the exposure is monitored in order to:

a) ensure the regular performance of the relationships with customers and the persistence of conditions for (i) the ceasing of the forborne status with reference to customers classified as performing ("*in bonis*") or for (ii) the reclassification as performing, by maintaining the forbearance measure (under probation) for customers that have been already classified as "*Impaired forbearance exposures*";
b) identify and evaluate the events that may anticipate the ineffectiveness of the forbearance concession, referable to (i) the failure to comply with any new deadlines agreed, (ii) to the onset of an overdraft or (iii) to the downgrade of creditworthiness consequently to events that may compromise the full recovery of the exposure.

With reference to points a) and b), the following two cases are observed:

1. <u>The position respects the forbearance agreements</u>

Termination of the forborne loan condition for performing positions
The Customer Relationship Manager verifies the persistence of the following conditions in order to declare the end of the condition of forborne loan and consequently activates the process of reclassification as performing ("*in bonis*") of the exposure already identified as "Other forborne exposures":

- at least 24 months must have elapsed from the granting of forbearance or since the classification of the position as performing;

- the debtor must not have positions about to become past due (considering the tangible thresholds currently into force) for more than 30 days;

- the payment of the amount due, as indicated by the forbearance concession, must have been made on a regular basis in the past 12 months and must have involved a "more than insignificant" portion of the principal or interest;

- no elements should lead to classify the position as non-performing loans.

The decision concerning the end of the forborne loan condition and the subsequent reclassification as performing of the exposure already identified as "Other forborne exposures" is made by the "Monitoring and Prevention Default department" of the BBPM through a process procedurally verified, which allows to check the objective elements of regularity of the position as well as the Monitoring Manager's declaration about the absence of subjective elements (including any valuation of "non insignificance" of the repaid loan).
Reclassification as performing of "Impaired forbearance exposures" maintaining the condition of forborne loan.
Positions classified as Past Due or Unlikely to Pay, which are beneficiaries of a forbearance measure, for which (i) at least 12 months have elapsed from the granting of forbearance or the end of payment holidays schema and (ii) do not show any past due or overdraft, are automatically recognized on daily basis.
To initiate the proposal for the classification as "performing", the Manager of the non-performing position verifies the absence of concerns regarding the full payment of the due amount when one of the following conditions is met:

- the amount of the exposure, that at the time of the forbearance concession was classified as past due or overdraft, has been fully paid;

- the amount paid is equal to the credit that may have been written off as part of the credit restructuring agreement or;

- the customer's ability to comply with terms and conditions indicated by the forbearance concession has been demonstrated.

Following a valuation of the financial situation of the borrower by mean of a specific "return to bonis" check list, the decision concerning the reclassification as performing ("*in bonis*") of the "Impaired forbearance exposures" (non-performing positions) is taken through the approval of the authorized Body as defined by the "Regulations of the limits of autonomy and powers for loan granting and management".
Following the resolution of reclassification as performing, the position maintains the forbearance condition (forbearance under probation) and the identification as "Other forborne exposures". This condition can be declared as terminated only when all the above mentioned conditions exist with reference to the "termination of the forborne loan condition for performing positions".

2. <u>The position doesn't respect the forbearance agreements</u>

If the position has registered a past due after the grant of the forbearance status, the process provides the immediate solicitation to the customer in order to settle the position.
Once the necessary time for the solicitation to the client and for the verification of the causes that determined the past due has expired, the Customer Relationship Manager for the position identified as "Other forborne exposures" or the Manager responsible for the non-performing position for "Impaired forbearance exposures" will evaluate whether the events, that may also be independent of the granted forbearance, require the consideration of a more precautionary measure to protect the loan. Furthermore, this valuation takes into consideration the proposal to attribute a higher risk to the position and, in particular:

- as "Unlikely to Pay", for positions classified as "performing" or past due;

- as "Unlikely to Pay" with management class "revoked", with closure of credit lines and immediate notice to pay sent to the borrower for the positions classified as "Past Due" or already classified as "Unlikely to Pay".

The decision on the classification as "Unlikely to Pay" is taken through resolution of the authorized Body, on the proposal of a proponent (see the section "*Classification of positions in non-performing loans categories*"). The classification as "Unlikely to Pay" is otherwise automatic in case of detrimental events the like of bankruptcy law procedures.
If a counterparty already reclassified from "non-performing" ("*Impaired forbearance exposures*") to "performing loans" or "in bonis" ("*Other forborne exposures*") is past due for more than 30 days or benefits from a further forbearance concession, it is automatically classified as unlikely to pay.

<u>Classification in non-performing loans categories</u>

The process of "Classification of positions in non-performing loans categories" lays down the rules and responsibilities of the Relationship Manager and those of the Manager of the Non-performing Position aimed at ensuring the consistency of the operational status of the position with the deterioration of the risk profile of the customer and compliance with the Supervisory provisions.
Futhermore, the process is designed to ensure the return of the position to a performing status when the causes that determined the classification within the non-performing loans categories no longer exist, coherently with the rules established by the European Banking Authority (EBA) on forbearance and non-performing exposures, by art. 178 of the European Regulation 675/15 and by the Bank of Italy on the new "classification in non-performing loans categories" (see update of Circular n.272 "Accounts Matrix", Chap. II "Credit Quality").
The expected classifications are: "Past due and/or overdue non-performing exposures" (Past Due), "Unlikely to Pay" and "Bad Loans".
The classification as Past Due is carried out automatically for the positions that reach the thresholds envisaged by the ECB Default Guidelines.
Exposures to parties experiencing temporary financial hardship are defined Unlikely to Pay whereby the debtor is assessed by the Bank as unlikely to pay its credit obligations in full (for the principal and interest)

without collateral enforcement.
This valuation is carried out by the Manager regardless of the presence of any overdue or installments past due and not paid. Therefore, it is not necessary to wait for any explicit sign of irregularity (failure to repay or non-redemption) if there are elements or indicators that may imply the risk of default of the borrower (for example, even a crisis of the industrial sector in which the debtor operates).
In order to guarantee the promptness of the credit recovery process, some automatic methods for the proposed classification as Unlikely to Pay have been provided for those positions that:

- persist as non-performing Past Due for more than 180 days;

- are in performing or past due non-performing status with credit facilities or overdrafts exceeding 1,500.00 euro, which are classified as “Sofferenze” by Centrale dei Rischi;

- showing prejudicial events such as those foreseen by the bankruptcy Italian Law (i.e. “concordato preventivo”),” or other “pregiudizievoli gravi”; (in case of banckrupcy events and similia there’s an automatic classification to UTP);

- have received one forbearance measure and the loss is equal or less than 1%; (for a loss of more than 1% or if the position is already past due, independently form the %, there’s an automatic classification to UTP)

- if the positon is part of a group of connected companies and a) the head company is classified into bad loans (sofferenze) or b) the total exposure of the group is more of 70% defaulted.

The proposed classification requires an UTP assessment by the competent Customer Relationship Manager a) with the validation of the Branch Manager if the position exposure is <=100k€, b) of central Default Preventing office for exposure > 100k.
The UTP assessment is then subject to an approval process, managed through IT system LAWEB, which requires the review of intermediate Bodies (“parere intermedio”) responsible for providing a non binding opinion, and the final decision by decision-making Body based on the amount of the exposure to be classified.
Finally, exposures to insolvent customers (even if they have not yet been legally acknowledged as such) or customers in similar positions, regardless of any anticipated loss formulated by the Bank, must be classified as Bad Loans. In this cases the existence of any (real or personal) personal guarantee to protect the loans is not considered.
The classification to bad loans is managed through IT system LAWEB, requires the review of intermediate Bodies (“parere intermedio”) responsible for providing a non binding opinion, and the final decision by decision-making Body based on the amount of the exposure to be classified.
If a position is defined OMR (Relevant) or OS (significant) according to internal policy, the classification process could be subject to a mandatory review of a Risk Management structure.
Monitoring and managing non-performing loans
The management of non-performing loans in Banco BPM Group is primarily based on a model that assigns the management of a defined non-performing portfolio to specialized managers (Non-Performing Exposure managers).
Positions are assigned to individual Managers using an automatic process based on the geographic location of the loan, identified according to the Branch, Business Area and Area Office to which the customer is associated and on the total exposure of the position. However, it is possible to manage exceptions, through a controlled process, to assign a position to a different Manager from the one identified automatically, as well as for temporary situations.
Processes for monitoring and managing non-performing loans are differentiated based on:

- the exposure’s classification status, which distinguishes between customers with Bad Loans positions and customers with other non-performing loan statuses:

- the amount of the exposure, based on its size (at the customer’s Economic Group level);

- the product, distinguishing between “leasing” exposures and other types of exposure;

Past Due and Unlikely to pay:
With reference to the amount of the exposure and the type of the counterparty, the responsibility for the management of positions, at the time of classification:

- up to euro 1.500, remains attributed to the Head of the Branch (Branches),

- over euro 1.500 and up to 5 million, is assigned to specialized personnel of the “UTP Retail” unit

- over 5 million or in presence of specific law procedures is assigned to “Strategic Positions and restructuring” office;

With reference to smaller positions, which remain under the responsibility of the Branches, the management is supported by a very detailed and guided process, with time limits defined beforehand and with minimal discretion.
The process of monitoring and managing larger positions, which is always assigned to specialized managers, allows more flexible and customized solutions.
The processes are embedded in the Laweb procedure workflows and designed to govern the actions of the manager and to detect any inaction.
For positions classified as Past Due or Unlikely to Pay, the non-performing loan Managers are responsible for management decisions regarding the positions assigned to their respective portfolios, in compliance with established decision-making powers, but they are supported in administrative management by the managers (Client Relationship Manager) of the Network in which portfolio the relationship as well as the economic results achieved are still attributed.
For legal requirements, the Managers of non-performing loans receive support from an internal legal structure, which belongs to the Legal Department and Regulatory Affairs. It is structured in order to carry out in the best way possible its advisory activities to the central office structures and the Branch Network.
To ensure an efficient loan management, powers are assigned to the Decision-Making bodies of the Branch and to the Headquarter competent units in proportion with the above-mentioned operational limits and with the associated operational needs
The system of levels of autonomy and operational powers is structured to protect the Bank from conflicts of interest through the attribution of decision-making responsibilities in the matter of classification to higher or lower risk classes, value adjustments (provisioning) or the waiver of loans, to Bodies higher than those that manage the positions.
The bank has in place a servicing agreement with external specialized companies for “Non performing portfolio” who manage the process of solicitation of unpaid amount and or negative exposure. Servicing activity is supported by a specific workflow integrated into LAWEB procedure.
All positions classified as Unlikely to Pay in exceeding 30,000 euro are subject to a six-monthly review by the Manager of the non-performing position in order to verify the progress of the relationship with the customer and his financial position, as well as to define the consistency of expected losses with respect to such assessments. The review may be required in advance if the IT system automatically detects the occurrence of certain pre-codified detrimental conditions.
Within the review activities, as regards the determination of the expected losses, we distinguish two cases:

- within the relevant threshold of euro 1,000,000 the loss provisions are automatically set by the IT procedure (statistical model approach);

- beyond the relevant threshold: the manager of the non-performing position must perform an analytical assessment within 30 days from the classification of the position as Unlikely to Pay, meanwhile (and as a precautionary measure) the loss forecasts automatically assigned to the position are calculated as for positions under threshold. In the assessment, the Manager must explicitly specify the methodology adopted for the identification of the cash flows (Going or Gone Concern).

In case of real estate collateral, the Manager of the non-performing position must consider the market

value “with assumption” of the guarantee in the assessment. The value is determined taking into consideration the fire sale value1 (SRV) of the asset. In case of individual guarantee positions, with gross exposure:

- greater than the relevant threshold of euro 300,000: the value of the asset must be certified by an appraisal. Considering this valuation, the Manager of the non-performing position must renew the appraisal during the classification of the exposure as Unlikely to Pay and, subsequently, every 12 months. If the value of the real estate collateral of the individual position has already been estimated and it is lower than euro 300,000, the update of the appraisal is evaluated on the basis of the incidence of the value of the real estate collateral on the gross exposure;

- lower than the relevant threshold of euro 300,000: the value of the real estate property is automatically updated every six months through the use of price changes provided by a specialized third party company that uses methodologies based on the revision of the data provided by the Italian Internal Revenue Agency (Real Estate Market Observatory).

In order to prudently consider any depreciation of real estate properties provided as collateral and to correctly quantify the effective value, the Manager must use “fire sale value”.

- In the credit analytical assessment, if the value of the real estate collateral refers to an out-of-date appraisal, a reduction (haircut) is applied based on the vintage and the type of debtor. If the market value with assumption is not available, the non-performing loan Manager must use the market value applying specific reductions (haircuts).

The non-performing loan Manager may propose additional provisions against the perception of an increase in the perceived risk. These proposals to revise provisions are automatically subject to a resolution procedure, managed through the LAWEB procedure. It requires the intervention of intermediary Bodies that must express a non binding opinion and of the competent deliberating body as defined in the “Regulations of the limits of autonomy and powers for loan granting and management”.
Furthermore, the LAWEB procedure historicizes all the information and evaluation expressed on the position for decision tracking purposes.

Bad loans (Sofferenze)

The Bad Loans management model is based on the specialization of management competences between internal structures of Banco BPM and external ones, envisaging that positions with higher relevance and complexity are internally managed. This model envisages:

- the assignment to the “NPE Management” unit of the coordination of all the activities for the recovery or sale of Bad Loans and the direct management of customers who are not assigned to the external management mandate in terms of size and reputational impact;
- the assignment to an external Servicer of the direct management – through a specific mandate and with predefined limits – of clients classified as non-performing not internally managed;
- the possibility, in particular circumstances, to call back from the Servicer any positions previously assigned.

The Servicer's activity is always monitored by the unit “Performance Management NPE”.
The internal management responsibility is assigned to specialized managers, all of whom report directly to the NPE management unit. They are identified among the resources with legal skills.
For internally managed positions, the Manager, after a first attempt to contact the borrower and guarantors, defines, on a case by case basis, whether it is possible to collect the debt out of court, or to activate legal actions, such as the registration of a lien on real estate assets of the borrower or guarantors.
In case of legal actions, the process involves external law firms for executive activities; they are contacted by internal managers. They coordinate actions relating to the borrower and guarantors and send proposals to the competent decision-making Bodies.

- Bad Loans with exposure within the relevant threshold of Euro 1,000,000 are automatically assigned loss forecasts.

- Bad Loans with exposure exceeding the relevant threshold must be subject to a periodic review by the Manager of the Bad Loan in order to verify the consistency of loss forecasts. When analytically

assessing bad loans, the Manager of the Bad Loan must apply – consistently with the Guidelines regarding management of loans classified as bad loans– the "gone concern" approach which envisages, as the main source of repayment, the amount obtained from the sale of the assets subject to any secured guarantee (pledge or appraisal). In addition to this source of repayment, potential repayment flows from the asset of the debtor or guarantors must be assessed as well as any liquidity or other sources of income, other than real estate assets of the debtor or guarantors.

- With secured guarantees on real estate assets, the Manager of the Bad Loan must consider the effective value of the guarantee in the appraisal, as specified below.

- To quantify the coverage of the exposure provided by the real estate asset, "market value with assumption (MVWA)"[3] – must be acquired. The MVWA must be certified through a monitoring appraisal, drawn down according to the method-related indications approved by the Bank. The value of the technical consultancy (CTU) or the value formulated at the auction by the competent Court if there are active judicial procedures are considered like a MVWA.

- For individual guaranteed positions, with gross exposure:

    - greater than euro 300,000: the market value and the MVWA of the asset must be certified by an appraisal that must be renewed once the position is classified as Bad Loan and, subsequently, every 12 months. If the value of the asset of the single position has already been estimated and it is lower than the threshold of euro 300,000, the update of the appraisal is evaluated on the basis of the incidence of the value of the real estate collateral on the gross exposure;
    - lower than euro 300,000: the value of the real estate property is automatically updated every six months through the use of price changes provided by a specialized third party company that uses methodologies based on the revision of the data provided by the Italian Internal Revenue Agency (Real Estate Market Observatory;

- for secured positions where the sum of the gross exposure is higher than the euro 300,000 euro threshold, the market value and the MVWA of the asset must refer to the value of the asset as reported by an expert appraisal. The appraisal must be renewed once the position is classified as Bad Loans and, then, every 12 months;

- in order to prudently taken into account the depreciation of properties provided as collateral and to quantify their expected value, the Bad Loan Manager must use the MVWA. If the value of the real estate collateral refers to an out-of-date appraisal, a reduction (haircut) is applied based on the vintage and the type of debtor in relation to specific tables indicated in the internal Guidelines for the management of Bad Loans.

The Manager of the Bad Loan must periodically review the provisions of positions over the relevant threshold according to the frequency criteria set out in the internal "Guidelines for the management of bad loans".

In particular, the receivables valuation must be continuously updated and when any new elements that may generate a significant change either in recoverable cash flows or in the expected loss arise.

The minimum revision frequency shall be differentiated according to (i) the size of the estimated recovery forecasts, (ii) the presence of real guarantees that are supporting the loan and (iii) the expected loss.

The 12 months periodical review is required for position with an exposure > 1 million euro with the

[3] "The market value with assumption" is determined according to the definition set out in Regulation (EU) 575/2013 article 4 paragraph 1 point 76, considering that all the conditions set out in the explanation cannot be satisfied. For further information on the concept of 'assumption', please refer to the ABI 2018 (3.1), TEGoVA (EVS 2016 - EVS.1) and RICS 2017 (VPS 4.8) guidelines.

exception for those with a predicted recovery lower or equal to the 5% of the total exposure.

If necessary, the expected loss may also be revised before the periodical review of the position.

For positions with an exposure over the relevant threshold, the expected loss review must be anticipated with respect to the periodical review in case there has been an automatic detection of a relevant reduction of the market value of the guarantees, (ii) in case of a new bidding for the collateral or (iii) in case of serious adverse events.

The above rules also apply to Bad Loans under external management.

Proposals to revise provisions are automatically subject to a decision-making process managed through the IT Procedure LAWEB, which requires the intervention of intermediary Bodies, responsible for providing an opinion, and the competent decision-making body as defined in the "Regulations of the limits of autonomy and powers for loan granting and management".

Furthermore, the LAWEB procedure historicizes all the information and evaluation expressed on the position for decision tracking purposes.

Structure of the control system

The general structure of the control system includes:

- line controls (level I)
- controls on risks and on compliance (level II).

Line controls (level I)

First-level line controls are aimed at ensuring proper execution of transactions and are carried out directly by operating structures because they are first in charge of the process of risk management.

In compliance with this responsibility, during daily operations, operating structures must identify, measure or evaluate, monitor and mitigate the risks deriving from the normal course of the business in compliance with the risk management process.

First-level line controls can be either "automatic" controls, i.e. carried out directly by application procedures, or hierarchical controls, implemented as part of the same chain of responsibility.

The second-level line controls include those carried out by the "Monitoring and Default Prevention" and "Credit Governance" departments ", or by other structures that carry out the operations.

Through the second-level line controls, the above departments exercise their overall responsibility on the results of the loan processes, preserving the autonomous ability to guide and control them. In particular, these checks envisage the intervention on the operational structures to press for corrective actions, either directly or by means of the central structures of the Area Offices and of the Companies of the Banking Group.

The line controls (of first and second level) can be implemented either systematically or by sampling.

These controls are defined in the regulations on loans issued with reference to each process, according to criteria and methods able to guarantee that all exposures arising from irregularities or inaction are highlighted and examined.

Controls on risks and on compliance (level II)

Controls on risks and on compliance are aimed at ensuring the correct implementation of the risk management processes put in place by the operational structures, the compliance with the operating limits assigned to various functions and the compliance of business operations with regulations, including self-regulation.

The essential element which characterizes the level II controls concerns the fact that they are carried out by a risk control unit separate from the production one. Consequently, the level II controls include the goal to ensure that level I controls are effectively performed as well.

The level II controls regarding loans are assigned to the Risks unit through the "Credit risk controls" unit.

This unit is responsible for the verification of the correct implementation of the lending processes by the business units, respecting the already established rules and, more specifically, with reference to:

- the monitoring of the performance of exposures classified as performing;
- the monitoring of the performance of exposures classified as non-performing loans;
- the consistency of the classification in the operational statuses of the "Loan management and monitoring: watch list" process, among the exposures subject to concessions of "tolerance"

(forbearance), in the statuses of the non-performing loan;
- the appropriateness of the provisions;
- the effectiveness of the real estate collateral management and valuation process
- the suitability of the debt recovery process.

Control activities are conducted on credit exposures, in particular Non-Performing and Performing exposures with performance anomalies, belonging to risk areas defined on the basis of experience or through the monitoring of anomaly indicators. In this context, the number of positions to be subjected to analytical verification is not defined a priori, since it is conditioned by the complexity of the verifications to be performed and the resources dedicated to the analysis.

The files to be analysed are selected using sampling techniques of a statistical nature or on the basis of their risk profile, also determined through the results produced by the system of Key Risk Indicators developed internally by the functions reporting to the Chief Risk Officer. CREDIT RISK CONTROLS explains in its reports which selection methods are used. The controls envisage the systematic application of indicators of anomaly to the loan portfolio, the assessment of the deviations detected from time to time, the in-depth analysis of the individual positions and, if necessary, adaptation measures on the same to time.

THE ISSUER'S ACCOUNTS

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has established the Accounts in the following terms.

The Issuer has established with the Interim Account Bank an euro-denominated account into which, *inter alia*, the Servicer is required to deposit all the Collections as they are collected in accordance with the Servicing Agreement (the "**Interim Account**").

The Issuer has established and shall at all times maintain with the Paying Agent and Payments Account Bank, an euro-denominated account into which, *inter alia*, by no later than 2 (two) Business Days prior to each Interest Payment Date the Issuer is required to transfer from the other Accounts the amounts necessary to make the payments due in accordance with the applicable Priority of Payments (the "**Payments Account**");

The Issuer has established and shall at all times maintain with the Transaction Bank the following accounts:

(i) an euro-denominated account with respect to the Receivables (the "**Collection Account**") into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the Interim Account;

(ii) an euro-denominated account into which the Issuer will deposit the Retention Amount on the Issue Date (the "**Expenses Account**"). The Expenses Account will then be replenished on each Interest Payment Date, in accordance with the applicable Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to (but not exceeding) the Retention Amount and such amount will be applied by the Issuer to pay the Expenses in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation;

(iii) an euro-denominated account which will be credited as follows: (i) on the Issue Date, part of the Cash Reserve Initial Amount out of the proceeds of the Subordinated Loan; (ii) on the Issue Date, part of the Cash Reserve Initial Amount from the Collection Account; (iii) on each Interest Payment Date, the relevant Target Cash Reserve Amount to the extent of the Issuer Available Funds for such purpose in accordance with the Pre-Enforcement Priority of Payments; and (iv) all interest accrued from time to time on the balance of the Cash Reserve Account (the "**Cash Reserve Account**").

The Issuer also opened with the Transaction Bank a euro-denominated account (the "**Equity Capital Account**") into which the sum representing 100 *per cent.* of the Issuer's equity capital (equal to € 12,000) has been deposited and will remain deposited therein in an amount not lower than Euro 10,000 for so long as all notes issued (including the Previous Notes) or to be issued by the Issuer (including the Notes) have been paid in full.

The Interim Account, the Collection Account, the Expenses Account, the Payments Account and the Cash Reserve Account are referred to as the "**Accounts**" and any one of them, the "**Account**". Each of the Interim Account Bank, the Paying Agent and Payments Account Bank and the Transaction Bank has agreed to pay interest on funds on deposit from time to time in the respective Accounts at a rate separately agreed in the remuneration letter executed between the Issuer and each of the Transaction Bank, the Interim Account Bank and the Paying Agent and Payments Account Bank.

Each of the above Accounts will be respectively maintained with each of the Transaction Bank and the Paying Agent and Payments Account Bank, as long as it is an Eligible Institution.

Cash flow through the Accounts

The Issuer undertakes to pay to or deposit, or cause to be paid to or deposited the following amounts in and out of such accounts:

(1) Interim Account

(a) *Payments into the Interim Account*: the Interim Collection Account will be credited as follows:

(i) any amount to be paid to the Issuer by the Originator on the Interim Account pursuant to the Transfer Agreement;

(ii) any Collections (including any recovery under the Defaulted Claims) received by the Servicer, by no later than the same Business Day on which they are collected in accordance with the Servicing Agreement, for value as at the relevant receipt date as set out in the Servicing Agreement, provided that, in the case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the Interim Account, by no later than the Business Day on which the operational delay in the transfer has been resolved.

(b) *Withdrawals from the Interim Account*: the Interim Account will be debited as follows:

(i) on the Issue Date, the balance standing to the credit of the Interim Account into the Collection Account;

(ii) by 1 p.m. (Italian time) on each Business Day the balance standing to the credit of the Interim Account into the Collection Account.

(2) Collection Account

(a) *Payments into the Collection Account*: the Collection Account will be credited as follows:

(i) on the Issue Date, any amount remaining on the Payments Account after making all payments or transfer due on that date;

(ii) on the Issue Date any amount standing to the credit of the Interim Account shall be transferred to the Collection Account;

(iii) by 1 p.m. (Italian time) on each Business Day, any Collections received and standing to the credit of the Interim Account;

(iv) 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 pursuant to the Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Transfer Agreement and the Warranty and Indemnity Agreement and any indemnity paid by the Originator or the Servicer pursuant to the Warranty and Indemnity Agreement or the Servicing Agreement, as the case may be, but excluding the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Transfer Agreement or the Intercreditor Agreement);

(v) any other amount received by the Issuer under the Transaction Documents which is not expressed to be paid into another Account; and

(vi) all interest accrued from time to time on the balance of the Collection Account.

(b) *Withdrawals from the Collection Account*: the Collection Account will be debited as follows:

(i) on the Issue Date, part of the interest components related to the Receivables collected from (but excluding) the Valuation Date up to (but excluding) the Issue Date (in an amount equal to the Retention Amount) shall be transferred into the Expenses Account;

(ii) on the Issue Date, part of the interest components related to the Receivables collected from (but excluding) the Valuation Date up to (but excluding) the Issue Date (in amount equal to the part of the Cash Reserve Initial Amount which is residual following the utilisation of the amounts drawn down by the Issuer under the Subordinated Loan Agreement) shall be transferred into the Cash Reserve Account; and

(iii) by not later than 2 (two) Business Days prior to each Interest Payment Date, an amount equal to the balance thereof to be transferred into the Payments Account.

(3) Cash Reserve Account

(a) *Payments into the Cash Reserve Account*: the Cash Reserve Account will be credited as follows:

(i) on the Issue Date, part of the Cash Reserve Initial Amount out of the proceeds of the Subordinated Loan;

(ii) on the Issue Date, the remaining part of the Cash Reserve Initial Amount from the Collection Account;

(iii) on each Interest Payment Date, the relevant Target Cash Reserve Amount to the extent of the Issuer Available Funds for such purpose in accordance with the Pre-Enforcement Priority of Payments; and

(iv) all interest accrued from time to time on the balance of the Cash Reserve Account.

(b) *Withdrawals from the Cash Reserve Account*: the Cash Reserve Account will be debited as follows:

(i) by not later than 2 (two) Business Days prior to each Interest Payment Date, the amount standing to the credit of the Cash Reserve Account will be transferred into the Payments Account.

(4) Expenses Account

(a) *Payments into the Expenses Account*: the Parties acknowledge that the Expenses Account will be credited as follows:

(i) on the Issue Date, the Retention Amount from the Collection Account;

(ii) on each Interest Payment Date, an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount to the extent of the Issuer Available Funds for such purpose in accordance with the applicable Priority of Payments; and

(iii) all interest accrued from time to time on the balance of the Expenses Account.

(b) *Withdrawals from the Expenses Account***:** the Issuer shall be entitled to withdraw from the Expenses Account:

(i) on any Business Day, during each Interest Period, the amounts standing to the credit of the Expenses Account will be used to pay the Expenses falling due in the relevant Interest Period;

(ii) by not later than 2 (two) Business Days prior to the Interest Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses Account in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Interest Payment Date will be transferred into the Payments Account; and

(iii) after the Interest Payment Date on which the Notes have been redeemed in full and/or cancelled, the amounts remaining on the Expenses Account will be used to pay any known Expenses not yet paid and any Expenses falling due after such Interest Payment Date.

(5) Payments Account

(a) *Payments into the Payments Account*: the Payments Account has been credited as follows:

(i) on the Issue Date, the proceeds of the issuance of the Notes (to the extent not subject to set-off with the Purchase Price due to the Originator pursuant to the Transfer Agreement);

(ii) by not later than 2 (two) Business Days prior to each Interest Payment Date, an amount equal to the balance of the Collection Account and the Cash Reserve Account;

(iii) upon receipt thereof, the proceeds deriving from the disposal (if any) of the Portfolio pursuant to the Transfer Agreement or the Intercreditor Agreement; and

(iv) by not later than 2 (two) Business Days prior to the Interest Payment Date on which the Notes will be redeemed in full and/or cancelled, the amounts standing to the credit of the Expenses Account in excess of any known Expenses not yet paid and any Expenses forecasted by the Administrative Servicer to fall due after such Interest Payment Date;

(v) all interest accrued from time to time on the balance of the Payments Account.

(b) *Withdrawals from the Payments Account***:** the Parties acknowledge that the Payments Account will be debited as follows:

(i) on the Issue Date, the Purchase Price for the Portfolio (to the extent not subject to set-off with the Issue Price due by the Underwriter) to be paid to the Originator;

(ii) on the Issue Date, any amount remaining on the Payments Account after making all payments or transfer due on that date shall be credited to the Collection Account;

(iii) on each Interest Payment Date, an amount to be credited for payments to be made in account of principal and/or interest due in respect of the Notes on such Interest Payment Date, as specified in the relevant Payments Report; and

(iv) save as provided for in paragraph (iii) above, on each Interest Payment Date, all payments to be made in accordance with the applicable Priority of Payments, as specified in the relevant Payments Report.

Payments of Expenses

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay the Expenses, provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the relevant Interest Period, the Issuer shall pay any due but unpaid Expenses (or procure that any due but unpaid Expenses is paid) on the immediately following Interest Payment Date, in accordance with the applicable Priority of Payments.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Euronext Securities Milan in accordance with the provisions of (i) article 83-bis of the Consolidated Financial Act and (ii) the Joint Regulation. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.

In these Conditions, references to (i) any agreement or other document shall include such agreement or other document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The (i) Euro 4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050 (the "**Class A Notes**" or the "**Senior Notes**") and (ii) Euro 834,448,000 Class J Asset Backed Notes due April 2050 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") will be issued by BPL Mortgages S.r.l. (the "**Issuer**") on 25 November 2025 (the "**Issue Date**") pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**") to finance the purchase by the Issuer from Banco BPM S.p.A. (the "**Originator**") of a portfolio (the "**Portfolio**") of monetary claims and connected rights arising under loan agreements (the "**Receivables**") secured by certain guarantees granted by "Fondo Centrale di Garanzia PMI" established by article 2, paragraph 100, lett. (a), of Italian Law No. 662 of 23 December 1996 and, in relation to certain Receivables, also by Law Decree No. 23 of 8 April 2020 (as converted by Law No. 40 of 5 June 2020) and/or by Law Decree No. 104 of 14 August 2020 (as converted by Law No. 126 of 13 October 2020) and/or by Law No. 178 of 30 December 2020 and/or by Law Decree no. 73 of 25 May 2021 (as converted by Law no. 106 of 23 July 2021) and/or by Law No. 234 of 30 December 2021 and/or by Law Decree No. 228 of 30 December 2021 (as converted by Law No. 15 of 25 February 2022) and/or by Law Decree No. 17 of 1 March 2022 (as converted by Law No. 34 of 27 April 2022) (the "**FCG Guarantees**"), pursuant to a transfer agreement entered into on 24 October 2025 (the "**Transfer Agreement**").

The principal source of payment of interest on the Senior Notes and Junior Notes Remuneration (if any) on the Junior Notes and of repayment of principal due and payable in respect of the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio and the other 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 Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

Any reference below to a "**Class**" of Notes or a "**Class**" of Noteholders shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective ultimate owners thereof. Any reference below to the "**Class A Noteholders**" or "**Senior Noteholders**" are to the beneficial owners of the Senior Notes and references to the "**Class J Noteholders**" or "**Junior Noteholders**" are to the beneficial owners of the Junior Notes and references to the "**Noteholders**" are to the beneficial owners of the Senior Notes and Junior Notes.

1. INTRODUCTION

1.1 Noteholders deemed to have notice of Transaction Documents

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents.

1.2 **Provisions of Conditions subject to Transaction Documents**

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

1.3 **Copies of Transaction Documents available for inspection**

Copies of the Transaction Documents are available for inspection by the Noteholders (i) during normal business hours at the registered office of the Representative of the Noteholders, being, as at the Issue Date, Via Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy and at the registered office of the Issuer, being, as at the Issue Date, Via Alfieri 1, 31015 Conegliano (TV), Italy, and (ii) through the Securitisation Repository.

1.4 **Description of Transaction Documents**

1.4.1 Pursuant to the Subscription Agreement, the Underwriter has agreed to subscribe for the Notes and has confirmed the appointment of the Representative of the Noteholders to perform the activities described in the Subscription Agreement, these Conditions, the Rules and the other Transaction Documents.

1.4.2 Pursuant to the Transfer Agreement, the Originator has assigned and transferred without recourse to the Issuer the Receivables included in the Portfolio under the Securitisation Law.

1.4.3 Pursuant to the Servicing Agreement, the Servicer has agreed to administer service and collect amounts in respect of the Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to article 2, paragraph 2(c), the Securitisation Law and will be responsible pursuant to article 2, paragraph 6 *bis*, of the Securitisation Law for ensuring that the transactions comply with the applicable provisions of law and the Prospectus.

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

1.4.5 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain corporate services in relation to the Securitisation.

1.4.6 Pursuant to the Administrative Services Agreement, the Administrative Servicer has agreed to provide to the Issuer certain administrative services in relation to the Securitisation.

1.4.7 Pursuant to the Agency and Accounts Agreement, the Computation Agent, the Paying Agent and Payments Account Bank, the Interim Account Bank, the Transaction Bank, the Servicer and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Agency and Accounts Agreement also contains provisions relating to, *inter alia*, the payment of principal, and interest in respect of the Notes.

1.4.8 Pursuant to the Subordinated Loan Agreement, Banco BPM has provided the Issuer with the funding of part of the Cash Reserve Initial Amount as at the Issue Date.

1.4.9 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Portfolio and the Transaction Documents.

1.4.10 Pursuant to the Mandate Agreement, the Representative of the Noteholders shall, subject to an Issuer Acceleration Notice being served upon the Issuer following the occurrence of an Event of Default and upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

1.4.11 Pursuant to the Quotaholder's Agreement, certain rules in relation to the corporate management of the Issuer have been provided for the Securitisation.

1.4.12 Pursuant to the Master Definitions Agreement, the definitions of certain terms used in the Transaction Documents have been agreed by the parties to the Transaction Documents.

1.5 **Acknowledgement**

Each Noteholder (other than the Underwriter), by reason of holding the Notes, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Zenith or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

1.6 **Representative of the Noteholders**

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders. and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

2. **DEFINITIONS AND INTERPRETATION**

2.1 ***Definitions***

In these Conditions:

"**Accounts**" means, collectively, the Interim Account, the Collection Account, the Cash Reserve Account, the Payments Account and the Expenses Account and "**Account**" means any one of them;

"**Administrative Servicer**" means Banco BPM, or any successor administrative servicer appointed from time to time by the Issuer pursuant to the Administrative Services Agreement;

"**Administrative Services Agreement**" means the agreement dated on the Transfer Date between the Administrative Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"Agency and Accounts Agreement" means the agency and accounts agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Interim Account Bank, the Agents, the Administrative Servicer, the Corporate Servicer, the Subordinated Loan Provider and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"Agents" means, collectively, the Computation Agent, the Paying Agent and Payments Account

Bank, the Interim Account Bank and the Transaction Bank;

"**Back-Up Servicer**" means the back-up servicer appointed by the Issuer in accordance with the Servicing Agreement;

"Back-up Servicer Facilitator" means Zenith or any other entity acting as back-up servicer facilitator from time to time pursuant to the Intercreditor Agreement;

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

"**Banco BPM**" means Banco BPM S.p.A., a bank incorporated in Italy as a joint stock company (*società per azioni*), having its registered office at Piazza F. Meda, 4, Milan, Italy, registered with the companies' Register (*registro delle imprese*) of Milan under number 09722490969 and with the register of banking groups held by the Bank of Italy "Codice meccanografico" 5034 under number 8065, authorised to carry out business in Italy pursuant to the Consolidated Banking Act;

"**Banco BPM Group**" means the banking group enrolled under the register of the banking groups pursuant to article 64 of the Consolidated Banking Act at n. 8065 of which Banco BPM is the holding company;

"BNY, London Branch" means The Bank of New York Mellon, London Branch, a banking corporation organised under the laws of the State of New York and operating through its branch in London at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom;

"BNY, Milan Branch" means The Bank of New York Mellon SA/NV, Milan Branch, a bank incorporated under the laws of Belgium, having its registered office at Multi Tower Boulevard Anspachlaan 1, B-1000, Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan under no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act;

"Borsa Italiana" means Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy;

"**Business Day**" means a day (excluding Saturday and Sunday) on which banks are open for business in Milan, Dublin and London and which is a T2 Settlement Day;

"**Calculation Date**" means four Business Days prior to each Interest Payment Date;

"**Cancellation Date**" means the date of cancellation of the Notes, being (i) the Maturity Date or the earlier date on which the Notes have been redeemed in full; or (ii) if the Notes cannot be redeemed in full on the Maturity Date as a result of the Issuer having insufficient funds for application in or towards such redemption, the earlier of (a) the date on which the Notes are redeemed in full and (b) the date on which the Representative of the Noteholders has certified to the Issuer, in accordance with these Conditions and the Intercreditor Agreement, that the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any unpaid amounts under the Notes and the Transaction Documents as applicable;

"**Cash Reserve**" means the monies standing to the credit of the Cash Reserve Account at any

given time;

"**Cash Reserve Account**" means a euro-denominated account with IBAN: IT62-U-05034-11701-000000003610 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

"**Cash Reserve Initial Amount**" means the amount equal to 4 per cent of the Principal Outstanding Amount of the Senior Notes as being funded on the Issue Date, by (i) applying part of the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) as being credited into the Cash Reserve Account from the Collection Account and (ii) utilising the amounts drawn down by the Issuer under the Subordinated Loan Agreement and credited into the Cash Reserve Account;

"**Class A Notes**" means € 4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050 issued by the Issuer on the Issue Date;

"**Class J Notes**" means € 834,448,000 Class J Asset Backed Notes due April 2050 issued by the Issuer on the Issue Date;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Collection Account**" means a euro-denominated current account with IBAN: IT48-D-05034-11701-000000003608 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

"**Collection End Date**" means the last calendar day of each month in each year.

"**Collection Period**" means each quarterly period commencing on (and including) the first calendar day of January, April, July and October (included) in each year and ending on, respectively, the last calendar day of March, June, September and December (included) in each year until redemption in full of the Notes; being the first Collection Period the period commencing on the Valuation Date (excluded) and ending on March 31, 2026 (included);

"**Collections**" means all amounts received by the Servicer or any other person on their behalf in respect of the Receivables and the relevant instalments;

"**Collection Policies**" means the servicing and collection policies of Banco BPM set out in schedule 1 to the Servicing Agreement;

"**Computation Agent**" means BNY, London Branch, or any other person acting as calculation agent from time to time under the Securitisation;

"**Conditions**" means the terms and conditions of the Notes;

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa*;

"Consolidated Banking Act" means the Italian Legislative Decree no. 385 of 1 September 1993, as amended and supplemented from time to time;

"Consolidated Financial Act" means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented from time to time;

"**Corporate Servicer**" means Banca Finint or any successor corporate servicer appointed from time to time by the Issuer pursuant to the Corporate Services Agreement;

"**Corporate Services Agreement**" means the agreement dated on the Transfer Date between the Corporate Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be

supplemental thereto;

"CRA Regulation" means Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended;

"**Criteria**" means collectively the criteria set out in schedule 1 to the Transfer Agreement on the basis of which the Receivables and the Loan Agreements from which they arise are identified;

"CRR" means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time;

"**Debtor**" means any small and medium enterprises as borrower and any other entity who entered into a Loan Agreement as principal debtor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having assumed the borrower's obligation under an *accollo*, or otherwise;

"Decree 239" means Italian Legislative Decree no. 239 of 1 April 1996, as amended and/or supplemented and/or recast (including by Legislative Decree n. 33 of 24 March 2025) from time to time, and any related regulations;

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

"**Defaulted Claims**" means, collectively, the *Sofferenze* and the Unlikely to Pay Claims;

"EBA" means the European Banking Authority;

"EBA Guidelines on STS Criteria" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*" ad from time to time amended and supplemented;

"**Eligible Institution**" means:

(I) with respect to any entity (other than Banco BPM acting as Transaction Bank),

(a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with applicable S&P and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with the Rating Agencies' published criteria applicable from time to time):

1. with respect to S&P: (i) "A flat" 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 S&P, "A-1" in respect of short term debt;

2. with respect to Moody's: (i) "Aa3" 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-1" in respect of short term debt,

(II) with respect to Banco BPM acting as Transaction Bank:

1. for so long as its long-term deposit are rated at least "Baa3" by Moody's; and

2. for so long as its long-term deposit are rated at least "BBB-" by S&P, provided that Banco

BPM has an *RCR* (“Resolution Counterparty Rating”) by S&P;

or such other rating being compliant with the criteria established by S&P and Moody’s from time to time;

"**Equity Capital Account**" means a euro-denominated deposit account open with the Transaction Bank into which the sum representing 100 per cent. of the Issuer's equity capital (equal to Euro 12,000) has been deposited and will remain deposited therein in an amount not lower than Euro 10,000 for so long as all notes issued (including the Previous Notes) or to be issued by the Issuer (including the Notes) have been paid in full;

"**EURIBOR**" means the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on Reuters page "EURIBOR01" (the "**Reuters Page**") or, in the event that such rate is determined by the Representative of the Noteholders pursuant to Condition 7.8 (*Interest - Determination or calculation by the Representative of the Noteholders*) below, on Bloomberg page "EURO03M" (the "**Bloomberg Page**") (except in respect of (i) the Class A Notes, for the First Interest Period, where it shall be the rate per annum obtained by linear interpolation of the Euro-Zone inter-bank offered rate for three and six-month deposits in euro, which appear on the Reuters Page or the Bloomberg Page, as the case may be); or

(a) such other page as may replace the Reuters Page or the Bloomberg Page, as the case may be, on that service for the purpose of displaying such information; or

(b) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters Page or the Bloomberg Page, as the case may be, as fixed at or about 11.00 a.m. (Milan time) on the Interest Determination Date (the "**Screen Rate**"); or

(c) if the Screen Rate is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Issuer at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Milan time) on that date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Issuer, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

(iii) if only one of the Reference Banks provides the Issuer with such an offered quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the immediately preceding Interest Period which one of sub-paragraph (i) or (ii) above shall have been applied to;

"ESMA" means the European Securities and Markets Authority;

"EU Insolvency Regulation" means Regulation (EU) no. 848 of 20 May 2015, as amended and/or supplemented from time to time;

"Euro", "**EUR"** or **€** means the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995;

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"**Euronext Securities Milan**" means Monte Titoli S.p.A., a joint stock company under the laws of the Republic of Italy, having its registered office at Piazza degli Affari 6, 20123 Milan, Italy, VAT code and enrolment with the companies' register of Milan no. 03638780159;

"**Euronext Securities Milan Account Holder**" means any authorised institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan (and includes any Relevant Clearing System which holds account with Euronext Securities Milan or any depository banks appointed by the Relevant Clearing System);

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*);

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any creditor (other than the Other Issuer Creditors) arising in connection with the Securitisation and required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing or to comply with applicable legislation;

"**Expenses Account**" means the euro-denominated current account with IBAN: IT25-E-05034-11701-000000003609 open by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"**Extraordinary Resolution**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"FATCA" means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986;

"FATCA Withholding" means any withholding applicable under FATCA or an IGA (or any law implementing an IGA);

"**FCG Guarantee**" means the guarantees securing the Receivables granted by "Fondo Centrale di Garanzia PMI" established by article 2, paragraph 100, lett. (a), of Italian Law No. 662 of 23 December 1996 and, in relation to certain Receivables, also by Law Decree No. 23 of 8 April 2020 (as converted by Law No. 40 of 5 June 2020) and/or by Law Decree No. 104 of 14 August 2020 (as converted by Law No. 126 of 13 October 2020) and/or by Law No. 178 of 30 December 2020 and/or by Law Decree no. 73 of 25 May 2021 (as converted by Law no. 106 of 23 July 2021) and/or by Law No. 234 of 30 December 2021 and/or by Law Decree No. 228 of 30 December 2021 (as converted by Law No. 15 of 25 February 2022) and/or by Law Decree No. 17 of 1 March 2022 (as converted by Law No. 34 of 27 April 2022).

"**Final Redemption Date**" means the Interest Payment Date immediately following the earlier of: (i) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (ii) the date when all the Receivables then outstanding will have been entirely written off by the Issuer;

"**Guarantee**" means any guarantee granted to the Originator securing the repayment of the Receivables (including the FCG Guarantees), with the exception of the so-called "*fideiussioni omnibus*";

"Guarantor" means any third party who has granted a Guarantee;

"IGA" means each intergovernmental agreement entered into between the United States and other relevant jurisdictions to facilitate the implementation of FATCA;

"**Individual Purchase Price**" means the individual purchase price for each Receivable, being equal to the Net Accounting Value of the relevant Loan, as at the Valuation Date, as listed in schedule 1 to the Transfer Agreement;

"**Information Memorandum**" means the information memorandum of the Notes prepared in

accordance with article 2 of the Securitisation Law;

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (*including, without limitation, "liquidazione giudiziale", "liquidazione coatta amministrativa", "piani di risanamento", "accordi di ristrutturazione del debito", "piano di ristrutturazione soggetto ad omologazione", "composizione straordinaria della crisi"*, *"concordato semplificato",* and (other than in respect of Banco BPM) *"amministrazione straordinaria"*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer in the context of the Previous Securitisations and/or for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a reputable law firm selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

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

(c) such company or corporation takes any action for a re-adjustment of 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 (expect for 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; or

(e) such company or corporation has become subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business, if applicable.

"**Intercreditor Agreement**" means an intercreditor agreement dated on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Interest Amount**" has the meaning given to it in Condition 7.5 (*Determination of the Interest Amount on the Senior Notes*);

"**Interest Amount Arrears**" means the portion of the relevant Interest Amount for the Senior Notes, calculated pursuant to Condition 7 (*Interest)*, which remains unpaid on the relevant

Interest Payment Date;

"**Interest Determination Date**" means:

(a) prior to the service of an Issuer Acceleration Notice, in respect of each Interest Period, the date falling two Business Days prior to the Interest Payment Date at the beginning of such Interest Period or, with respect to the First Interest Period, the date falling two Business Days prior to the Issue Date;

(b) following the service of an Issuer Acceleration Notice, in respect of each Interest Period, the Calculation Date immediately prior to the Interest Payment Date at the end of such Interest Period;

"**Interest Payment Date**" means (a) prior to the service of an Issuer Acceleration Notice, the 28th of January, April, July and October in each year or, if any such date is not a Business Day, that date will be the first following day that is a Business Day, provided that the first Interest Payment Date will be on 28 April 2026 or, if such day is not a Business Day, the immediately succeeding Business Day (the **"First Interest Payment Date"**), and (b) following the service of an Issuer Acceleration Notice, the dates referred to in paragraph (a) above or any other Business Day as may be from time to time determined by the Representative of the Noteholders;

"**Interest Period**" means each period from (and including) an Interest Payment Date to (but excluding) the next immediately following Interest Payment Date, save that the first Interest Period will commence on (and including) the Issue Date and will end on (but excluding) the First Interest Payment Date (the "**First Interest Period**");

"**Interim Account**" means a euro-denominated current account with IBAN: IT71-C-05034-11701-000000003607 open by the Issuer with the Interim Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"**Interim Account Bank**" means Banco BPM, or any successor thereto appointed from time to time in accordance with the Agency and Accounts Agreement;

"**Issue Date"** means 25 November 2025;

"**Issuer**" means BPL Mortgages S.r.l. a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, VAT code and enrolment with the companies' register of Treviso-Belluno no. 04078130269, with a quota capital of Euro 12,000 (fully paid-up), enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 12 December 2023, having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law;

"**Issuer Acceleration Notice**" has the meaning given to it in Condition 10.2 (*Delivery of an Issuer Acceleration Notice*);

"Issuer Available Funds" means, on each Calculation Date, the available funds of the Issuer in respect of the immediately following Interest Payment Date which are constituted by the aggregate of (without duplication):

(i) the amount standing to the credit of the Collection Account and of the Payments Account as at the end of the Collection Period immediately preceding the relevant Calculation Date consisting of, *inter alia*:

(I) all Collections received or recovered by the Issuer, also through the Servicer, in respect of the Receivables,

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

(ii) the Cash Reserve as at the relevant Calculation Date;

(iii) any refund or repayment obtained by the Issuer from any tax authority in respect of the Receivables, the Transaction Documents or, otherwise, the Securitisation during the immediately preceding Collection Period;

(iv) without duplication of (a) above, on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the balance of the Expenses Account;

(v) all amounts of interest accrued in respect of any of the Accounts and paid during the Collection Period immediately preceding such Calculation Date, and

(vi) any amount (other than the amounts already allocated under other items of the Issuer Available Funds) received or recovered by or on behalf of the Issuer or the Representative of the Noteholders under any of the Transaction Documents during the preceding Collection Period;

"**Issuer's Rights**" means any monetary right arising out in favour of the Issuer against the Debtors and any other monetary right arising out in favour of the Issuer in the context of the Transaction, including the Collections;

"**Joint Regulation**" means the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as amended and supplemented from time to time;

"**Junior Noteholders**" means the holders of the Junior Notes;

"**Junior Notes**" means the Class J Notes;

"**Junior Notes Principal Payment**" means, with reference to each Interest Payment Date, an amount equal to the lower of:

(i) the Target Amortisation Amount on such Interest Payment Date less the Senior Notes Principal Payment on such Interest Payment Date;

(ii) the amount available after application of the Issuer Available Funds, on such Interest Payment Date, to all items ranking in priority to the payment of principal on the Junior Notes in accordance with item (xiii) (*thirteenth*) of the Pre-Enforcement Priority of Payments or with item (x) (*tenth*) of the Post-Enforcement Priority of Payments, as applicable; and

(iii) the Principal Amount Outstanding of the Junior Notes on such Interest Payment Date (prior to any payment being made on such Interest Payment Date in accordance with the relevant Priority of Payments),

provided that in the case of all Interest Payment Dates other than the Cancellation Date, the Junior Notes Principal Payment will be capped to an amount that makes the Principal Amount Outstanding of the Junior Notes on such Interest Payment Date (after any payment being made on such Interest Payment Date in accordance with the relevant Priority of Payments) not lower than Euro 1,000.

"**Junior Notes Remuneration**" means, on each Interest Payment Date:

(a) prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds to be applied on such Interest Payment Date minus all payments or provisions to be made under the Pre-Enforcement Priority of Payments under items (i) to (xiii); or

(b) following the service of an Issuer Acceleration Notice or in the event the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), the Issuer Available Funds to be applied on such Interest Payment Date minus all payments or provisions to be made under the Post-Enforcement Priority of Payments under items (i) to (xi);

"**Liabilities**" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any unrecoverable value added or similar tax charged or chargeable in respect of any sum referred to in this definition;

"**Loans**" means, from time to time, the aggregate of the unsecured loans disbursed to SMEs comprised in the Portfolio, which have been listed under schedule 1 of the Transfer Agreement and in respect of which the relevant Receivables are transferred to the Issuer under the Transfer Agreement;

"**Loan Agreement**" means each document setting out the terms and conditions pursuant to which the relevant Loans have been granted;

"**Local Business Day**" has the meaning given to it in Condition 9.3 (*Payments on Business Days*);

"**Mandate Agreement**" means a mandate agreement dated on or about the Issue Date between the Issuer and the Representative of the Noteholders as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Margin**" means 0.5% per annum in respect of the Class A Notes;

"**Master Definitions Agreement**" means the master definitions agreement executed on or about the Issue Date between all the parties to the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Maturity Date**" means the Interest Payment Date falling in 28 April 2050 in respect of all the Notes;

"**Meeting**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"**Moody's**" means Moody's Investors Service España S.A. and/or Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's France S.A.S. and/or Moody's Deutschland GmbH and/or Moody's Italia S.r.l., as the case may be;

"**Most Senior Class of Notes**" means, at any time:

(a) the Senior Notes; or

(b) if no Senior Notes are then outstanding, the Junior Notes;

"**Net Accounting Value**" means, in relation to each Receivable, the relevant Outstanding Principal, including the principal instalments due but unpaid, increased of (i) the Rateo Amounts; (ii) the interest due but unpaid; and (iii) any costs due in relation to the instalments due on the Valuation Date net of any analytical devaluation;

"Noteholders" means the holders of the Notes;

"**Notes**" means the Senior Notes and the Junior Notes;

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents;

"**Organisation of Noteholders**" means the organisation of the Noteholders created by the issue and subscription of the Notes and regulated by the Rules of the Organisation of Noteholders attached hereto as a schedule;

"**Originator**" means Banco BPM or any permitted successor or assignee thereof;

"**Originator's Claims**" means, collectively, the monetary claims that Banco BPM may have from time to time against the Issuer under the Transfer Agreement (other than in respect of the Purchase Price) and the Warranty and Indemnity Agreement;

"**Outstanding Principal**" means, in respect of a Receivable, the aggregate of the outstanding principal amount of the relevant Loan as at the Valuation Date (included), net of any payment of principal component paid until such date);

"**Other Issuer Creditors**" means collectively the Representative of the Noteholders, the Originator, the Computation Agent, the Servicer, the Paying Agent and Payments Account Bank, the Interim Account Bank, the Underwriter, the Transaction Bank, the Corporate Servicer, the Administrative Servicer, the Back-Up Servicer, the Back-up Servicer Facilitator, the Subordinated Loan Provider and any other party that may from time to time become a party to any Transaction Document;

"Paying Agent and Payments Account Bank" means BNY, Milan Branch or any other entity acting as paying agent from time to time pursuant to the Agency and Accounts Agreement;

"**Payments Account**" means a euro-denominated current account with number: 9044705000 open by the Issuer with the Paying Agent and Payments Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

"**Payments Report**" means the report (substantially in the form attached to the Agency and Accounts Agreement) to be prepared and delivered on or prior to each Calculation Date by the Computation Agent pursuant to the Agency and Accounts 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 Information Memorandum in respect of the Receivables is accurate;
(ii) on a statistical basis, the integrity and referentiality of the information provided 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 Banco BPM are compliant with the Criteria that are able to be tested prior to the Issue Date;

"**Portfolio"** means the portfolio of Receivables which have been assigned to the Issuer under the Transfer Agreement on the Transfer Date;

"**Portfolio Outstanding Amount**" means, on each Interest Payment Date, the aggregate Outstanding Principal of all the Receivables included in the Portfolio as at the end of the immediately preceding Collection Period;

"**Post-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 6.2 (*Post-Enforcement Priority of Payments*);

"**Pre-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 6.1 (*Pre-Enforcement Priority of Payments*);

"**Previous Securitisations**" means the securitisation transactions of loans receivables carried out by the Issuer in accordance with the Securitisation Law on 2012 and 2022, as amended from time to time;

"**Previous Notes**" means the asset-backed notes issued from time to time by the Issuer in the context of the Previous Securitisations;

"**Principal Amount Outstanding**" means, on any day and in relation to any Note, the aggregate principal amount outstanding of that Note upon issue, minus the aggregate amount of all Principal Payments in respect of that Notes which have become due and payable (and which have actually been paid) on or prior to that day;

"**Principal Payments**" has the meaning given in Condition 8.4 (*Principal Payments*);

"**Priority of Payments**" means, as the case may be, any of the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments;

"**Purchase Price**" means the purchase price paid by the Issuer to the Originator as consideration for the Receivables under the Transfer Agreement;

"**Quotaholder**" means SVM Securitisation Vehicles Management S.r.l.;

"**Quotaholder's Agreement**" means the quotaholder's agreement in relation to the Issuer dated the Issue Date, between the Issuer, SVM Securitisation Vehicles Management S.r.l. and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Rate of Interest**" has the meaning given in Condition 7.3 (*Rate of interest on the Senior Notes*);

"**Rateo Amount**" means the interest accrued on the relevant Loans up to the Valuation Date (included) but not yet due.

"**Rating Agencies**" means Moody's and S&P;

"Receivables" means each and every monetary claim included in the Portfolio existing as at the Transfer Date and arising under the Loans which met the Criteria as at the Valuation Date (or in such other date as being specified for such Criteria), as set out under the Transfer Agreement.

"**Reference Banks**" means, initially, Barclays Bank PLC, Lloyds Bank plc and HSBC Bank plc, each acting through its principal London office and, if the principal London office of any such bank is unable or unwilling to continue to act as a Reference Bank, the principal London office of such other bank as the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders (acting upon instruction of the Noteholders) to act in its place;

"**Regulatory Technical Standards**" means:

(a) the regulatory and implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(b) the transitional regulatory technical standards applicable pursuant to article 43 of the

Securitisation Regulation prior to the entry into force of the relevant regulatory technical standards referred to in paragraph (a) above;

"**Relevant Clearing System**" means Euroclear and/or Clearstream, Luxembourg;

"**Reporting Date**" means the date falling no later than 7 (seven) Business Days immediately following the end of each preceding Collection Period, provided that the first Reporting Date will be on April 10, 2026;

"Reporting Entity" means the Originator or any other person acting as reporting entity pursuant to article 7(2) of the Securitisation Regulation from time to time under the Securitisation as notified by the Issuer to the investors in the Notes.

"**Representative of the Noteholders**" means Zenith or any other person acting as representative of the Noteholders from time to time under the Securitisation;

"**Retention Amount**" means the amount of € 50,000;

"**Rules of the Organisation of the Noteholders**" or the "**Rules**" means the rules of the organisation of the Noteholders attached as an Exhibit to the Conditions, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereof;

"**S&P**" means S&P Global Ratings Europe Limited;

"Securitisation" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"**Securitisation Law**" means Italian law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Regulation**" means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017, together with any relevant delegated regulation and/or regulatory technical standards thereof, and/or implementing measures or official guidance in relation thereto (including without limitation any opinion and/or Q&A document from time to time issued by the European Securities Market Authority (ESMA) and/or the European Banking Authority (EBA)), in each case, as amended, varied and supplemented from time to time;

"**Securitisation Repository**" means the securitisation repository designated by the Reporting Entity where the information required by article 7(1) of the Securitisation Regulation is made available, being as at the Issue Date the website of European DataWarehouse GMBH (being, as at the date of this Information Memorandum https://editor.eurodw.eu) or such other repository which will be appointed by the Reporting Entity in accordance with the applicable Securitisation Regulation;

"**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;

"**Segregated Assets**" means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them;

"**Senior Noteholders**" means the holders of the Senior Notes;

"**Senior Notes**" means the Class A Notes;

"**Senior Notes Principal Payment**" means, with reference to each Interest Payment Date, an amount equal to the lower of:

(i) the Target Amortisation Amount on such Interest Payment Date;

(ii) the amount available after application of the Issuer Available Funds, on such Interest Payment Date, to all items ranking in priority to the payment of principal on the Senior Notes in accordance with item (viii) (*eighth*) of the Pre-Enforcement Priority of Payments or with item (vi) (*sixth*) of the Post-Enforcement Priority of Payments, as applicable, and

(iii) the Principal Amount Outstanding of the Senior Notes on such Interest Payment Date (prior to any payment being made on such Interest Payment Date in accordance with the relevant Priority of Payments);

"**Servicer Report**" means the report prepared and submitted by the Servicer on each Reporting Date in the form set out in the Servicing Agreement and containing, inter alia, information as to the Portfolio and the relevant Collections in respect of the preceding Collection Period together with all such information required under the Securitisation Regulation;

"**Servicer**" means Banco BPM;

"**Servicer's Advance**" means any amount due to the Servicer by the Issuer under the Servicing Agreement (other than the amounts to be paid by the Issuer to the Servicer pursuant to item (iv) of the relevant Priority of Payments);

"**Servicer Report Delivery Failure Event**" means any event (which do not constitute an Event of Default) occurred upon any of the Servicer's failure to deliver the relevant Servicer Report within three Business Days from the relevant Reporting Date provided that such event will cease to be outstanding when the Servicer delivers the relevant Servicer Report;

"**Servicing Agreement**" means the servicing agreement entered into on the Transfer Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"***Sofferenze***" means non performing loans classified as "*Sofferenze*" by the Servicer, on behalf of the Issuer in accordance with the Collection Policies (*Pratiche Concordate*) and the Supervisory Instructions after the Valuation Date;

"**Subordinated Loan**" means the subordinated loan granted by the Subordinated Loan Provider in connection with the Subordinated Loan Agreement;

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on or about the Issue Date between the Subordinated Loan Provider, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Subordinated Loan Provider**" means Banco BPM or any permitted successor or assignee thereof;

"**Subscription Agreement**" means the subscription agreement of the Notes entered into on or about the Issue Date between the Issuer, the Underwriter and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Supervisory Regulations**" means the "*Disposizioni di Vigilanza per le banche*" issued by Bank of Italy with the Circular n. 285 of 17 December 2013, as amended and supplemented from time to time, and any other circulars issued by Bank of Italy and applicable to the Securitisation, including the Circular of Bank of Italy n. 272 of 30 July 2008 (as being amended from time to time);

"**T2 Settlement Day**" means any day on which the real time gross settlement system operated by the Eurosystem (T2 or any successor thereto) is open for settlement of payments in Euro;

"**Target Amortisation Amount**" means, in respect of any Interest Payment Date, an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Principal, as at the immediately preceding Collection End Date, of all Receivables (other than the Defaulted Claims) comprised in the Portfolio;

"**Target Cash Reserve Amount**" means (i) on the Issue Date, the Cash Reserve Initial Amount; (ii) on each Calculation Date thereafter an amount equal to the higher of (a) 4 per cent. of the aggregate Principal Amount Outstanding of the Senior Notes, and (b) 10 per cent. of the Cash Reserve Initial Amount and (iii) €0 on the earlier of (i) the Maturity Date; (ii) the Final Redemption Date and (iii) the Interest Payment Date on which the Senior Notes are redeemed in full;

"**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, including any interest, penalties and surcharges thereof;

"**Tax Deduction**" means any deduction or withholding on account of Tax;

"**Transaction Bank**" means Banco BPM, or any successor thereto appointed from time to time in accordance with the Agency and Accounts Agreement;

"**Transaction Documents**" means the Transfer Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement, the Mandate Agreement, the Quotaholder's Agreement, the Subscription Agreement, the Conditions and the Rules of the Organisation of Noteholders, the Information Memorandum and the Subordinated Loan Agreement and any other document which may be deemed to be necessary in relation to the Securitisation;

"**Transfer Agreement**" means the transfer agreement executed on the Transfer Date between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Transfer Date**" means 24 October 2025;

"**Underwriter**" means Banco BPM;

"**Unlikely to Pay Claims**" means the Receivables (A) classified as "*inadempienze probabili* (unlikely to pay)" by the Servicer, on behalf of the Issuer in accordance with the Collection Policies (*Pratiche Concordate*) and the Supervisory Regulation after the relevant Valuation Date and (B) for which 180 days have elapsed from the expiry of the first instalment which has become Unpaid Instalment (*Rata Insoluta*);

"**Unpaid Instalment**" means an instalment which, at a given date, is due but not fully paid and remains such for at least 30 calendar days, following the date on which it should have been paid under the terms of the relevant Loan;

"**Valuation Date**" means 19 October 2025;

"**Value Added Tax**" or "**VAT**" means *Imposta sul Valore Aggiunto* (IVA) as defined in Italian

D.P.R. number 633 of 26 October 1972, as amended, supplemented or recast and as implemented from time to time;

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement executed on the Initial Transfer Date, between the Issuer and Banco BPM, as modified under the Initial Amendment Agreement and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto;

"**Zenith**" means a joint stock company (*società per azioni*), incorporated and organised under the laws of the Republic of Italy, having its registered office at Corso Vittorio Emanuele II, 24/28, 20122 Milan, fiscal code and enrolment number with the companies register of Milan – Monza – Brianza – Lodi no. 02200990980, VAT code 11407600961, enrolled in the general register of financial intermediaries (*Albo Unico degli Intermediari Finanziari*) *belonging to the Arrow Global VAT Group number 11407600961,* held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under No. 30, with a share capital of Euro 2.000.000,00 fully paid up.

2.2 ***References in Condition***

Any reference in these Conditions to:

"**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**",

"**Noteholder**" and related expressions shall be construed accordingly;

a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.3 ***Transaction Documents and other agreements***

Any reference to the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

3. FORM, DENOMINATION AND TITLE

3.1 Denomination

The Senior Notes are issued in minimum denominations of Euro 100,000 and multiples of 100,000. The Junior Notes are issued in minimum denominations of Euro 1,000 and multiples thereof.

3.2 Form

The Notes are issued in dematerialised form and will at all times be evidenced by and title thereto will be transferable by means of, one or more book entries, in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act and (ii) the Joint Regulation.

3.3 Title and Euronext Securities Milan

The Notes will be held by Euronext Securities Milan on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Euronext Securities Milan Account Holder. No physical documents of title will be issued in respect of the Notes.

3.4 The Rules of the Organisation of the Noteholders

The rights and powers of the Noteholders may only be exercised in accordance with Rules of the Organisation of the Noteholders, attached hereto as an Exhibit, which shall constitute an integral and essential part of these Conditions.

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited, as further specified in Condition 16 (*Limited Recourse and Non Petition*), to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code.

4.2 Segregation by Law

By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolio and to any other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer in the context of the Previous Securitisations and/or for the purposes of further securitisation transactions pursuant to the Securitisation Law) and amounts deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer’s Accounts under the Securitisation and not commingled with other sums) will only be available both prior to and following a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.3 Ranking

Both prior to and following the delivery of an Issuer Acceleration Notice, in respect of interest and principal the Senior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes, but in priority to the Junior Notes.

4.4 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 holders of the Most Senior Class of Notes.

4.5 Obligations of Issuer only

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person, including the Originator. Furthermore, no person and none of such Transaction parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

5. ISSUER COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, nor shall it cause or permit (to the extent permitted by applicable laws) any other party to the Transaction Documents to, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in or contemplated by any of the Transaction Documents:

5.1 Negative pledge

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or, save for any Security Interest created in the context of the Previous Securitisations and any further securitisation under Condition 5.13 (*Further Securitisations*) below, over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets; or

5.2 Restrictions on activities

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, the Previous Securitisations or any further securitisation complying with the provisions of the Condition 5.13 (*Further Securitisations*) or any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* as defined in article 2359 of the Italian Civil Code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset; or

5.2.5 become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

5.3 Dividends or Distributions

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by the applicable law; or

5.4 De-registrations

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 12 December 2023, for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5 Borrowings

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness to

be incurred in relation to the Previous Securitisations and any further securitisation pursuant to Condition 5.13 (*Further Securitisations*) 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

5.6 **Merger**

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or

5.7 **No variation or waiver**

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from any of its obligations thereunder; or

5.8 **Bank Accounts**

have an interest in any bank account other than the Accounts or any bank accounts open in relation to the Previous Securitisations or any further securitisation pursuant to Condition 5.13 (*Further Securitisations*) below; or

5.9 **Statutory Documents**

amend, supplement or otherwise modify its by-laws (*statuto*) or articles of association (*atto costitutivo*) except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10 **Corporate records, financial statements and books of account**

permit or consent to any of the following occurring:

(i) its books and records being maintained with or co-mingled with those of any other person or entity or those of any other securitisation transaction other than this Securitisation;

(ii) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or

(iii) its assets or revenues being co-mingled with those of any other person or entity;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(A) separate financial statements in relation to its financial affairs are maintained;

(B) all corporate formalities with respect to its affairs are observed;

(C) separate stationery, invoices and cheques are used;

(D) it always holds itself out as a separate entity; and

(E) any known misunderstandings regarding its separate identity are corrected as soon as possible; or

5.11 **Centre of interest or establishment outside Italy**

move its "centre of main interest" (as that term is used in article 3(1) of the EU Insolvency

Regulation), or establish any branch or "establishment" (as that term is used in article 2(10) of the EU Insolvency Regulation), outside the Republic of Italy; or

5.12 **Derivatives**

enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation.

5.13 **Further Securitisations**

For avoidance of doubt, nothing shall prevent the Issuer from carrying out further securitisation transactions (other than the Securitisation and the Previous Securitisations), 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 16 (*Non Petition and Limited Recourse*).

6. **PRIORITY OF PAYMENTS**

6.1 **Pre-Enforcement Priority of Payments**

Prior to (i) the service of an Issuer Acceleration Notice, or (ii) the exercise by the Issuer of the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), or (iii) the Maturity Date, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

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

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

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

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent and Payments Account Bank;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Interest Amounts due and payable on each Senior Notes;

(vi) *sixth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;

(vii) *seventh,* for so long as there are Senior Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the Payments Account;

(viii) *eight*, in or towards repayment, *pro rata* and *pari passu*, of the Senior Notes Principal Payment;

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents; and

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement;

(xi) *eleventh,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre- Enforcement Priority of Payments);

(xii) *twelfth*, in or towards satisfaction of all amounts due and payable to the Originator in respect of the Rateo Amounts (if any) under the terms of the Transaction Documents;

(xiii) *thirteenth*, upon repayment in full of the Senior Notes, in or towards repayment, *pro rata* and *pari passu*, of the Junior Notes Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xiv) *fourteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

6.2 **Post-Enforcement Priority of Payments**

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 8.5 (*Optional redemption*) or Condition 8.6 (*Optional redemption for taxation reasons*), or on the Maturity Date, the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

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

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

Noteholders;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer (if any), the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the Interim Account Bank, the Computation Agent and the Paying Agent and Payments Account Bank;

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of Interest Amount (including any interest accrued but unpaid) on the Senior Notes at such date;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Senior Notes Principal Payment;

(vii) *seventh*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof:

(A) all amounts due and payable to the Originator in respect of the Originator's Claims (if any) under the terms of the Transaction Documents; and

(B) all amounts due and payable to the Servicer as Servicer's Advance (if any) under the terms of the Servicing Agreement;

(viii) *eighth,* in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post- Enforcement Priority of Payments);

(ix) *ninth,* in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(x) *tenth*, in or towards repayment, *pro rata* and *pari passu*, of the Junior Notes Principal Payment (in the case of all Interest Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Junior Notes not lower than Euro 1,000, provided that an amount equal to the principal amount not redeemed as a consequence of this limitation will be credited to the Payments Account);

(xi) *eleventh,* on the Cancellation Date, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding on the Junior Notes until the Junior Notes are redeemed in full; and

(xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date.

7. INTEREST

7.1 Interest Payment Dates and Interest Periods

Each Senior Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, and such interest will be payable in euro in arrears on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 9 (*Payments*). A Junior Notes Remuneration may be payable (if any) on the Junior Notes, calculated in accordance with Conditions 7.4 (*Junior Notes Remuneration*) and 7.6 (*Calculation of Junior Notes Remuneration*), payable in euro in arrears on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 9 (*Payments*).

7.2 **Termination of interest accrual**

Interest will cease to accrue on each Note on the due date for final redemption unless payment is improperly withheld or refused. In such event, it shall continue to accruein accordance with this Condition 7 (both before and after judgment) until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and

(b) the Cancellation Date.

7.3 **Rate of interest on the Senior Notes**

The rate of interest applicable to the Class A Notes for each Interest Period will be determined by the Paying Agent and Payments Account Bank on each Interest Determination Date preceding the relevant Interest Period, and will be the higher of:

(1) 0% (zero per cent); and

(2) the sum of:

(a) the EURIBOR applicable on the relevant Interest Determination Date; and

(b) the Margin;

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

It being understood that in respect of the Class A Notes for the First Interest Period, the Rate of Interest will be obtained upon linear interpolation of the EURIBOR for three and six-month deposits in euro (as determined in accordance with this Condition 7 (*Interest*)), plus a margin equal to 0.5% per cent per annum.

7.4 **Junior Notes Remuneration**

The Junior Noteholders shall be entitled, for each Interest Period, to the payment of an amount equal to the Junior Notes Remuneration calculated on each Calculation Date which will be payable (if any) on the next Interest Payment Date in accordance with the applicable Priority of Payments.

7.5 **Determination of the Interest Amount on the Senior Notes**

The Paying Agent and Payments Account Bank will, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date in relation to each Interest Period, determine the amount of interest due in respect of the Senior Notes for the relevant Interest Period (each such amount, the "**Interest Amount**"). The Interest Amount shall be determined by applying the Rate of Interest for such Interest Period to the Principal Amount Outstanding of the Senior Notes, during such Interest Period, multiplying the product of such calculation by the actual number of days in the Interest Period concerned divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

7.6 **Calculation of Junior Notes Remuneration**

The Computation Agent will, on the Calculation Date immediately preceding the Interest Payment Date, in relation to each Interest Period, calculate and communicate (through the Payments Report) to the Paying Agent and Payments Account Bank and the Junior Noteholders any Junior Notes Remuneration that may be payable (if any) in respect of the Junior Notes on such Interest Payment Date in accordance with the applicable Priority of Payments.

7.7 **Publication of the Rate of Interest and the Interest Amount**

The Issuer shall notify (or cause the Paying Agent and Payments Account Bank to notify, save in case of notification to be made through the Euronext Securities Milan system) the Rate of Interest and the Interest Amount applicable to the Senior Notes for each Interest Period and the Interest Payment Date in respect of such Interest Amount, promptly after determination (and in any event not later than the first day of each relevant Interest Period), to the Servicer, the Back-Up Servicer Facilitator, the Representative of the Noteholders, the Transaction Bank, the Computation Agent, the Administrative Servicer, the Corporate Servicer, Euronext Securities Milan and Borsa Italiana and shall procure (or cause the Paying Agent and Payments Account Bank to procure) that the same are published in accordance with Condition 17 (*Notices*) on, or as soon as possible after, the relevant Interest Determination Date. The Rate of Interest and the Interest Amount so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.8 **Determination or calculation by the Representative of the Noteholders**

If the Issuer (or the Paying Agent and Payments Account Bank on its behalf) fails to determine the Rate of Interest and/or the Interest Amount in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders shall (but without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result) calculate and notify the relevant Rate of Interest and/or Interest Amount in the manner specified in this Condition 7 (*Interest*), and any such determination, calculation and notification shall be deemed to have been made by the Paying Agent and Payments Account Bank.

7.9 **Reference Banks and Paying Agent and Payments Account Bank**

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 and Payments Account Bank. 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 (acting upon instructions of the Noteholders) to act as such in its place. The terminated or resigning Paying Agent and Payments Account Bank shall continue to perform its obligations until a successor paying agent, approved in writing by the Representative of the Noteholders (acting upon instructions of the Noteholders) and notified to the Rating Agencies, has undertaken the role of the resigning Paying Agent and Payments Account Bank and has adhered to the Agency and Accounts Agreement, the Intercreditor Agreement and the other Transaction Documents to which the Paying Agent and Payments Account Bank is a party. If a new Paying Agent and Payments Account Bank is appointed, a notice will be published in accordance with Condition 17 (*Notices*).

7.10 **Unpaid Interest with respect to the Notes**

Without prejudice to Condition 7.12 (*Interest Amount Arrears*), unpaid interest on the Notes shall accrue no interest.

7.11 **Fallback provisions**

(a) Notwithstanding anything to the contrary, including Condition 7.3 (*Rate of Interest on the Senior Notes*) and provisions set out under the definition of EURIBOR, the following provisions will apply if the Issuer (acting on the advice of the Servicer) determines that any of the following events (each a "**Base Rate Modification Event**") has occurred:

(i) a material disruption to Euribor, an adverse change in the methodology of calculating Euribor or Euribor ceasing to exist or to be published;

(ii) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor Euribor administrator has been appointed);

(iii) a public statement by the EURIBOR administrator that it will cease publishing Euribor permanently or indefinitely (in circumstances where no successor Euribor administrator has been appointed that will continue publication of Euribor or will be changed in an adverse manner);

(iv) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(v) a public statement by the supervisor of the EURIBOR administrator which means that EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences;

(vi) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Notes; or

(vii) the reasonable expectation of the Issuer (acting on the advice of the Servicer) that any of the events specified in sub-paragraphs (i) to (vi) will occur or exist within six months of the proposed effective date of such Base Rate Modification (as defined below).

(b) Following the occurrence of a Base Rate Modification Event, the Issuer (acting on the advice of the Servicer) will inform the Originator and the Representative of the Noteholders of the same and will appoint a rate determination agent to carry out the tasks referred to in this Condition 7.11 (the "**Rate Determination Agent**").

(c) The Rate Determination Agent shall determine an alternative base rate (the "**Alternative Base Rate**") to be substituted for EURIBOR as the reference rate of the Notes and those amendments to these Conditions and the Transaction Documents to be made by the Issuer as are necessary or advisable to facilitate such change (the "**Base Rate Modification**"), provided that no such Base Rate Modification will be made unless the Rate Determination Agent has determined and confirmed to the Representative of the Noteholders in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(i) such Base Rate Modification is being undertaken due to the occurrence of a Base Rate Modification Event and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and

(ii) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Senior Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(B) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or

(C) such other base rate as the Rate Determination Agent reasonably determines (and in relation to which the Rate Determination Agent has provided reasonable justification of its determination to the Issuer and the Representative of the Noteholders),

provided that, for the avoidance of doubt (I) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Noteholders; and (II) for the avoidance of doubt, the Servicer

may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this paragraph (c) are satisfied.

(d) It is a condition to any such Base Rate Modification that:

(i) the Originator pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Representative of the Noteholders and the Servicer and each other applicable party including, without limitation, any of the agents to the Issuer, in connection with such modifications. For the avoidance of doubt, such costs shall not include any amount in respect of any reduction in the interest payable to a Noteholder;

(ii) with respect to each Rating Agencies, the Servicer has notified such Rating Agencies of the proposed modification and, in the Servicer's reasonable opinion, formed on the basis of such notification, the relevant modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Senior Notes by such Rating Agencies; or (y) such Rating Agencies placing the Senior Notes on rating watch negative (or equivalent); and

(iii) the Issuer (or the Servicer on its behalf) provides at least 30 (thirty) days' prior written notice to the Senior Noteholders of the proposed Base Rate Modification. If the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of paragraph (c) above and if the Senior Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Senior Notes have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which the Senior Notes may be held within the notification period referred to above that they object to the proposed Base Rate Modification, then such modification will not be made unless a resolution of the Senior Noteholders is passed in favour of such modification in accordance with these Conditions by the Senior Noteholders representing at least the majority of the then Principal Amount Outstanding of the Senior Notes.

(e) When implementing any modification pursuant to this Condition 7.11, the Rate Determination Agent, the Issuer and/or the Servicer, as applicable, shall act in good faith and (in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*)), shall have no responsibility whatsoever to the Issuer, the Noteholders or any other party.

(f) If a Base Rate Modification is not made as a result of the application of paragraph (c) above, and for so long as the Issuer (acting on the advice of the Servicer) considers that a Base Rate Modification Event is continuing, the Servicer may or, upon request of the Originator, must, initiate the procedure for a Base Rate Modification as set out in this Condition 7.11 (including, for the avoidance of doubt, the re-application of paragraph (c) above).

(g) Any modification pursuant to this Condition 7.11 must comply with the rules of any stock exchange on which the Senior Notes are from time to time listed or admitted to trading and may be made on more than one occasion.

(h) As long as a Base Rate Modification is not deemed final and binding in accordance with this Condition 7.11, the reference rate applicable to the Notes will be equal to the last reference rate available on the relevant applicable screen rate pursuant to paragraph (a) above.

This Condition 7.11 shall be without prejudice to the application of any higher interest under applicable mandatory law.

It being understood that upon the occurrence of a Base Rate Modification Event, the Paying Agent and Payments Account Bank shall be notified of any benchmark amendments, discontinuation,

any adjustment spread and any other changes to the interest calculation provisions at least ten Business Days prior to the first applicable Interest Determination Date.

In addition, none of the Agents is obliged to concur with the Issuer in respect of any conforming changes or amendments required as a result of a Base Rate Modification Event, to which, in the sole opinion of such Agent, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to such agents in the Agency and Accounts Agreement.

7.12 **Interest Amount Arrears**

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice pursuant to Condition 10 (*Events of Default*), prior to the service of an Issuer Acceleration Notice, in the event that on any Interest Payment Date a portion of the relevant Interest Amount for the Senior Notes remains unpaid ("**Interest Amount Arrears**") (in accordance with the Pre-Enforcement Priority of Payment) such Interest Amount Arrears shall be deferred on the following Interest Payment Date or on the day an Issuer Acceleration Notice is served to the Issuer, whichever comes first. Any such Interest Amount Arrears shall not accrue additional interest. A *pro rata* share of such Interest Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this paragraph, on each Senior Note on the next succeeding Interest Payment Date.

7.13 **Notification of Interest Amount Arrears**

If, on any Calculation Date, the Computation Agent determines that any Interest Amount Arrears in respect of the Senior Notes will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given or procured to be given (through the Payments Report) by the Issuer to the Representative of the Noteholders, the Rating Agencies, the Paying Agent and Payments Account Bank, Euronext Securities Milan, Borsa Italiana and to the Noteholders in accordance with Condition 17 (*Notices*), specifying the amount of the Interest Amount Arrears to be deferred on such following Interest Payment Date.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 Final redemption

Unless previously redeemed in full and cancelled as provided in this Condition, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest and Junior Notes Remuneration (if any), on the Maturity Date, subject as provided in Condition 9 (*Payments*).

8.2 Cancellation Date

The Notes will be finally and definitively cancelled on the Cancellation Date.

If the Notes cannot be redeemed in full on the Maturity Date as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the date on which the Representative of the Noteholders has certified to the Issuer, in accordance with these Conditions and the Intercreditor Agreement, that the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any unpaid amounts under the Notes and the Transaction Documents as applicable, at which date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.3 **Mandatory redemption**

Prior to the service of an Issuer Acceleration Notice, if, on any Calculation Date, there are Issuer Available Funds available for such purpose, the Issuer will apply such Issuer Available Funds on the Interest Payment Date immediately following such Calculation Date in or towards the mandatory redemption of the Notes of each Class (in whole or in part) in accordance with the Pre-Enforcement Priority of Payments.

After the delivery of an Issuer Acceleration Notice, the Issuer Available Funds and any other amounts received or recovered by the Representative of the Noteholders shall be applied by the Representative of the Noteholders in accordance with the Post Enforcement Priority of Payments.

8.4 **Principal Payment**

The principal amount payable in respect of each Note on any Interest Payment Date (each, a "**Principal Payment**") shall be a *pro rata* share of the Issuer Available Funds determined in accordance with the provisions of these Conditions to be available to redeem Notes of the relevant Class on such date, calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Note to the then Principal Amount Outstanding of all the Notes of such Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

8.5 **Optional redemption**

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem on any Interest Payment Date the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the holders of the Junior Notes consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date (the "**Redemption Date**"), subject to the Issuer:

(i) giving not more than 60 (sixty) nor less than 30 (thirty) days' prior written notice to the Representative of the Noteholders, the Noteholders and the Rating Agencies, in accordance with Condition 17 (*Notices*), of its intention to redeem the Notes; and

(ii) having provided to the Representative of the Noteholders (also through the Servicer), upon or before the delivery of the notice under (i) above, a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the necessary funds on such Interest Payment Date to discharge all its obligations under the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other obligations ranking in priority, or *pari passu*, thereto in accordance with the Post-Enforcement Priority of Payments.

The Issuer may obtain the funds necessary to finance such early redemption of the Notes from the sale of the Portfolio to the Originator. Pursuant to the Transfer Agreement, the Issuer has irrevocably granted to the Originator an option right to repurchase (in whole but not in part) the Portfolio then outstanding, in order to finance the early redemption of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), pursuant to the terms and subject to the conditions set out therein.

8.6 **Optional redemption for taxation reasons**

Provided that no Issuer Acceleration Notice has been served on the Issuer, upon the imposition, at any time, of: (i) any Tax Deduction (other than a Decree 239 Withholding) in respect of any payments to be made to the Noteholders, or (ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of

the Noteholders or the Issuer's assets in respect of the Securitisation, subject to the following:

(i) that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

(ii) that upon or prior to giving such notice, the Issuer:

(a) has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

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

then the Issuer may redeem on any Interest Payment Date the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), at their Principal Amount Outstanding (plus any accrued and unpaid interest thereon up to and including the relevant Interest Payment Date), and any other payment ranking higher or *pari passu* with the Notes to be redeemed, in accordance with the Post-Enforcement Priority of Payments.

The Issuer may obtain the funds necessary to finance such early redemption of the Notes from the sale of the Portfolio to the Originator. Pursuant to the Transfer Agreement, the Issuer has irrevocably granted to the Originator an option right to repurchase (in whole but not in part) the Portfolio then outstanding, in order to finance the early redemption of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part), pursuant to the terms and subject to the conditions set out therein.

8.7 **Calculation of Issuer Available Funds, Target Amortisation Amount, Principal Payments and Principal Amount Outstanding**

On each Calculation Date, the Issuer will procure that the Computation Agent determines, *inter alia*:

(i) the Issuer Available Funds;

(ii) the Target Amortisation Amount on the immediately following Interest Payment Date;

(iii) the Principal Payments (if any) due on the Notes of each Class on the immediately following Interest Payment Date;

(iv) the Principal Amount Outstanding of each Class of Notes on the immediately following Interest Payment Date (after deducting any principal payment due to be made on that Interest Payment Date in relation to each Note of each Class).

8.8 **Calculations final and binding**

Each determination by or on behalf of the Issuer under Condition 8.7 (*Calculation of Issuer Available Funds, Principal Payments, Interest Amounts and Principal Amount Outstanding*) will

in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.

8.9 **Notice of determination and redemption**

The Issuer will cause each determination of any Target Amortisation Amount, Principal Payments (if any) and Principal Amount Outstanding to each Class of Notes to be notified immediately after the calculation (through the Payments Report) to the Representative of the Noteholders and the Agents and, as long as the Senior Notes are admitted to trading on the Euronext Access Milan Professional of the Euronext Access Milan, Borsa Italiana will immediately cause details of each such determination to be published in accordance with Condition 17 (*Notices*) prior to the relevant Interest Payment Date in accordance with the rules of such stock exchange.

8.10 **Notice irrevocable**

Any such notice as is referred to in Condition 8.9 (*Notice of determination and redemption*) shall be irrevocable and the Issuer shall be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition.

8.11 **Determinations by the Representative of the Noteholders**

If the Issuer, or the Computation Agent on its behalf, does not at any time for any reason make or cause to be made the calculations set out in Condition 8.7 (*Calculation of Issuer Available Funds, Target Amortisation Amount, Principal Payments and Principal Amount Outstanding*), the same may be fulfilled by the Representative of the Noteholders directly or, in the case of an activity which can be carried out only by banks, through such bank which the Representative of the Noteholders will appoint (acting upon instruction of the Noteholders) for such purpose, in accordance with the Agency and Accounts Agreement and each such activity will be deemed to have been made by the Issuer without the Representative of the Noteholders incurring any liability for any omission or error in so doing, save as are caused by its own gross negligence or wilful default. The making of any such calculation in accordance with this Condition shall (in the absence of manifest error) be final and binding upon all the parties.

8.12 **No purchase by the Issuer**

The Issuer will not purchase any of the Notes.

8.13 **Cancellation**

All Notes redeemed in full will forthwith be cancelled upon redemption and accordingly may not be reissued or resold.

9. **PAYMENTS**

9.1 **Payments through Euronext Securities Milan, Euroclear and Clearstream, Luxembourg**

Payments of any amount in respect of the Notes deposited with Euronext Securities Milan will be credited, directly or indirectly, according to the instructions of Euronext Securities Milan, by or on behalf of the Issuer to the accounts of the Euronext Securities Milan Account Holders in whose accounts are credited those Notes, and thereafter credited by such Euronext Securities Milan Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Euronext Securities Milan to the accounts of the Euronext Securities Milan Account Holders in whose accounts are credited those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

9.2 **Payments subject to tax laws**

Payments of principal and interest in respect of the Notes are subject in all cases to any tax or

other laws, regulations and directives applicable thereto.

9.3 **Payments on Business Days**

If the due date for any payment of principal and/or interest in respect of any Note is not a day on which banks are open for general business (including dealings in foreign currencies) in the place in which the relevant Euronext Securities Milan Account Holder is located (in each case, the "**Local Business Day**"), the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Local Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

9.4 **Change of Paying Agent and Payments Account Bank**

The Issuer may or, as the case may be, shall, pursuant to the terms of the Agency and Accounts Agreement, terminate the appointment of the Paying Agent and Payments Account Bank 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 and Payments Account Bank to be given to the Noteholders in accordance with Condition 17 (*Notices*).

9.5 **Notification to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 7 (*Interest*) or Condition 8 (*Redemption, purchase and cancellation*), whether by the Reference Banks (or any of them), the Paying Agent and Payments Account Bank, the Computation Agent or the Representative of the Noteholders, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents, all the Other Issuer Creditors and (in the absence of wilful default, bad faith or manifest error) no liability to the Representative of the Noteholders, the Noteholders or the Other Issuer Creditors shall attach to the Reference Banks, the Paying Agent and Payments Account Bank, the Computation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 7 (*Interest*) or Condition 8 (*Redemption, purchase and cancellation*).

10. **EVENTS OF DEFAULT**

10.1 **Events of Default**

Subject to the other provisions of this Condition, each of the following events shall be treated as an "**Event of Default**":

(i) ***Non-payment***
the Issuer defaults in the payment of the amount of interest and/or principal when due on the Senior Notes and such default is not remedied within a period of 5 (five) Business Days from the due date thereof (for the avoidance of doubt, the Event of Default relating to non-payment of principal may only occur in case of non-payment of principal on the Maturity Date or on any date on which the principal becomes due and payable following a notice of redemption having been served to the Noteholders pursuant to Condition 8.5 (*Optional Redemption*) or 8.6 (*Optional Redemption for taxation reasons*)); or

(ii) ***Breach of other obligations***
the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of being remedied or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of being remedied remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied; or

(iii) ***Insolvency***
an Insolvency Event occurs with respect to the Issuer; or

(iv) ***Unlawfulness***
it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party and such unlawfulness remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of it to the Issuer requiring the same to be remedied.

10.2 **Delivery of an Issuer Acceleration Notice**

Upon occurrence of an Event of Default, then the Representative of the Noteholders,
(1) in the case of an Event of Default under (i) (*Non-payment*) and (iii) (*Insolvency*) above, or
(2) in the case of an Event of Default under (ii) (*Breach of other obligations*) or (iv) (*Unlawfulness*) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,
shall serve an Issuer acceleration notice (the "**Issuer Acceleration Notice**") on the Issuer (and copy to the Rating Agencies) and the Noteholders in accordance with Condition 17 (*Notices*) declaring the Notes to be due and repayable at their Principal Amount Outstanding, provided that the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all duly documented fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

10.3 **Consequences of Service of an Issuer Acceleration Notice**

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

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

11. ENFORCEMENT

11.1 Proceedings

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

11.2 Determination to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 10 (*Events of Default*) or this Condition 11 (*Enforcement*) 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.

11.3 **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.

11.4 **Disposal of the Portfolio following the delivery of a Issuer Acceleration Notice or the occurrence of an Insolvency Event**

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

12. **TAXATION**

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 and Payments Account Bank is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent and Payments Account Bank (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.

None of the Issuer, the Representative of the Noteholders or the Paying Agent and Payments Account Bank will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

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.

13. **REPRESENTATIVE OF THE NOTEHOLDERS**

13.1 *Legal representative*

The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.

13.2 *Appointment of Representative of the Noteholders*

Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, will be made by the Noteholders subject to and in accordance with the Rules, except for the initial Representative of the Noteholders which has been appointed by the Underwriter in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

14. AGENTS

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Transaction Bank, the Computation Agent and the Paying Agent and Payments Account Bank shall act as agents (*mandatari*) solely of the Issuer and (to the extent provided therein) the Representative of the Noteholders and shall not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Issuer reserves the right (with the prior written consent of the Representative of the Noteholders and the prior notice to the Rating Agencies) at any time to vary or terminate the appointment of the Transaction Bank, the Computation Agent and the Paying Agent and Payments Account Bank and to appoint a relevant successor or an additional agent at any time, in accordance with the terms of the Agency and Accounts Agreement and these Conditions.

15. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. LIMITED RECOURSE AND NON-PETITION

16.1 Non-petition

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

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

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

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

16.2 **Limited recourse obligations of the Issuer**

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

(i) 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;

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

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full. The provisions of this paragraph (iii) are subject to none of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior Noteholders) objecting to such determination of the Servicer for reasonably grounded reasons within 30 (thirty) days from notice thereof. If any of the Senior Noteholders (or, following redemption or cancellation of the Senior Notes, the Junior 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.

17. NOTICES

17.1 *Notice*

Any notice regarding the Notes, as long as the Notes are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan and, as long as the Senior Notes are admitted to trading on the professional segment "Euronext Access Milan Professional" of the multilateral trading facility "Euronext Access Milan", if given in accordance with the rules of such multilateral trading facility.
In addition, any notice to the Noteholders given by or on behalf of the Issuer shall also be published on the website: https://www.securitisation-services.com/en/.
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.

17.2 *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.

18. GOVERNING LAW AND JURISDICTION

18.1 *Governing law*

The Notes, these Conditions, the Rules of the Organization of the Noteholders and the Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

18.2 *Jurisdiction*

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

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES

RULES OF THE ORGANISATION OF NOTEHOLDERS

TITLE I - GENERAL PROVISIONS

Article 1

General

The Organisation of Noteholders is created by the issue by BPL Mortgages S.r.l. (the "**Issuer**") and by the subscription of the Euro 4,700,000,000 Class A Asset Backed Floating Rate Notes due April 2050 (the "**Class A Notes**" or the "**Senior Notes**") and the Euro 834,448,000 Class J Asset Backed Notes due April 2050 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"), and shall remain in force and in effect until full repayment or cancellation of all Notes.

The contents of these rules are deemed to form part of each Note issued by the Issuer.

Article 2

Definitions

In these rules, the following terms shall have the following meanings:

"**24 Hours**" means a period of 24 hours, including all or part of a day upon which banks are open for business in the place where the Meeting of the holders of the Relevant Class(es) of Notes is to be held and in the place where the Paying Agent and Payments Account Bank has its specified office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 Hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid;

"**48 Hours**" means two consecutive periods of 24 Hours;

"**Basic Terms Modification**" means:

(a) a modification of the date of maturity of one or more Relevant Classes of Notes;

(b) a modification which would have the effect of cancelling or postponing any date for payment of interest in respect of one or more Relevant Classes of Notes;

(c) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable in respect of one or more Relevant Classes of Notes;

(d) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of one or more Relevant Classes of Notes or the rate of interest applicable in respect of one or more relevant Classes of Notes;

(e) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;

(f) a modification which would have the effect of altering the currency of payment of one or more Relevant Classes of Notes or any alteration of the date or priority of payment or redemption of one or more Relevant Classes of Notes;

(g) a modification which would have the effect of altering the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these rules or the Conditions;

(h) the appointment and removal of the Representative of the Noteholders; and an amendment to this definition;

(i) any proposal to change this definition;

provided that an amendment of the fees, costs and expenses of the Paying Agent and Payments Account Bank, the Computation Agent, the Servicer, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank in accordance with the terms of the relevant Transaction Documents will not constitute a Basic Terms Modification;

"**Block Voting Instruction**" means, in relation to any Meeting, a document issued by the Paying Agent and Payments Account Bank:

(a) certifying that the Blocked Notes have been blocked in an account with the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian and will not be released until the conclusion of the Meeting;

(b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Paying Agent and Payments Account Bank that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(c) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) appointing one or more Proxies to vote in respect of the Blocked Notes in accordance with such instructions;

"**Blocked Notes**" means the Notes which have been blocked in an account with the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian for the purposes of obtaining a Voting Certificate or a Block Voting Instruction and will not be released until the conclusion of the Meeting;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (Chairman of the Meeting);

"**Extraordinary Resolution**" means a resolution of a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with the provisions contained in these rules on any of the subjects covered by Article 21 (*Powers exercisable by Extraordinary Resolution*) by a majority of at least three-quarters of votes cast;

"**Meeting**" means a meeting of the holders of the Relevant Class(es) of Notes (whether originally convened or resumed following an adjournment);

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Voting Certificate or Block Voting Instruction;

"**Relevant Class of Notes**" means:

(a) the Senior Notes; or

(b) the Junior Notes,

as the context requires;

"**Relevant Fraction**" means:

(a) for all business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(i) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes represented or held by the Voters actually present at the Meeting (in the case of a joint Meeting of a combination of Classes of Notes); and

(ii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the Notes of the relevant Class represented or held by the Voters actually present at the Meeting;

"**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 requested by the interested Noteholder and issued by the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian, as the case may be, and dated, stating:

(a) that the Blocked Notes have been blocked in an account with the relevant clearing system, the Euronext Securities Milan 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 of the certificate to the clearing system or the Euronext Securities Milan Account Holder or the relevant custodian who issued the same;

(b) details of the Meeting concerned and the number of the Blocked Notes; and

(c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

Capitalised terms not defined herein shall have the meaning attributed to them in the terms and

conditions of the Notes (the "**Conditions**").

Article 3

Organisation purpose

Each holder of the Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these rules, any reference to Noteholders shall be considered as a reference to the Senior Noteholders and/or the Junior Noteholders, as the case may be.

TITLE II
THE MEETING OF NOTEHOLDERS

Article 4

General

Any resolution passed at a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with these rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

Subject to the provision of Article 21 (*Powers exercisable by Extraordinary Resolution*) any resolution passed at a Meeting of the Senior Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Junior Noteholders.

In each case, all the Noteholders of the Relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, provided, however that, to the extent that any Senior Notes is then outstanding, no resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Senior Noteholders or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Senior Noteholders.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer in accordance with Condition 17 (Notices) and given to the Paying Agent and Payments Account Bank (with a copy to the Issuer and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting but failure to do so shall not invalidate the resolution.

Subject to the provisions of these rules and the Conditions, 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.

The following provisions shall apply while Notes of two or more Relevant Classes of Notes are outstanding:

(a) business which involves the passing of an Extraordinary Resolution involving a Basic Terms Modification shall be transacted at a separate Meeting of the Noteholders of each Relevant Classes of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects only one Relevant Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Relevant Class of Notes;

(c) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted either at separate Meetings of the holders of each such Relevant Class of Notes or at a single Meeting of the holders of each of such Relevant Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion;

(d) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted at separate Meetings of the holders of each Relevant Class of Notes;

and

(e) in the case of separate Meetings of the holders of each Relevant Class of Notes, these rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the Relevant Class of Notes and to the holders of such Notes and, in the case of joint Meetings, as if references to the Notes and the Noteholders were to the Notes of each of the Relevant Classes of Notes and to the respective holders of the Notes.

In this paragraph "business" includes (without limitation) the passing or rejection of any resolution.

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or any other rights of the Senior Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of any other Relevant Class of Notes.

Article 5

Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian, as the case may be, or require the Paying Agent and Payments Account Bank to obtain a Block Voting Instruction by arranging for their Notes to be blocked in an account with the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, providing to the Paying Agent and Payments Account Bank, where appropriate, evidence that the Notes are so blocked. The Noteholders may obtain such evidence by, inter alia, requesting the relevant clearing system, the Euronext Securities Milan Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (i) the practices and procedures of the relevant clearing system; or (ii) articles 21 and 22 of the Joint Regulation. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the specified office of the Representative of the Noteholders, or at some other place approved by the Representative of the Noteholders, at least 24 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, and, if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction and satisfactory proof 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 any Block Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the

Representative of the Noteholders shall be obliged to do so upon the request in writing by, and at the costs of, the Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the Relevant Class of Notes.

Whenever any one of the Issuer or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice in writing to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) of the date thereof and of the nature of the business to be transacted thereat.

Every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in a EU Member State.

Unless the Representative of the Noteholders decides otherwise pursuant to Article 4 (General), each Meeting shall be attended by Noteholders of the Relevant Class of Notes.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, provided that:
(a) the Chairman can ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;
(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;
(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real time;
(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and
(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (provided that such place shall be in an EU Member State).

Article 8

Notice

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 and Payments Account Bank (upon instruction from the Representative of the Noteholders) to the relevant Noteholders in accordance with Condition 17 (*Notices*), 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 Euronext Securities Milan Account Holder in accordance with the provisions of the Joint Regulation, (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 8 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 9

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 10

Quorum

The quorum at any Meeting shall be one or more 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.

No business (except choosing a Chairman, if requested) shall be transacted at a Meeting unless a quorum is present at the commencement of business.

Article 11

Adjournment for want 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 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 provided that no meeting may be adjourned more than once for want of quorum.

Article 12

Adjourned Meeting

Except as provided in Article 11, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another place (which in any case shall be in a EU Member State) and to a new date no earlier than 14 days and no later 42 days after the original date of such Meeting. 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 13

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 11 above, Articles 7 and 8 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 11.

Article 14

Participation

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent and Payments Account Bank;

(c) the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders, and the Paying Agent and Payments Account Bank; and

(f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

Article 15

Passing of resolution

A resolution is validly passed when (i) in respect of an Extraordinary Resolution only, three- quarters of votes cast by the Voters attending the relevant Meeting have been cast in favour of it, or (ii) in respect of any resolution other than an Extraordinary Resolution, the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

Article 16

Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result of the show of hands is declared, the Chairman's declaration that, on a show of hands, a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority, shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 17

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 holding or representing at least 2% of (i) the Principal Amount Outstanding of that Relevant Class of Notes (in the case of a meeting of a particular Relevant Class of Notes), or (ii) the Principal Amount Outstanding of the Relevant Classes of Notes (in the case of a joint Meeting). The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business.

Article 18

Votes

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the votes (if any) to which he may be entitled as a Voter.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 19

Vote by Proxies

Any vote cast by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it was given has been amended or revoked, provided that the Representative of the Noteholders or the Issuer has not been notified by the Paying Agent and Payments Account Bank in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment.

Article 20

Exclusive powers of the Meeting

The Meeting shall have exclusive powers on the following matters:

(a) to approve any Basic Terms Modification;

(b) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to direct the Representative of the Noteholders to serve an Issuer Acceleration Notice under Condition 10(b) (*Service of an Issuer Acceleration Notice*);

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default;

(f) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(g) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents; and

(h) to appoint and remove the Representative of the Noteholders.

Article 21

Powers exercisable by Extraordinary Resolution

Without limitation to the exclusive powers of the Meeting listed in Article 20 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these rules, the Notes, the Conditions, or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) to appoint and remove the Representative of the Noteholders;

(e) approval of the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(f) without prejudice to the Conditions, approval of any modification and alteration of the provisions contained in these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(g) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these rules, the Notes, the Conditions or any other

Transaction Document;

(h) giving any direction or granting any authority or sanction which under the provisions of these rules, the Conditions or the Notes is required to be given or granted by Extraordinary Resolution;

(i) authorisation and sanctioning of actions of the Representative of the Noteholders under these rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents (including any instruction to the Representative of the Noteholders to deliver an Issuer Acceleration Notice) and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and

(j) authorising and directing the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution,

provided, however, that:

(a) no Extraordinary Resolution involving a Basic Terms Modification passed by the holders of the Relevant Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes (to the extent that Notes of each such Relevant Classes of Notes are then outstanding);

(b) no Extraordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Senior Noteholders or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders (to the extent that there are Senior Notes then outstanding).

Article 22

Challenge of resolution

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these rules.

Article 23

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

Article 24

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 25

Individual actions and remedies

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the Relevant Class(es) of Notes in accordance with these rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 25.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, removal and remuneration

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Relevant Class of Notes in accordance with the provisions of this Article 26, save in respect of the appointment of the first Representative of the Noteholders, which will be Zenith Global S.p.A..

Save for Zenith Global S.p.A. as first Representative of the Noteholders, the Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(b) a financial institution registered under article 106 of the Consolidated Banking Act; or

(c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian civil code cannot be appointed as the Representative of the Noteholders.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Relevant Class of 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 (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) above, and, provided that a Meeting of the holders of each Relevant Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such remuneration shall accrue from day to day and shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

Article 27

Duties and powers

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders, subject to and in accordance with the Conditions, these rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders as a class of Notes *vis-à-vis* the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient (in its absolute discretion), whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub- delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of such delegate's misconduct or default, unless the Representative of the Noteholders has been negligent in the selection of the delegate or sub-delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including proceedings involving the Issuer in creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

The Representative of the Noteholders shall have regard to the interests both the Noteholders and the Other Issuer Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these rules, the Intercreditor Agreement or the other Transaction Documents (except where expressly provided otherwise), provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interests of the Noteholders. Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding. The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments.

Each Noteholder by acquiring title to a Note is deemed to agree and acknowledge that:

(a) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the holders of each Relevant Class of Notes, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Note Security or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the holders of each Relevant Class of Notes with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;

(b) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations

under these Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Consolidated Banking Act or otherwise, unless (in each case under paragraphs (b), (c) and (d) above) an Issuer Acceleration Notice shall have been served or an Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(c) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian civil code; and

the provisions of this Article 27 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time, upon giving not less than three calendar months' notice in writing to the Issuer, without assigning any reason therefor and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Relevant Class of Notes has appointed a new Representative of the Noteholders, provided that, if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders which is a qualifying entity pursuant to Article 26. The appointment of the new Representative of the Noteholders under this Article 28 shall become effective as soon as such new Representative of the Noteholders enters into or accedes to the Intercreditor Agreement and the other Transaction Documents to which the resigned Representative of the Noteholders was a party.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume, and shall not be responsible for, any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) shall not be under any obligation to take any steps to ascertain whether an Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder hereunder or under any of the other Transaction Documents, has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Event of Default or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) except as expressly required in these rules or any Transaction Document, shall not be under any obligation to give notice to any person of the execution of these rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(d) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these rules, the Notes, the Conditions, any Transaction Document or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to the Transaction Documents; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained, or required to be delivered or obtained, at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; or (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent and Payments Account Bank or any other person in respect of the Receivables;

(e) 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;

(f) shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit or rating agency or any other person;

(g) shall not be responsible for, or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders, contained herein or in any Transaction Document;

(h) shall not be bound or concerned to examine, or enquire into, or be liable for, any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) shall not be liable for any failure, omission or defect in registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, these rules, the Notes or any Transaction Document;

(j) shall not be under any obligation to insure the Receivables or any part thereof;

(k) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priority of Payments;

(l) shall not have regard to the consequences of any modification or waiver of these rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information; and

(n) 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.

The Representative of the Noteholders, notwithstanding anything to the contrary contained in these rules:

(a) may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these rules, the Conditions (other than a Basic Terms Modification) or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature to correct a manifest error or an error which is, in the opinion of the Representative of the Noteholders, proven or is necessary or desirable for the purposes of clarification or is made to comply with a mandatory provision of law. Any such amendment or modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such amendment or modification to be notified to the Noteholders as soon as practicable thereafter;

(b) may, without the consent of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class;

(c) may, without the consent of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents that the Issuer after consultation with the Originator considers necessary for the purposes of (i) for so long as the Senior Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility; or (ii) complying with the EU Securitisation Rules;

(d) may, without the consent of the Noteholders or any Other Issuer Creditor, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver; provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution, or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification;

(e) may act on the advice, certificate, opinion (whether or not such opinion is addressed to the Representative of the Noteholders and whether or not such opinion contains a monetary or other limit on the liability of the provider of such opinion) or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert of international repute, whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile

transmission or cable and, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;

(f) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate;

(g) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these rules, the Notes, any Transaction Document or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise, or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (colpa grave) or wilful misconduct (dolo);

(h) shall be at liberty to leave in custody these rules, the Transaction Documents and any other documents relating thereto or to the Notes in any part of the world with any bank, financial institution or company of international repute whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers of international repute, and the Representative of the Noteholders shall not be responsible for, or required to insure against, any loss incurred in connection with any such custody, and may pay all sums required to be paid on account of, or in respect of, any such custody;

(i) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, is entitled to convene a Meeting of the Noteholders of any or all Relevant Classes of Notes in order to obtain instructions as to how the Representative of the Noteholders should exercise such discretion, provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or secured and/or pre-funded 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 (provided that supporting documents are delivered) which it may incur by taking such action;

(j) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Relevant Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders;

(k) may call for, and shall be at liberty to accept and place full reliance on as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository, to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular principal amount of Notes;

(l) may certify whether or not an Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class of Notes and any such certificate shall be conclusive and binding upon the Issuer, the Other Issuer Creditors and any other relevant person;

(m) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default

is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any relevant person;

(n) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit, of the Issuer;

(o) shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement, any Other Issuer Creditor or any of the Rating Agencies in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Senior Notes and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so; and

(p) may, in determining whether the exercise of any power, authority, duty or discretion under or in relation hereto or to the Notes, the Conditions or any Transaction Document, is materially prejudicial to the interests of the Noteholders, contact the Rating Agencies so to assess whether the then current ratings of the Senior Notes would not be downgraded, withdrawn or qualified by such exercise and have regard to any other confirmation which it considers, in its sole and absolute discretion, as necessary and/or appropriate.

Any consent or approval given by the Representative of the Noteholders under these rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified or pre-funded against any loss or liability which it may incur as a result of such action.

Article 30

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any of the Other Issuer Creditors (provided that the Representative of the Noteholders shall not be regarded as having been reimbursed, paid or discharged if it has received monies on the account of, or has been pre-funded by, any of the Other Issuer Creditors), all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or by any person appointed by it to whom the Representative of the Noteholders, or by any persons appointed by it to whom any power, authority or discretion may be delegated by it (provided, in each case, that supporting documents are delivered where available) in relation to the preparation and execution of, the exercise or the purported exercise of its powers, authority and discretion and performance of its duties under, and in any other manner in relation to, these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, including, but not limited to, legal and travelling expenses (properly incurred and duly documented) and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders or such appointed person in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders or such appointed person pursuant to these rules, the Notes, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these rules, the Notes, the Conditions, the Intercreditor Agreement or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on

the part of the Representative of the Noteholders or the above-mentioned appointed person.

Article 31

Liability

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or willful default (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF AN ISSUER ACCELERATION NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of an Issuer Acceleration Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Receivables. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, also pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents.

In particular and without limiting the generality of the foregoing, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(a) to request the Interim Account Bank to transfer all monies standing to the credit of the Interim Account to the Collection Account;

(b) to request the Transaction Bank holding the Collection Account to transfer all monies standing to the credit of the Collection Account and the Expenses Account to, respectively, a replacement Collection Account and a replacement Expenses Account open for such purpose by the Representative of the Noteholders with a replacement Transaction Bank which is an Eligible Institution for the purposes of the Collection Account;

(c) to request the Cash Account Bank holding the Cash Reserve Account to transfer all monies standing to the credit the Cash Reserve Account to a replacement Cash Reserve Account open for such purpose by the Representative of the Noteholders with the a replacement Cash Account Bank which is an Eligible Institution for the purposes of the Cash Reserve Account;

(d) to request the Paying Agent and Payments Account Bank to transfer all monies standing to the credit of the Payments Account to a replacement Payments Account open for such purpose by the Representative of the Noteholders with a replacement Paying Agent and Payments Account Bank which is an Eligible Institution;

(e) to require performance by any Other Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Other Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Other Issuer Creditors in respect of the Receivables and the Issuer's Rights;

(f) to instruct the Servicer in respect of the recovery of the Issuer's Rights;

(g) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted hereunder in respect of the relevant Accounts) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; and

(h) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be open by the Representative of the Noteholders pursuant to paragraphs (a) and (b) above to the Noteholders in accordance with the applicable Priority of Payments.

TITLE V
GOVERNING LAW AND JURISDICTION

Article 33

Governing law and jurisdiction

These rules and any non-contractual obligations arising out of, or in connection with, them are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of or in connection with these rules and any non-contractual obligations arising out of, or in connection with, them, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

USE OF PROCEEDS

Monies available to the Issuer on the Issue Date consisting of the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement, in an aggregate amount equal to relevant Cash Reserve Initial Amount will be applied by the Issuer on the Issue Date to increase the Cash Reserve on the Cash Reserve Account.

Monies standing to the credit of the Collection Account on the Issue Date consisting of the interest components of the Receivables collected from the Valuation Date to the Issue Date (but excluding) will be applied by the Issuer on the Issue Date (i) to increase the Cash Reserve on the Cash Reserve Account and (ii) to fund the Retention Amount into the Expenses Account.

The amount payable by the Underwriter to the Issuer on the Issue Date as consideration for the subscription of the Notes under the Subscription Agreement, being Euro 5,534,448,000.00 will be applied by the Issuer to pay to the Originator the Purchase Price for the Portfolio (subject to set-off with the subscription monies due by the Underwriter to the Issuer).

THE ISSUER

Introduction

BPL Mortgages S.r.l. is a limited liability company with sole quotaholder (*società a responsabilità limitata con socio unico*) incorporated in the Republic of Italy under article 3 of the Securitisation Law on 30 June 2006 with the name of "Giano Finance S.r.l.". By way of an extraordinary quotaholder's resolution held on 11 May 2007, the corporate name of the Issuer was changed from "Giano Finance S.r.l." into "BPL Mortgages S.r.l.".

"BPL Mortgages S.r.l." is currently the Issuer's legal name and the Issuer has no commercial name. In accordance with the Issuer's by-laws (*statuto*) as amended by way of an extraordinary shareholder's resolution held on 12 December 2008, the corporate duration of the Issuer is limited to 31 December 2060 and may be extended by shareholders' resolution. The Issuer is registered with the companies' register of Treviso-Belluno under number 04078130269 and in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 12 dicembre 2023*) under number 33259.3 and its tax identification number (*codice fiscale*) and VAT number is 04078130269. The registered office of the Issuer is at via V. Alfieri, 1, 31015 Conegliano (Treviso), Italy. The Issuer has no employees.

Previous Securitisations

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged few securitisation transactions carried out in accordance with the Securitisation Law, of which only the Previous Securitisations are still outstanding.

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

Shareholding

The authorised equity capital of the Issuer is Euro 12,000. The issued and paid-up equity capital of the Issuer is Euro 12,000 entirely held by SVM Securitisation Vehicles Management S.r.l. No other amount of equity capital has been agreed to be issued.

Pursuant to the Quotaholder's Agreement, SVM Securitisation Vehicles Management S.r.l. has agreed certain provisions in relation to the management of the Issuer. The Quotaholder's Agreement also provides that SVM Securitisation Vehicles Management S.r.l., in its capacity as sole shareholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full. The Quotaholder's Agreement is governed by Italian law.

Italian company law combined with the holding structure of the Issuer, the covenants made by the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Quotaholder's Agreement and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer. The Issuer is not aware of direct or indirect ownership or control apart from SVM Securitisation Vehicles Management S.r.l.

Special purpose vehicle

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset- backed

securities. The Issuer has carried out the Previous Securitisations and may carry out Further Securitisations in addition to the one contemplated in this Information Memorandum, subject to the Conditions.

Accounting treatment of the Portfolio

Pursuant to the Bank of Italy's regulations, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*nota integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

Accounts of the Issuer

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 30 June 2006 and ended on 31 December 2006. Consequently, the first financial statements of the Issuer of the Issuer are those relating to the fiscal year ended in December 2006 and approved on 14 March 2007.

Principal activities

The principal corporate objectives of the Issuer, as set out in article 3 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities.

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents, incur any other indebtedness for borrowed monies, engage in any activities except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person, convey or transfer its property or assets to any person, or increase its equity capital.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in Condition 5 (*Covenants*).

Sole director of the Issuer

The sole director of the Issuer is Igor Rizzetto, having his address for the purposes of her title at via V. Alfieri, 1, 31015 Conegliano (TV).

The sole director of the Issuer has the requisite experience and expertise for the management of its business.

Capitalisation and indebtedness statement

The capitalisation and indebtedness of the Issuer as at the date of this Information Memorandum, adjusted for the issue of the Notes on the Issue Date, are as follows:

	Euro
Issued equity capital	
€12,000 fully paid up	Euro 12,000
Borrowings	

Notes issued under the BPL5 Previous Securitisation

€ 2,440,400,000 Class A 2012 Mortgage-Backed Floating Rate Notes due 2062
€1,148,455,000 Class B - 2012 Mortgage-Backed Notes due 2062
€995,100,000 Class A - 2016 Mortgage-Backed Notes due 2062
€1,504,300,000 Class A - 2019 Mortgage-Backed Notes due 2062
€69,670,000 Class B - 2019 Mortgage-Backed Notes due 2062
€1,365,000,000 Class A - 2024 Mortgage-Backed Floating Rate Notes due 2062

Subordinated loans granted to the Issuer in the context of the BPL5 Previous Securitisation:

€ 110,050,000

Notes issued under the BPL8 Previous Securitisation

€1,800,000.000 Class A - 2022 Asset Backed Floating Rate Notes due 25 October 2064

€ 656,397,000 Class J - 2022 Asset-Backed Notes due 25 October 2064

€ 2,851,700.000 Class A - 2025 Asset-Backed Floating Rate Notes due 25 October 2064

€ 234,210,000 Class J - 2025 Asset-Backed Notes due 25 October 2064;

Subordinated loans granted to the Issuer in the context of the BPL8 Previous Securitisation:

€ 5,539,676.44

Total notes and subordinated loans outstanding

Euro
13,180,821,676.44

Save for the foregoing and the Issuer's costs and expenses of incorporation and operation that have been incurred by the Issuer to date, at the Issue Date the Issuer will not have borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees, or other contingent liabilities.

Financial Statements

The Issuer's accounting reference date is 31 December in each year.

The financial statements of the Issuer as at December 31, 2024, December 31, 2023, December 31, 2022 and December 31, 2021 have been duly audited by PriceWatehouseCoopers S.p.A., with

registered office in Piazza Tre Torri, 2 20145 Milan, Italy. 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. So long as any of the Notes are admitted to trading on the Euronext Access Milan Professional of the Euronext Access Milan, the annual financial statements of the Issuer will be audited by an auditing company appointed by the Issuer and copies thereof shall be made available, upon publication, at the registered offices of the Issuer and on the following website https://www.securitisation-services.com/en/.

THE PAYING AGENT AND PAYMENTS ACCOUNT BANK

The information contained in this section of this Information Memorandum relates to and has been obtained from the Paying Agent and Payments Account Bank. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of the Paying Agent, Payments Account Bank since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

The Bank of New York Mellon SA/NV is a Belgian limited liability company established 30 September 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking licence by the former CBFA on 10 March 2009. It has its headquarters and main establishment at Multi Tower Boulevard Anspachlaan 1, B-1000, Brussels, Belgium. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNY), 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, Luxembourg, Italy, France, Denmark, Spain, Poland and Ireland.

In the context of the Securitisation, The Bank of New York Mellon SA/NV will act as Paying Agent and Payments Account Bank.

THE COMPUTATION AGENT

The information contained in this section of this Information Memorandum relates to and has been obtained from the Computation Agent. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of the Computation Agent since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

The Bank of New York Mellon, London Branch, 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 situated at 240 Greenwich Street, New York, New York 10286, USA. The Bank of New York Mellon, London Branch is registered in England and Wales as a Foreign Company No. 005522 and with the Registrar of Companies for England and Wales under Registration No. BR025038. Its principal office in the United Kingdom is located at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the Federal Reserve and is authorised by the Prudential Regulation Authority. The Bank of New York Mellon, London Branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

In the context of the Securitisation, the Bank of New York Mellon, London Branch will act as Computation Agent.

THE BACK-UP SERVICER FACILITATOR AND THE REPRESENTATIVE OF THE NOTEHOLDERS

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

Zenith Global S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Corso Vittorio Emanuele II, n. 24-28, 20122 - Milan, Italy, share capital of Euro 2,000,000.00 fully paid, fiscal code and enrolment with the companies register of Milano number 02200990980 belonging to the Arrow Global VAT Group number 11407600961, belonging to the Arrow Global VAT Group number 11407600961, enrolled in the register of financial intermediaries ("*Albo Unico*") held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act under No. 30.

In the context of the Securitisation, Zenith Global S.p.A. will act as Representative of the Noteholders and Back-up Servicer Facilitator.

THE CORPORATE SERVICER

The information contained in this section of this Information Memorandum relates to and has been obtained from the Corporate Servicer. The delivery of this Information Memorandum shall not create any implication that there has been no change in the affairs of the Corporate Servicer since the date hereof, or that the information contained or referred to in this section of this Information Memorandum is correct as of any time subsequent to its date.

Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A. is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and enrolment with the companies' register of Treviso-Belluno no. 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT no. 04977190265, registered with the banks' register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under no. 5580 and in the register of the banking group held by the Bank of Italy as parent company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

In the context of the Securitisation, Banca Finint will act as Corporate Servicer.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and subsequently amended and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

The Securitisation Law applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law (the "**SPV**") and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

As at the date of this Information Memorandum, only limited interpretation of the application of the Securitisation Law has been issued by any Italian court or governamental or regulatory authority.

Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Information Memorandum.

The Law Decree No. 145 of 23 December 2013

General

The following paragraphs set out an overview of the key features of the amendments to the Securitisation Law introduced by Decree No. 145 which are relevant to securitisations transactions.

Transaction accounts

Decree No. 145 has provided for the main key features to open in the context of each securitisation transaction bank accounts: (a) in the name of the SPV to be held with the account bank or the servicer (the "**SPV Accounts**"), for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents). (b) in the name of the servicer (or any sub-servicer) (the "**Servicer Accounts**") to be held with any bank, for the deposit of the collections of the securitised receivables. Such provisions have been amended and supplemented by Decree No. 91, as described in paragraphs below "SPV Accounts" and "Servicer Accounts".

Assignment pursuant to Law 52/1991, as amended and supplemented from time to time *(the "**Factoring Law**")*

Decree No. 145 has simplified the assignments under the Securitisation Law of receivables falling within the scope of the Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, in relation to such type of receivables, as an alternative to the use of Article 58 of the Consolidated Banking Act, the Decree No. 145 has introduce the possibility to perfect the assignment without need to identity the securitised receivables as a pool (*in blocco*), as follows:

(i) by publishing in the Italian Official Gazette a simplified notice of assignment which only needs to set out the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment (the "**Simplified Publication**"); or

(ii) by applying the relevant provisions of the Factoring Law. This means that the assignment can also be perfected upon simple payment (in full or in part) to the relevant originator of the purchase price of the receivables, subject to such payment having a date certain at law (which is capable of being obtained through its simple registration in the relevant bank account of the originator) (the "**Payment**").

However, it has to be noted that the Simplified Publication and the Payment do not trigger the enforceability of the receivables' assignment against the relevant assigned debtors. Hence, in these cases, such enforceability will be achievable only upon the relevant assignment being notified to the relevant assigned debtor or having been accepted by the latter, in each case in accordance with the provisions of article 1264 of the Italian Civil Code.

Limitation to the set-off rights of the assigned debtors

Decree No. 145 has provided that, with effect from the date of the publication of the notice of assignment on the Official Gazette of the Republic of Italy and the registration of the assignment on the competent companies' register (or of the purchase price payment, as the case may be, as described in the preceding paragraph entitled "*Assignment pursuant to Law 52/1991 (the "Factoring Law")*"), in derogation of any other provision of law, the assigned debtors of the relevant securitised receivables are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date publication of the notice of assignment on the Official Gazette of the Republic of Italy and registration of the assignment on the competent companies' register (or of the payment of the purchase price payment, as the case may be).

Exemption of claw-back of prepayments

The Securitisation Law states that payments made by the assigned debtors to the Issuer may not be subject to any claw-back action or ineffectiveness according to, respectively, article 166 and article 164 paragraph 1 of the Code of Business Crisis and Insolvency. All other payments made to the Issuer by any party to the Transaction Documents in the one year/six months suspect period prior to the date on which the petition for admission to judicial liquidation (*liquidazione giudiziale*) of the relevant party is filed may be subject to claw-back action under article 166 paragraphs 1 or 2, as applicable, of the Code of Business Crisis and Insolvency. The relevant payment may be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency 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.

Simplified procedures for assignment of receivables owed by public entities

Decree No. 145 has simplified the procedure for the assignments of receivables owed by public entities in the context of securitisations governed by the Securitisation Law.

In fact, the assignments of receivables owed by public entities are subject to certain special perfection formalities which, prior to Decree No. 145, applied also to securitisations governed by the Securitisation Law. Such formalities include the need to execute the relevant receivables' transfer agreement in notarised form and to have the assignment notified to the relevant public entity through a court bailiff (and, in some cases, be formally accepted by such public entity).

The assignments of receivables owed by public entities made under the Securitisation Law securitisations will now be subject only to the formalities contemplated by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be) and no other formalities, including those described above, shall apply.

It has also been established that if the SPV appoints as servicer of the receivables an entity other the seller, then the relevant assigned public debtors shall be notified of such appointment through a notice

on the Italian Official Gazette and a registered letter with return receipt.

Securitisation of bonds

Decree No. 145 has clarified that, in addition to monetary receivables, also bonds, similar securities and financial drafts (*cambiali finanziarie*) are capable of being securitised under the Securitisation Law (with the exception of bonds representing company equity, exchangeable, hybrids and convertible bonds). Decree No. 145 has also established that the above-mentioned securities may be, not only purchased, but also directly subscribed, by the relevant SPV.

Sole investor

Decree No. 145 has clarified that where the notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor.

Assignment of receivables arising from overdraft facilities

Decree No. 145 has expressly regulated the assignability of receivables arising from overdraft facilities under securitisation transactions. In particular, according to Decree No. 145, the assignment of all the receivables arising from the agreements relating to such overdraft facilities, including all the relevant future receivables, may now be made enforceable simply through the formalities provided for by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be)).

Asset management companies (SGR) allowed to act as servicers

Decree No. 145 has clarified that in case of securitisations contemplating the assignment of receivables to investment funds in accordance with article 7, paragraph 2-bis, of the Securitisation Law, the relevant asset management companies will be entitled to act as servicer of the transaction.

The Law Decree No. 91 of 24 June 2014

General

The following paragraphs set out an overview of the key features of the amendments to the Securitisation Law introduced by Decree No. 91 which are relevant to securitisations transactions.

Financings granted by SPVs

Decree No. 91 has allowed SPVs to grant financings to entities different form individuals and microenterprises (as defined by article 2, paragraph 1, of the Annex to the European Commission recommendation of 6 May 2003) in the context of securitisation transactions, provided that the following conditions are met:

(i) the borrower is identified by a bank or financial intermediary registered in the general register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act;

(ii) the notes issued under the securitisation transaction are to be subscribed for by qualified investors pursuant to article 100 of the Consolidated Financial Act; and

(iii) the above bank/financial intermediary retains a significant economic interest in the transaction, in accordance with the rules laid down in the implementation provisions of the Bank of Italy.

Moreover, Decree No. 91 has established that from the date (to be certain at law) in which the loan is drawn (in whole or in part), no action is permitted on the receivables and on any sums paid by the assigned debtors other than in satisfaction of the rights of the noteholders and to cover the other costs

of the securitisation.

In the context of such securitisation transactions of receivables arising out of financings granted by SPVs, the servicer of the securitisation is to be responsible to verify the correctness of the transaction and the relevant compliance with the applicable legislation.

Extension of segregation effects

Decree No. 91 has also extended the segregation effects provided for under Article 3, paragraph 2, of the Securitisation Law.

In particular, it has been specified that the receivables relating to each transaction, meaning both (i) the receivables towards the assigned debtors and (ii) any other claims owed to the SPVs in the context of the transaction, as well as (iii) any relevant collections and (iv) financial assets purchased through the proceeds of the receivables form separate assets from the assets of the SPV and those relating to other transactions.

On each such assets no actions are permitted by creditors other than the holders of the notes issued to finance the purchase of the same receivables.

SPV Accounts

Decree No. 91 has amended the provisions in relation to the SPV Accounts, for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents).

In particular, the sums standing to the credit of the SPV Accounts (i) are capable of being seized and attached only by the relevant noteholders; and (ii) can be used exclusively to satisfy the claims of such noteholders and the hedging counterparty, as well as to pay the relevant transaction's costs.

Moreover, in the event that the bank holding the SPV Account becomes subject to any proceedings under Title IV of the Consolidated Banking Act or any insolvency proceedings, the sums deposited on such accounts also pending such proceedings (i) are not subject to suspension of payments and (ii) will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant proceeding and outside any distribution plan.

Servicer Accounts

Decree No. 91 has also amended the provisions in relation to the Servicer Accounts, for the deposit of the collections of the securitised receivables.

The sums standing to the credit of the Servicer Accounts are capable of being seized and attached by the creditors of the relevant servicer (or sub-servicer, as the case may be) only within the limits of the amounts exceeding the sums collected and due to the SPV.

In the event that the relevant servicer (or sub-servicer, as the case may be) become subject to any insolvency proceedings, the sums deposited on such accounts also pending the insolvency proceedings, for an amount equal to the amounts pertaining to the SPV, will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

ABS Notes as eligible assets to cover technical provisions of insurance companies

Decree No. 91 has also broadened the scope of article 5, paragraph 2-bis, of the Securitisation Law, providing that the notes issued in the context of securitisation transactions, and not only those issued in the context of securitisations carried out by way of subscription or purchase of bonds and similar

securities (so-called "mini bonds") or commercial papers by the SPVs, even if not intended to be traded on a regulated market or through multilateral trading facilities and even with no credit rating by third parties, may be accepted as cover for technical provisions of insurance companies under Article 38, Legislative Decree no. 209 of 7 September 2005, as subsequently amended.

The Law No. 178 of 30 December 2020

The Law No. 178 of December 2020 amended the article 1 of the Securitisation Law, providing that the sums (a) paid by the assigned debtors or (b) otherwise received in satisfaction of the assigned receivables shall be exclusively allocated by the assignee company to the satisfaction of the rights embodied in the securities issued by the assignee company itself or by another company, or to the satisfaction of the rights deriving from the loans granted to the assignee company by the entities authorised to grant loans to finance the purchase of such receivables, and to the payment of the costs of the transaction. It is further provided that, in the case of the granting of loans, the references in the text of the Securitisation Law to the securities issued in respect of the securitisation shall refer to the loans and the references to the holders of the securities shall refer to the creditors of the payments due by the financed entity under such loans.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including, for the avoidance of doubt, any other receivables purchased by the SPV pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the SPV.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law, according to article 4, first paragraph of the Securitisation law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the assignor, the debtors in respect of the receivables and third party creditors by way of the publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration of the transfer in the companies register for the place where the Issuer has its registered office, so avoiding the need for notification to be served on each debtor. According to article 4, second paragraph of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

i. no legal action may be brought against the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;
ii. notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;
iii. the assignment becomes enforceable against:
    a) the debtors in respect of the receivables and any creditors of the assignor who have not

commenced enforcement proceedings in respect of the relevant receivables prior to the date of publication of the notice and registration in the Companies Register, provided that following the registration of the assignment in the Companies Register and the publication of the notice in the Official Gazette, the claw-back provisions set forth in article 166 of the Code of Business Crisis and Insolvency will not apply to payments made by any debtor to the purchasing company in respect of the portfolio to which the registration of the assignment and the publication of the notice thereof relate;

b) the liquidator or other bankruptcy official of the debtors in respect of the receivables (so that any payments made by such a debtor to the purchasing company may not be subject to any claw-back action pursuant to article 164 and article 166 of the Code of Business Crisis and Insolvency).

According to article 4, third paragraph of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw back action according to article 166 of the Code of Business Crisis and Insolvency, nor to any declaration of ineffectiveness (*declaratoria di inefficacia*) pursuant to article 164 of the Code of Business Crisis and Insolvency.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

For further details refer to section entitled "*The Porfolio*".

According to article 4, third paragraph, of the Securitisation Law, assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 166 of the Code of Business Crisis and Insolvency but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 166 of the Code of Business Crisis and Insolvency applies, within six months of the securitisation transaction. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 164, first paragraph, of the Code of Business Crisis and Insolvency. It is uncertain whether such limitation on claw-back would be applicable if the relevant insolvency procedure or claw-back action were not governed by the law of the Republic of Italy.

The Issuer

Under the provisions of article 5, paragraph 2 of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for the Italian companies (other than banks) under the Italian Civil Code (articles from 2410 to 2420) are inapplicable to the Issuer. According to the Securitisation Law, the Issuer shall be a *società di capitali.*

Attachment of Debtor's Credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary etc.) or on a borrower's movable property which is located on a third party's premises.

Subrogation under the Consolidated Banking Act

General

Italian Law Decree No. 7 of 31 January 2007, converted into law No. 40 of 2 April 2007, has introduced certain provisions aimed at, *inter alia*, protecting consumers and promoting competitiveness in the banking sector.

Pursuant to Italian Legislative Decree No. 141 of 13 August 2010 and Italian Legislative Decree No. 218 of 14 December 2010, the provisions of Decree No. 7 of 31 January 2007 concerning voluntary subrogation of the debtor have been repealed and are now regulated by article 120-*quater* of the Consolidated Banking Act.

The purpose of article 120 *quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation. Pursuant to article 120-quater of the Consolidated Banking Act, any arrangements preventing a debtor from the exercise of the above right of subrogation or providing that it may be exercised only subject to certain charges shall be deemed null. In the event that the provisions of such Article 120- *quater* are not observed, the monetary penalties provided by article 144, paragraph 3-bis, of the Consolidated Banking Act will be applied.

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

Insolvency proceedings

Under article 1 of the Code of Business Crisis and Insolvency commercial entrepreneurs (companies or individuals) (*imprenditori che esercitano un'attività commerciale*) may be subject to the insolvency proceedings (*procedure concorsuali*) provided for by the Code of Business Crisis and Insolvency being, *inter alia*, judicial liquidation (*liquidazione giudiziale*) or pre-bankruptcy agreement (*concordato preventivo*).

The judicial liquidation procedure is applicable in the event that the commercial entrepreneur is insolvent. According to article 2 of the Code of Business Crisis and Insolvency a state of insolvency is the state of the debtor manifested by defaults or other external facts, which show that the debtor is no longer able to meet its obligations regularly.

Commercial entrepreneurs are not subject to the insolvency proceeding pursuant to the Code of Business Crisis and Insolvency if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three years are not higher than Euro 300,000;

(b) its annual gross revenue over the last three years is not higher than Euro 200,000; and/or

(c) its indebtedness – whether due or not – is in aggregate not higher than Euro 500,000.

Pursuant to article 49 of the Code of Business Crisis and Insolvency, declaration of bankruptcy is not stated by the court if the amount of all debts due and not paid is overall less than Euro 30,000. The order issued by the bankruptcy court will provide for, inter alia:

- the appointment of a deputy judge (*giudice delegato*) that will supervise the proceeding;

- the appointment of a receiver (*curatore fallimentare*) that will deal with the distribution of the debtor's assets;

- the filing of all the debtor's accounting records and ledgers with the court;

- the establishment of the terms upon which creditors must file their claims.

In the light of the provisions of article 44 of the Code of Business Crisis and Insolvency, after finalising any applications for access to an arrangement procedure for the regulation of the crisis or insolvency, the Court shall, upon the appeal of the entitled persons, declare by judgment the opening of the compulsory winding-up.

The court order deprives the debtor of the right to manage its business which is taken over by the court appointed receiver and, as a result, the debtor is no longer able to dispose of all its assets. 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. In addition, any legal action taken and proceedings already initiated by creditors against the debtor are automatically suspended.

The proceeding is closed by an order of the bankruptcy court. Once the receiver has disposed of all the debtor's assets, but prior to allocating the proceeds, it must submit a final report to the deputy judge on his administration. Finally (after creditors' motions against such final report have been decided) the deputy judge orders the allocation of the net proceeds. Thereafter, creditors may sue the debtor to obtain payment of any unrecovered portion of their claims and of interest thereon. A bankruptcy proceeding may also end with a settlement accepted by the creditors (*concordato liquidatorio giudiziale*).

Composition agreement (Concordato preventivo)

The debtor in "state of financial distress" (i.e. financial crisis which may not constitute insolvency yet) may propose to its creditors a composition agreement (*concordato preventivo*) on the basis of a recovery plan which may provide for:

(a) the restructuring of debts and the satisfaction of creditors in any manner, even through transfer of debtor's assets, novations (*accollo*) or other extraordinary transactions, including the assignment to the creditors of shares, quotas, bonds (also convertible into shares) or other financial instruments and debt securities;

(b) the assignment of the debtor’s assets in favour of an assignee (assuntore), that can be appointed even among the creditors;

(c) the division of creditors into classes; and

(d) different treatments for creditors belonging to different classes.

It is possible that, according to the proposed plan, creditors with liens or security interests (*pegno* and *ipoteca*) can be partially satisfied provided that their claims would not be satisfied in a higher measure through the sale of their secured assets.

Once the court declares the procedure admissible, from the date of the filing of the debtor's petition and until the order of the court becomes definitive, creditors whose claims have arisen prior to the date of the judicial approval (*decreto di omologazione*) cannot commence or proceed with foreclosure proceedings (*azioni esecutive*) on debtor's assets and cannot acquire pre-emption rights (*diritti di prelazione*).

The composition agreement is approved by creditors representing the majority of the claims admitted to vote. In the event that the proposal provides for the creation of classes of creditors, the composition agreement is approved when in the majority of classes a favourable vote is obtained from the majority of the claims admitted to vote in each class. Should a creditor belonging to a dissenting class disagree with

the proposed agreement, the court may also approve the pre-bankruptcy agreement if it deems that such a creditor would be satisfied in a measure not lower than compared with other practicable solutions.

If the required majorities are not reached, the court declares the proposed composition agreement inadmissible.

In case of judicial approval, the composition agreement becomes obligatory for all of the debtor's creditors in existence prior to the admission to the procedure.

Debt restructuring agreements (Accordi di ristrutturazione dei debiti)

Pursuant to article 57 of the Code of Business Crisis and Insolvency, an entrepreneur in state of distress can enter into a debt restructuring agreement with its creditors (*accordo di ristrutturazione dei debiti*).

In order to obtain the court approval (*omologazione*), the entrepreneur must file with the competent court an agreement for the restructuring of debts entered into by creditors representing at least 60 per cent. of the debtor's debts, together with an assessment made by an expert on the feasibility of the agreement, particularly with respect to the regular payments in favour of creditors who have not entered into such debt restructuring agreement.

From the day the agreement is published in the companies register:

(a) the agreement is effective;

(b) creditors whose claims have arisen prior to such date cannot commence or continue precautionary actions (*azioni cautelari*) or foreclosure proceedings (*azioni esecutive*) on the assets of the debtor for 60 days; and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval to the debt restructuring agreement once it has decided on any opposition.

Restructuring agreements

The Code of Business Crisis and Insolvency provides for special composition procedures for situations of over-indebtedness (*procedure di composizione della crisi da sovraindebitamento*), and for a special court-supervised liquidation for situations of over-indebtedness (*liquidazione controllata del sovraindebitamento*), which apply to:

1. consumers, professionals, small enterprises who/which are in a situation of crisis or insolvency; and
2. any other debtor which cannot be subject to judicial liquidation (*liquidazione giudiziale*) or any other liquidation procedure under Italian law applicable for situations of crisis (*crisi*) or insolvency (*insolvenza*).

Over-indebtedness occurs either in a situation of crisis or in a situation of insolvency. Crisis is the condition that makes insolvency likely to happen, and it occurs when the perspective cash flow shows that the debtor will become unable to pay its debts as they fall due within the subsequent 12 (twelve) months; insolvency is the inability to repay debts as they fall due.
The composition procedure that applies to over-indebted consumers is the consumer's debt restructuring arrangement (ristrutturazione dei debiti del consumatore) (the "**Consumer's Debt Restructuring Arrangement**").
Pursuant to articles from 67 to 73 of the Code of Business Crisis and Insolvency, the over-indebted consumer, supported by the competent body for the composition of the over-indebtedness (*organismo di*

composizione della crisi da sovraindebitamento) (the "**OCC**"), can file before the competent court a petition for the restructuring of its debts, based on a plan providing for the strategy to overcome the over-indebtedness. The over-indebted consumer may propose a partial recovery of its debts. Secured creditors shall receive an amount not lower than the liquidation value of the relevant encumbered asset, as assessed by the OCC.
If the court deems that the requirement provided under the law are met, it orders that the plan and the proposal pertaining to the Consumer's Debt Restructuring Arrangement are published in a specific website and notified to the creditors. Upon the over-indebted consumer's request, the court may also order suspension of ongoing individual enforcement actions, and a general stay on enforcement and interim actions on the over-indebted consumer's assets.
Within 20 (twenty) days from the court's notice, creditors may submit to the OCC their comments to the plan and the proposal pertaining to the Consumer's Debt Restructuring Arrangement. Within the subsequent 10 (ten) days, the OCC may refer them to the court, together with any amendments to the plan that it deems necessary.
The court verifies whether the plan is compliant with the requirement provided under the law and feasible, and, if so, issues a decision homologating it. Such decision can be opposed within 30 (thirty) days.
The OCC supervises the execution of the plan, and any sale and/or dismissal is carried out through a tender procedure. Once the plan is fully executed, the OCC delivers a final report.
If the Consumer's Debt Restructuring Arrangement fails, or, in any event, upon its own request, the over-indebted consumer may be adjudicated in a court-supervised liquidation for situations of over-indebtedness (the "**Court-Supervised Liquidation**"). If the over-indebted consumer is in a situation of insolvency, the Court-Supervised Liquidation may be commenced also upon request of a creditor in the context of an individual enforcement proceeding.
If the court finds that the relevant requirements are met (*e.g.* the amount of debts due and unpaid is higher than Euro 50,000), it issues a decision adjudicating the over-indebted consumer into the Court-Supervised Liquidation. With the same decision, the court, among other things: (i) appoints the designated judge; (ii) appoints a liquidator; and (iii) assigns to creditors a term of maximum 60 (sixty) days to file their proof of claim.
As of the adjudication of the over-indebted consumer into the Court-Supervised Liquidation, individual enforcement and interim actions of creditors are stayed, and claims are recovered in accordance with statutory priorities and the principle of equal treatment among creditors.

No severe clawback provisions

The Italian insolvency laws do not contain severe claw-back provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of such Transaction Document 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 at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent and Payments Account Bank.

1. Transfer of the Receivables

Pursuant to the terms of the Transfer Agreement, the Issuer acquired on the Transfer Date from Banco BPM without recourse (*pro soluto*) the Portfolio and any other connected rights arising out of the Loans.

2. Purchase price

The Purchase Price payable by the Issuer pursuant to the Transfer Agreement, is equal to the aggregate of the Individual Purchase Prices (rounded down to the amount equal to the minimum denomination of the Notes).

The Purchase Price is required to be paid in full to the Originator on the Issue Date or, if subsequent, on the later of (i) the date of publication in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) of the notice of assignment as described in the Transfer Agreement and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment as described in the Transfer Agreement.

The payment of the Purchase Price will be financed by the issuance of the Notes, and will be limited recourse to, the net proceeds of the issue of the Notes.

3. Legal and Economic effects

Under the Transfer Agreement, Banco BPM assigned the Receivables to the Issuer with legal effects on the Transfer Date. However, Banco BPM and the Issuer have agreed that the economic effects of the Transfer Agreement take effect as of (but including) the Valuation Date.

Accordingly, Banco BPM has paid to the Issuer on the Interim Account, any amount received by the Originator in respect of the Receivables (i) before (and including) the Valuation Date, if such amount was not correctly deducted when the Outstanding Principal of such Receivables was calculated as at the Valuation Date and (ii) from (and including) the Valuation Date (but excluding) to the Transfer Date

4. Purchase Prices adjustment

The Transfer Agreement provides that if, at any time after the Transfer Date, it transpires that any Loan from which a Receivable arises does not meet the Criteria and was therefore erroneously transferred to the Issuer, then the relevant Receivable relating to such Loan (the "**Excluded Claim**") will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement, and the Originator will pay to the Issuer an amount equal to the sum of:

(i) the Individual Purchase Price of the relevant Receivable relating to such Loan (as specified in schedule 1 of the Transfer Agreement); *plus*

(ii) the interest accrued on such Individual Purchase Price from the Valuation Date to the

Interest Payment Date on which principal on the Notes may be paid immediately succeeding the day on which the parties agree on the existence of such Excluded Claim at a rate equal to interest rate applicable to such Excluded Claim; *minus*

(iii) an amount equal to the aggregate of all the Collections recovered or collected by the Issuer (also through the Originator) after the Valuation Date in relation to such Excluded Claims, provided that such sums shall not be subject to repayment by the SPV; *minus*

(iv) an amount equal to the interests accrued on the amount set out in (iii) above from the relevant collection date to the date on which those amounts related to the relevant Excluded Claim are paid to the Issuer at a rate equal to the rate of interest from time to time applicable to the Interim Account, net of any withholding provided by any applicable law.

The Transfer Agreement further provides that if, at any time after the Transfer Date, it transpires that a Loan which met the Criteria was not included in the portfolio of the Receivables then the claims under such Loan (the "**Additional Claim**") shall be deemed to have been assigned and transferred to the Issuer by the Originator on the Transfer Date. In respect of such Additional Claims, the Issuer shall pay to the Originator, in accordance with the Priority of Payments, an amount equal to:

(i) the purchase price of the Additional Claim, calculated adopting the same method used to calculate the Individual Purchase Price of the Receivables with reference to the Valuation Date; *minus*

(ii) any principal amount collected from the Valuation Date onwards by the Originator under the Additional Claim; minus

(iii) interest accrued on the amount under (ii) above, at a rate equal to the rate of interest paid Interim Account on the date of collection on the Loan from which the relevant Additional Claim derives, from the date of collection of any such amount to the date of the collection of the amount under (i) above,

(each such amount, at any time due to the Originator, the "**Additional Claims Purchase Price**").

5. Rateo Amounts

Moreover, the Issuer will pay to Banco BPM a sum equal to the Rateo Amounts (being equal to Euro 10,718,395.09).

The Rateo Amounts were and shall be, as the case may be, payable to Banco BPM in accordance with the applicable Priority of Payments commencing from the relevant First Interest Payment Date.

6. Settlement expenses

The Transfer Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the Originator concerning the qualification of certain claims as Excluded Claims or as Additional Claims. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to such Transfer Agreement, shall be borne by the succumbing party. Should the Issuer succumb, the Originator shall advance to the latter the fees and costs of the deciding panel (the "**Settlement Expenses Amount**") by way of a subordinated loan. The Issuer shall then reimburse the Settlement Expenses Amount in accordance with the Priority of Payments.

7. Additional provisions

The Transfer Agreement contains a number of undertakings by Banco BPM in respect of the activities relating to the Receivables included in the Portfolio. Banco BPM has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any of such Receivables or the relevant related security and not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between the Transfer Date and the later of (i) the relevant date of publication of the notice of the transfer in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the relevant date of registration (*iscrizione*) with the competent companies' register of the notice of assignment.

8. Repurchase of the Receivables

Pursuant to the Transfer Agreement, Banco BPM has been given the right to purchase *pro soluto,* at any date, from the Issuer all the Receivables included in the Portfolio outstanding as at such date.

The Repurchase Price shall be equal to a minimum amount, calculated together with the other Issuer's reserves, which will allow the Issuer to redeem any principal amount on the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) as at the relevant Interest Payment Date (plus any accrued interest) and any cost expenses in priority or *pari passu* to the payment on the Notes in accordance with the Priority of Payments and the Conditions.

9. Payments by the Issuer

Any amount owed to Banco BPM from time to time by the Issuer pursuant to the terms of the Transfer Agreement, with the exception of any Purchase Price, will be treated as "*Originator's Claims*" and will be paid by the Issuer to the Originator under the applicable Priority of Payments and subject to the Intercreditor Agreement commencing from the First Interest Payment Date.

10. Governing law and jurisdiction

The Transfer Agreement and any non–contractual obligations deriving therefrom are governed by 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 Courts of Milan.

THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of such Transaction Document 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 upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent and Payments Account Bank.

1. Appointment of the Servicer

On the Transfer Date, the Issuer appointed Banco BPM as servicer of the Portfolio pursuant to the terms of the Servicing Agreement.

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio on behalf of the Issuer and, in particular, to:

a) collect amounts due in respect thereof;

b) administer relationships with any person who is a Debtor under a Loan; and

c) commence and pursue any Proceedings (as defined below) in respect of any Debtors who may default.

2. Duties of the Servicer

The Servicer is responsible for the receipt of cash collections in respect of the Loans and the Receivables and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-*bis* of the Securitisation Law, the Servicer is responsible for verifying that the transactions to be carried out in connection with the Securitisation comply with applicable laws and are consistent with the contents of the Information Memorandum.

The Servicer has undertaken in relation to the Loans and the Receivables, *inter alia*:

(a) to collect the Collections and to credit them into the Interim Account by no later than the Business Day on which have been received, for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Debtor to the Collection Account; and (ii) by, respectively, cash, inter-banking direct debit of the Debtors' bank account open with a bank other than the Originator (Sepa Direct Debit (SDD) and payment request (*MAV – mediante avviso*)) will be credited by the Servicer on the Interim Account, through an automatic process. In case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the Interim Account, by the Businees Day on which the operational delay in the transfer has been resolved. The Servicing Agreement provides that if monies already transferred to the Interim Account are identified as having not been paid, in whole or in part, by the relevant Debtor, following the verification activity carried out by the Servicer, the latter may deduct those unpaid amounts from the relevant Collections not yet transferred to the Issuer within the same Collection Period;

(b) to strictly comply with the Servicing Agreement and the Collection Policies as being described in the section "*The Credit and Collection Policies*" of this Information Memorandum;

(c) 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 FCG Guarantees remain fully effective in favour of the Issuer, in accordance with the applicable laws and regulations and the Operational Guidance, and to ensure the enforcement of the FCG Guarantees in accordance with the terms and conditions provided for by the applicable legislation and the Operational Guidance.

(d) to carry out the administration and management of such Receivables and to manage any possible legal proceedings (*procedura giudiziale*) against the relative Debtor or related guarantor in respect thereof, if any (the "**Judicial Proceedings**"), and any possible bankruptcy or insolvency proceedings against any Debtor ("**Debtor Insolvency Proceedings**", and, together with Judicial Proceedings, the "**Proceedings**");

(e) to initiate any Proceedings in respect of such Receivables, if necessary;

(f) to comply with any requirements of laws and regulations applicable in the Republic of Italy in carrying out activities under the Servicing Agreement;

(g) to maintain effective accounting and auditing procedures so as to ensure compliance with the provisions of the Servicing Agreement;

(h) save where otherwise provided for in the relevant Collection Policies or other than in certain limited circumstances specified in the Servicing Agreement, not to consent to any waiver or cancellation of or other change prejudicial to the Issuer's interests in or to such Receivables and any other real or personal security or remedy under or with respect to such Loan unless it is ordered to do so by an order of a competent judicial or other authority or authorised to do so by the Issuer and the Representative of the Noteholders;

(i) on behalf of the Issuer, operate an adequate supervision and information disclosure system with respect to the Receivables and an adequate database maintenance system as provided for under any laws relating to money laundering, by keeping and maintaining any books, records, documents, magnetic media and IT systems as may be useful for, or relevant to, the implementation of a data disclosure system to permit the Issuer to operate in full compliance with all applicable laws and regulations in matters of supervision, reporting procedures or money laundering;

(j) interpret, consider and manage autonomously any issue arising out of the application of the Usury Law from time to time. The Servicer has undertaken, in carrying out such tasks and its functions pursuant to the Servicing Agreement, and in particular in the collection of the Receivables, not to breach the Usury Law; and

(k) maintain and implement administrative and operating procedures (including, without limitation, copying recordings in case of destruction thereof), keep and maintain all books, records and all the necessary or advisable documents (i) in order to collect all the Receivables and all the other amounts which are to be paid for any reason whatsoever in connection with the Receivables (including, without limitation, records which make it possible to identify the nature of any payment and the precise allocation of payment and collected amounts to capital and interest), and (ii) in order to check the amount of all the Collections received.

Under the Servicing Agreement, the Servicer has also represented and warranted that it has experience in managing exposures of a similar nature to the Receivables for more than 5 (five) years 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.

The Issuer and the Representative of the Noteholders have the right to inspect and copy the documentation and records relating to the Receivables in order to verify the activities undertaken by the Servicer, pursuant to the Servicing Agreement, provided that the Servicer, has been informed at least two Business Days in advance of any such inspection.

Pursuant to the terms of the Servicing Agreement, the Servicer will indemnify the Issuer from and against any and all damages and losses incurred or suffered by the Issuer as a consequence of a default by the Servicer of any obligation of the Servicer under the Servicing Agreement. The Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement, it will not have any recourse against the Issuer for any damages, claims, liabilities or costs incurred by it as a result of the performance of its activities under the Servicing Agreement except as may result from the Issuer's wilful default (*dolo*) or gross negligence (*colpa grave*).

3. Delegation of activities

The Servicer is entitled to delegate, at its expenses, to one or more companies fulfilling the prerequisites set forth in the Servicing Agreement, certain activities entrusted to it as Servicer pursuant to the Servicing Agreement (including the service and recovery of Defaulted Claims and the management and enforcement of the FCG Guarantees). The Servicer will remain directly responsible for the performance of all duties and obligations delegated to any such company and will be liable for the conduct of all of them.

4. Reporting requirements

The Servicer has undertaken to prepare and submit, *inter alia*, the following reports.

The Servicer shall prepare and deliver to the Computation Agent, the Rating Agencies, the Representative of the Noteholders, the Underwriter, the Reporting Entity, the Back-Up Servicer Facilitator, the Administrative Servicer and the Issuer by no later than each Reporting Date the Servicer Report in the form set out in the Servicing Agreement and containing information as to the Receivables, the amounts of the Renegotiations (as defined below), the amendments to the amortisation plan of the Loans (as permitted under the Servicing Agreement) and any Collections in respect of the preceding Collection Period together with any further information which may be included in accordance with the provisions of the Servicing Agreement.

The Servicer shall prepare deliver to the Reporting Entity by the end of the month immediately following each Interest Payment Date a database on the Receivables with the information on the Loans (as updated as at the the last day of the immediately preceeding Collection Period) required under the ECB's applicable regulation for the eligibility of the Senior Notes.

The Servicer shall prepare the Loan by Loan Report setting out information relating to each Loan as at the end of the immediately preceding Collection Period in compliance with point (a) of the first subparagraph of article 7(1) of 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, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes within the month immediately following each Reporting Date.

The Servicer shall prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the Securitisation Regulation and deliver it to the Reporting Entity in a timely manner in order for

the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, within the month immediately following each Report Date (simultaneously with the Loan by Loan Report and the SR Investor Report).

Moreover, the Servicer has undertaken to furnish (by supplementing the relevant Servicer Report, the Loan by Loan Report and the Inside Information and Significant Event Report) to the Issuer, the Rating Agencies, the Representative of the Noteholders, the Back-Up Servicer Facilitator, the Reporting Entity, the Administrative Servicer, the Corporate Servicer and the Computation Agent such further information as the Issuer and/or the Computation Agent and/or the Rating Agencies and/or the Administrative Servicer and/or the Corporate Servicer and/or the Representative of the Noteholders and/or the Back-Up Servicer Facilitator and/or the Reporting Entity, may reasonably request with respect to the Receivables and/or the related Proceedings together with any further information which may be required from time to time pursuant to the monetary policies of the ECB, the Securitisation Regulation and the Regulatory Technical Standards, subject to the confidentiality obligations applicable to the Servicer and any law or regulation generally appliable.

5. Settlement agreements and renegotiations

Transactions, deferral and moratoria on Defaulted Claims

Under the Servicing Agreement, with reference to situations of delay in performance that, in the Servicer's prudent opinion, are indicative of serious difficulties on the part of a Debtor to meet its obligations and if necessary for a more rapid management of the credit recovery procedure (where there are no alternative solutions to recover Collections from such Debtor), the Servicer may:

(i) limited to the Defaulted Claims, proceed with arrangements with the Debtors and to the total or partial release of the same; or

(ii) limited to the Defaulted Claims, agree with the Debtors on deferrals or moratoria of payments, provided that any such deferrals or moratoria (a) shall not exceed 36 months from the original maturity of the Loans, (b) the new maturity date of the Loan shall not be later than the fifth year preceding the maturity of the Notes and (c);the aggregate of the above transactions does not involve Loan Agreements in respect of which the relevant Receivables have an outstanding principal amount (as at the date of the transaction) higher than 10% of the Outstanding Principal of all the Receivables included in the Portfolio as at the Valuation Date

in accordance with the Collection Policies and subject to the other limits and the conditions set under the Servicing Agreement.

Renegotiations on Receivables which are not Defaulted Claims

In relation to Receivables which are not Defaulted Claims, the Issuer has expressly authorized the Servicer to enter into the following renegotiation:

(i) amendments to the scheduled repayment plan of the Loan Agreements (not including suspension and/or delay of the payment of the instalment for the sole principal component and/or the principal component and the interest component), provided that, with respect to any Loans whose Receivables have a cumulative outstanding principal amount (calculated as of the date of the relevant amendment) not exceeding 7% (seven per cent)

of the Outstanding Principal as at the Valuation Date of all the Receivables included in the Portfolio, the maturity date of the Loan subject to amendment is not more than 36 (thirty-six) months from the originally agreed maturity date and provided that in any event, following such amendment, the payment of one or more instalments of the Loans subject to such renegotiation does not fall later than the statutory maturity date of the Senior Notes; and

(ii) granting moratoria or deferrals of the instalments' payments under the Loan Agreements (further to the suspension and/or delay of the relevant payment dates, in respect of the sole principal component and/or the principal component and the interest component), provided that the suspension of the payment shall not be longer than 36 months for each Debtor;

(iii) the renegotiation of interest rates applicable to Loans having a fixed interest rate, by way of amending (a) the rate of interest or (b) the indexation of the Loan Agreement changing from fixed rate to floating rate;

(iv) the renegotiation of the spread applicable to Loans having a floating interest rate, by way of (a) reducing the spread, in any case with the floor at zero and (b) amending the indexation of the Loan Agreement changing from floating rate to a positive fixed rate;

(the "**Renegotiations**"), provided that:

A. the aggregate of the Renegotiations referred to in paragraphs (iii) and (iv) above, may not altogether relate to any Loan Agreements whose Receivables have an outstanding principal amount (calculated as of the date of the relevant Renegotiation) in excess of 5% (five percent) of the Outstanding Principal as at the Valuation Date of all Receivables included in the Portfolio;

B. without prejudice to the limits set forth in paragraph (A) above, the total of the Renegotiations referred to in paragraphs (i), (ii), (iii) and (iv) above shall not altogether relate to any Loan Agreements whose Receivables have an outstanding principal amount (calculated as at the date of the relevant Renegotiation) in excess of 12% (twelve percent) of the Outstanding Principal as at the Valuation Date of all Receivables included in the Portfolio.

In any case, any suspension granted further to any other law or regulation which shall be mandatory applied by the Servicer or adopted on a voluntary basis following the Servicer's adhesion to agreements concluded with trade associations (including moratorium agreements with ABI (*Associazione Bancaria Italiana*)), shall be excluded from limits and conditions set out above for the Renegotiations and so always permitted without any Issuer's consent and further formalities.

Repurchase of individual Receivables

In addition, under the Servicing Agreement the relevant parties have agreed that in order to maintain good relationships with its customers and to avoid possible discrimination between the Debtors and its other customers, the Servicer may, as an alternative to the transactions and the Renegotiations mentioned above or in the event of sale of Defaulted Claims, as set out in the Servicing Agreement, or in the event of repurchase of Receivable in relation to which any of the representations and warranties made by Banco BPM pursuant to the Warranty and Indemnity Agreement prove to be untrue or incorrect pursuant to Article 4 of the Warranty and Indemnity Agreement, make an offer to the Issuer for the purchase of the Receivables (the "**Purchase Offer**") by way of registered letter with acknowledgment of receipt or PEC, **provided that** the aggregate outstanding principal amount of the Purchase Offer, calculated as of the immediately preceding Reporting Date, added to the amount of the Receivables subject to other purchase offers of the Originator already accepted by the SPV, does not

exceed the 15% (fifteen percent) of the Outstanding Principal as at the Valuation Date of the Receivables assigned in the aggregate by the Originator to the SPV as set forth in schedule 1 of the Transfer Agreement, and provided that the consideration for the sale shall be equal to the Net Accounting Value of such Receivables as of the valuation date of the repurchase.

The Purchase Offer shall be completed of the solvency certificate and good standing certificate in respect of the Originator and shall be accepted by the Issuer in accordance with the procedure set out under the Servicing Agreement.

Sale of Defaulted Claims to third parties

To the extent advantageous to the Noteholders in accordance with the provisions of article 2 paragraph 3 letter d) of the Securitisation Law, the Servicer may, in the name and on behalf of the SPV, sell one or more Defaulted Claims to third parties provided that the relevant purchase price of the Defaulted Claims is equal to the fair value having been determined by one or more third party expert independent from the Banco BPM Group and any other other party involved in the Securitisation appointed by the Servicer and the Representative of the Noteholders (acting upon instructions of the Noteholders) and the conditions the Servicing Agreement are met.

6. Remuneration of the Servicer

In return for the services provided by the Servicer in relation to the ongoing management of the Receivables on each Interest Payment Date and in accordance with the Priority of Payments, the Issuer will pay to the Servicer the following amounts:

(a) in connection with the management of the Receivables (other than the Defaulted Claims), (i) an annual fee of € 10,000.00 (including VAT where applicable) payable by the Issuer on each Interest Payment Date, and (ii) an amount equal to 0.50 per cent. – *plus* VAT, if applicable – (on a yearly basis calculated according to the Act/360 method) of the Collections in respect of the Receivables (other than the Defaulted Claims) in the immediately preceding Collection Period;

(b) in connection with the recovery of the Defaulted Claims, an amount equal to 0.25 per cent. – *plus* VAT, if applicable – (on a yearly basis calculated according to the Act/360 method) of the recoveries in respect of the Defaulted Claims collected in the immediately preceding Collection Period; and

(c) in connection with certain compliance and consultancy services provided by the Servicer, pursuant to the Servicing Agreement, an annual fee of € 7,500 (including VAT where applicable) payable by the Issuer on each Interest Payment Date,

as better specified in the Servicing Agreement.

In addition to the above, the Issuer will pay to the Servicer, in accordance with the applicable Priority of Payments and provided that supporting documents are provided, the expenses and fees of external counsels and the judicial expenses and taxes reasonably incurred during each Collection Period by the Servicer in connection with its servicing activities concerning the Receivables classified as Defaulted Claims (VAT excluded where applicable).

7. Subordination and limited recourse

The Servicer has agreed that the obligations of the Issuer under the Servicing Agreement are subordinated and limited recourse obligations and will be payable only in accordance with the applicable Priority of Payments.

8. Termination and resignation of the Servicer and withdrawal of the Issuer

The Issuer may terminate the appointment of the Servicer (*revocare il mandato*), pursuant to article 1725 of the Italian civil code, or withdraw from the Servicing Agreement (*recesso unilaterale*), pursuant to article 1373 of the Italian civil code, upon the occurrence of one of any of the following events:

(a) the Bank of Italy has proposed to the Minister of Finance to admit the Servicer to any Insolvency Proceeding or a request for the judicial assessment of the insolvency has been filed with the competent office or the Servicer has been admitted to the procedures set out under article 74 of the Consolidated Banking Act or a resolution is passed by the Servicer in order either to obtain such measures or to apply for such proceedings to be initiated or to dispose the voluntary liquidation of the Servicer itself;

(b) failure on the part of the Servicer to deliver and pay any amount due under the Servicing Agreement within 5 Business Days from the date of receipt of a notice claiming that such amount became due and payable and has not been duly paid;

(c) failure on the part of the entity, once a 10 Business Days notice period has elapsed, to observe or perform in any respect any of its obligations under the Servicing Agreement, the Warranty and Indemnity Agreement, the Transfer Agreement or any of the Transaction Documents to which it is a party which could affect the fiduciary relationship between the Servicer and the Issuer;

(d) a representation given by the Servicer, pursuant to the terms of the Servicing Agreement is verified to be false or misleading and this could have a material negative effect on the Issuer and/or the Securitisation;

(e) the Servicer changes significantly the departments and/or the resources in charge of the management of the Receivables and the relevant Proceedings and such change reasonably renders more burdensome to the Servicer, the fulfilment of its obligations under the Servicing Agreement; or

(f) the Servicer does not meet the requirements provided by law or by the Bank of Italy for the entities appointed as servicer in a securitisation transaction or the Servicer, does not meet any further requirement which may be requested in the future by either the Bank of Italy or any other competent authority.

The Issuer is obliged to notify the Servicer of its intention to terminate the Servicing Agreement with prior written notice to the Representative of the Noteholders and to the Rating Agencies.

The Parties agree that the termination of the Servicer's appointment must be communicated in writing by means of a notice of termination from the SPV to the Servicer, after notification to the Representative of the Noteholders and the Rating Agencies, and shall take effect from the date of termination specified therein, except that the Servicer shall continue to perform its duties until a replacement Servicer has been appointed and has accepted the relevant appointment.

The Issuer may appoint with the cooperation of the Back-up Servicer Facilitator a Successor Servicer, only (i) with the prior written approval of the Representative of the Noteholders and (ii) with prior written notice to the Rating Agencies. The Successor Servicer shall be:

(a) a bank operating for at least three years and having one or more branches in the territory of the Republic of Italy having specific expertise in the management of claims similar to the Receivables; or

(b) an entity having the requirements required under the applicable laws and regulations

(or any other rules issued by Bank of Italy or other public authorities) to act as Servicer, with a software that is compatible with the management of the Loans and adequate assets and policies to ensure that its activities are carried out effectively and on a constant basis also for the purpose to comply with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Upon termination of the Servicer's appointment, the Servicer (failing which the Successor Servicer) shall notify to the Debtors the appointment of the Successor Servicer, provided that:

(i) in case that the Successor Servicer's long-term, unsecured and unsubordinated debt obligations are at least "B1" from Moody's and "B" from S&P (either by way of a public rating or, in its absence, by way of a private rating supplied by S&P)) will instruct the Debtors to make the payments relating to the Receivables directly to the Successor Servicer or on an Issuer's Account, upon instructions by the Issuer;

(ii) further to the notice under (i) above, in case that the Successor Servicer's long-term, unsecured and unsubordinated debt obligations are not at least "B1" from Moody's and "B" from S&P (either by way of a public rating or, in its absence, by way of a private rating supplied by S&P) the Successor Servicer shall notify the Debtors to make any future payment on the Receivables to the Collection Account.

The Issuer has undertaken to appoint, with the cooperation of the Back-up Servicer Facilitator, a back-up servicer, within 45 calendar days of the date on which the Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated at least (A) "B3" by Moody's or (B) (I) "B-" by S&P (the "**Minimum Rating**"), an entity having the characteristics listed under (a) or (b) above to replace the Servicer should the Servicing Agreement be terminated for any reason (the "**Back-up Servicer**"). The Back-up Servicer shall, *inter alia*, undertake to enter into a servicing agreement substantially in the form of the Servicing Agreement and assume all duties and obligations applicable to it as set forth in the Transaction Documents. The Issuer shall notify the Representative of the Noteholders and the Rating Agencies of such appointment. In the event that the Back-up Servicer does not have the Minimum Rating, the Servicer (failing which the Back Up Servicer) shall notify its appointment to the Debtors and shall give relevant instructions to the Debtors to make future payments directly into the Collection Account. The Servicer shall promptly notify (and in any case no later than 10 calendar days) in writing the Issuer, the Back-Up Servicer Facilitator and the Representative of the Noteholders the loss of the Minimum Rating and the need to appoint a Back Up Servicer in the terms set out above.

The Servicing Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the Servicer concerning the termination of the appointment of the Servicer. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to the Servicing Agreement, shall be borne by the succumbing party. Should the Issuer succumb, the Servicer shall advance to the latter the fees and costs of the deciding arbitrator (the "**Servicing Settlement Expenses Amount**"). The Issuer shall reimburse the Servicing Settlement Expenses Amount on the next subsequent Interest Payment Date in accordance with the Priority of Payments.

The substitute servicer must execute a servicing agreement with the Issuer substantially in the form of the Servicing Agreement originally executed by the Servicer and must accept all the provisions and obligations set out in the Intercreditor Agreement.

9. Governing law and jurisdiction

The Servicing Agreement and any non –contractual obligations deriving therefrom are governed by Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Servicing

Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent and Payments Account Bank.

1. Representations and Warranties

On the Transfer Date, the Issuer and Banco BPM entered into the Warranty and Indemnity Agreement pursuant to which Banco BPM has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables and the Loans related to the Portfolio.

The Warranty and Indemnity Agreement contains representations and warranties in respect of, *inter alia*, the following categories:

1. the relevant Loans, the Receivables and any collateral security related thereto;
2. the disclosure of information;
3. the Debtors;
4. the Securitisation Law, the Applicable Privacy Law, the Securitisation Regulation and STS compliance and article 58 of the Consolidated Banking Act.

2. Representations and Warranties on the Receivables, Debtors and the Loans

In particular, the representations and warranties contained in the Warranty and Indemnity Agreement in respect to the Receivables and Loans are, amongst others:

(i) all the Loans were disbursed to small and medium enterprises in line with European Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC) and the applicable European Central Bank regulations;

(ii) the Receivables and the Loans are existing and denominated in Euro (or granted in a different currency and subsequently redenominated in Euro);

(iii) the Loans and the Receivables are governed by Italian law;

(iv) in relation to each Receivable and each collateral security related thereto have been assigned to the Issuer pursuant to the Transfer Agreement (without prejudice for the formalities that the Originator has undertaken to carry out pursuant to the Transfer Agreement in respect of the FCG Guarantees);

(v) none of the Debtors or the grantors of a collateral security related to the Receivables (except for CGFS Fund) is a public entities, a public administration or an ecclesiastical entity;

(vi) all the Debtors are (i) individuals (*persone fisiche*) resident in Italy, or (ii) legal entities incorporated under Italian law and having their registered office in Italy;

(vii) all the grantor of a collateral security related to the Receivables are (i) individuals (*persone fisiche*) resident in the EEA or (ii) legal entities incorporated under the law of a EEA country and having their registered office in a EEA country;

(viii) as at the Valuation Date, none of the Receivables has been classified as "*in sofferenza*" or "*incaglio*" by the Originator pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*);

(ix) as at the Valuation Date each Receivable has been classified as *in bonis* pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*) and the relevant Loan does not include non performing loans pursuant to the ECB Guidelines and any other relevant regulation or guideline applicable for the purposes of the Senior Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;

(x) no Loan Agreement could be classified as a leasing agreement;

(xi) as at the Valuation Date, the aggregate Outstanding Principal of a Debtor is not higher than 2% of the Outstanding Principal of all the Receivables including in the Portfolio;

(xii) all data and information related to the Portfolio provided for the purpose of Pool Audit activities are truthful, complete, and accurate;

(xiii) no Loan Agreement could be qualified as structured loan, syndicated loan or leveraged loan pursuant to ECB Guidelines and any other relevant regulation or guideline applicable for the purposes of the Senior Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;

(xiv) pursuant to the Loan Agreements, the interest calculation methodologies related to the Loans are based on generally used sectoral rates reflective of the cost of funds in compliance with the applicable laws, and do not refer to complex formulae or derivatives pursuant to Article 21(3) of the Securitisation Regulation.

3. General representations and warranties on the Originator

(i) The Originator is a bank enrolled with the register of the banks pursuant to article 13 of the Consolidated Banking Act and its "home member state" (as such term is defined in Directive 2001/24/EC on the reorganisation and winding up of credit institutions) is in the Republic of Italy, pursuant to articles 20(2) and 20(3) of the Securitisation Regulation;

(ii) the Originator is not subject to any proceeding carried out by any authority having jurisdiction over the Originator which may jeopardize its license to perform banking activities, including the procedure under article 75-bis, paragraph 1 of the Consolidated Banking Act or article 34 of the Legislative Decree 159/2011 as being amended by Law 161/2017;

(iii) there is currently no inspection underway by the Bank of Italy against the Originator regarding its credit activities for granting the Loans, and, to the best of its knowledge, no materially adverse findings have been raised by the Bank of Italy against the Originator in the last two years concerning the Collection Policies related to the Loans, except as indicated from time to time in the Originator's financial statements under the section 'Inspections by the Bank of Italy';

(iv) the Originator (also utilizing external providers) declares that it has maintained an adequate and consistent system of controls and checks on the Debtors in accordance with the applicable anti-money laundering regulation in accordance with best banking practices (including – by way of example – anti-mafia controls and checks, anti-corruption and anti-money laundering, anti-usury and anti-terrorist financing controls and checks);

(v) with respect to the Originator, to the best of its knowledge, no proceedings have been initiated and/or measures issued and/or sanctions imposed by any entity or authority having jurisdiction over the Originator for material violations of the laws, including regulatory provisions, directly applicable to it regarding the prevention of corruption, money laundering, usury, and/or terrorist financing activities;

(vi) neither the Originator nor any of its subsidiaries, nor any members of its governing or supervisory bodies, is an individual or entity (for the purposes of this paragraph, a '**Person**') that is, directly or indirectly, owned or controlled by a Person who is:

(a) the target of restrictive and preventive sanctions issued by supranational bodies (such as, by way of example, OFAC, the UN, and the EU) against countries or subjects in any way connected to a terrorist network or engaged in the proliferation of weapons of mass destruction (the '**Sanctions**');

(b) located, organized, or resident in a country or territory that is, or whose government is, the target of Sanctions.

4. Specific representations and warranties on the STS compliance and the Securitisation Regulation

(i) To the best of the Originator's knowledge, as at the Valuation Date, the Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the Receivables to the Issuer pursuant to article 20(6) of the Securitisation Regulation;

(ii) as at the Valuation Date, the Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Debtors and guarantors, pursuant to article 20(8), first paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(iii) as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator;

(iv) as at the Valuation Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20(8), first paragraph, of the Securitisation Regulation and the applicable Regulatory Technical Standards, given that: (a) all Receivables are originated by the Originator based on similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (b) all Receivables are serviced by the Originator according to similar servicing procedures; (c) the Receivables fall within the same asset category 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); (d) as at the Valuation Date, the Debtors are resident in the Republic of Italy; and (e) the Loans provide for constant amortization through the payment of installments as determined in the relevant Loan Agreements;

(v) the Receivables do not include any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20(8), last paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(vi) the Receivables do not include any securitisation position pursuant to article 20(9) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(vii) the Receivables have been originated by the Originator in accordance with credit policies which are no less stringent than those that the Originator applied at the time of origination to similar exposures that have not been assigned in the context of the Securitisation, pursuant to article 20(10), first paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(viii) the Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 18, paragraph from 1to 4, paragraph 5(a) and paragraph 6 of Directive 2014/17/EC, or article 8 of the Directive 2008/48/EC, pursuant to article 20(10), third paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ix) the Loans have been disbursed in the Originator's ordinary course of business, provided that the Originator has been carrying out lending activity for more than 5 (five) years, pursuant to article 20(10), last paragraph, of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(x) as at the Valuation Date, the Receivables are not qualified as exposures in default within the meaning of article 178, paragraph 1, of the CRR or as exposures to a credit-impaired Debtor, who, to the best of the Originator's knowledge: (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the Transfer Date; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation, in each case pursuant to article 20(11) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

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

(xii) the Outstanding Debt of the Receivables owed by the same Debtor does not exceed 2 per cent. of the aggregate Outstanding Debt of all Receivables, for the purposes of article 243(2)(a) of the CRR;

(xiii) the Receivables do not include any derivative pursuant to article 21(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(xv) as at the Transfer Date, the Receivables included in the Portfolio meet the conditions for being assigned, under the Standardised Approach (as defined in the CRR) and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 100% on an individual exposure basis for the purposes of article 243(2)(b)(iv) of the CRR; and

(xvi) as of the Valuation Date, all Receivables comply with the provisions set forth in article 501 of the CRR.

5. Repetition

All representations and warranties set forth in the Warranty and Indemnity Agreement shall be deemed to be given or repeated:

(i) on the Transfer Date;

(ii) on the Issue Date,

with reference to the facts and circumstances then existing, as if made at each such time; provided, however, that the representations and warranties referring to a Transaction Document executed after the date hereof shall be deemed to be made or repeated at the time of the execution of such Transaction Document and on the Issue Date, as the case may be, in each case with reference to the facts and circumstances then existing as if made at each such time.

The statutory limitations provided for by articles 1495 and 1497 of the Italian civil code shall not apply to the representations and warranties given by the Originator under the Warranty and Indemnity Agreement and, a result, any breach thereof may be claimed by the Issuer until the redemption in full and/or cancellation of the Notes.

6. Indeminification and repurchase right

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all duly documented damages, losses, claims, liabilities, costs and expenses (including, without limitation, fees and legal expenses as well as any VAT if applicable) awarded against or incurred by the Issuer or any of the other foregoing persons arising from, inter alia, any default by the Originator, in the performance of any of its obligations under the Warranty and Indemnity Agreement or any of the other Transaction Documents or any representations and/or warranties made by the Originator thereunder or being false, incomplete or incorrect.

The Originator has also agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against or incurred by it arising out of, *inter alia*, the application of the Usury Law to any interest accrued on any Loans.

Moreover, the Warranty and Indemnity Agreement provides that, in the event of a misrepresentation or a breach of any of the representations and warranties made by the Originator under the Warranty and Indemnity Agreement, which materially and adversely affects the value of one or more Receivables or the interest of the Issuer in such Receivables, and such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Originator, within a period of 30 (thirty) days from receipt of a written notice from the Issuer to that effect (the "**Cure Period**"), the Issuer has the option, pursuant to article 1331 of the Italian civil code, to assign and transfer to the Originator all of the Receivables affected by any such misrepresentation or breach (the "**Affected Claims**"). The Issuer will be entitled to exercise the put option by giving to the Originator at any time during the period commencing on the Business Day immediately following the last day of the Cure Period and ending on the day which is 180 days after such Business Day, written notice to that effect (the "**Put Option Notice**").

The Originator will be required to pay to the Issuer, within 10 (ten) Business Days from the date of receipt by the Originator of the Put Option Notice, an amount to be calculated *mutatis mutandis* as the purchase price of the Excluded Claims pursuant to the Transfer Agreement.

In addition, the Warranty and Indemnity Agreement also provides an option right of the Originator connected to the purchase of single Receivables as an alternative to the remedy provided for under clause 6 (*Indennizzo*) of the Warranty and Indemnity Agreement in case of breach of one or more representations and warranties given by the Originator pursuant to the Warranty and

Indemnity Agreement, to be exercised at the terms and conditions set forth in article 3.4 of the Servicing Agreement.

The Warranty and Indemnity Agreement provides that, notwithstanding any other provision of such agreement, the obligations of the Issuer to make any payment thereunder shall be equal to the lesser of the nominal amount of such payment and the amount which may be applied by the Issuer in making such payment in accordance with the Priority of Payments. The Originator has acknowledged that the obligations of the Issuer contained in the Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

7. Governing law and jurisdiction

The Warranty and Indemnity Agreement and any non–contractual obligations deriving therefrom are governed by Italian law.

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

THE AGENCY AND ACCOUNTS AGREEMENT

The description of the Agency and Accounts Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Agency and Accounts Agreement. Prospective Noteholders may inspect a copy of the Agency and Accounts Agreement upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent and Payments Account Bank.

1. Appointment of Agents

Pursuant to the Agency and Accounts Agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Computation Agent, the Paying Agent and Payments Account Bank, the Transaction Bank, the Interim Account Bank and the Representative of the Noteholders, the Issuer has appointed:

(a) BNY Mellon Milan Branch, as the Paying Agent and Payments Account Bank, (a) for the purpose of, *inter alia*, making payment of interest and the repayment of principal in respect of the Notes and of establishing and maintaining the Payments Account; (b) for the purpose of, *inter alia*, determining the rate of interest payable in respect of the Notes;

(b) BNY Mellon London Branch as the Computation Agent, for the purpose of, *inter alia*, determining certain of the Issuer's liabilities and the funds available to pay the same (subject to the receipt of certain information and in reliance thereon as set forth herein) and managing certain payment services in relation to the Accounts.

(c) Banco BPM as the Interim Account Bank for the purposes of, *inter alia*, establishing and maintaining the Interim Account and as the Transaction Bank, for the purposes of, *inter alia*, establishing and maintaining the Collection Account, the Expenses Account and the Cash Reserve Account.

2. Duties of the Interim Account Bank

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Interim Account Bank the Interim Account.

The Interim Account Bank will operate the Interim Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Interim Account and the cash flows through the Interim Account, see the section "*The Issuer's Accounts*".

3. Duties of the Transaction Bank

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Transaction Bank the Collection Account, the Expenses Account and the Cash Reserve Account. The Transaction Bank shall be at all times an Eligible Institution.

The Transaction Bank will operate the Collection Account, the Expenses Account and the Cash Reserve Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Collection Account, the Expenses Account and the Cash Reserve Account and the cash flows through such Accounts, see the section "*The Issuer's Accounts*".

4. Duties of the Paying Agent and Payments Account Bank

Opening and maintenance of the Payment Accounts

Pursuant to the Agency and Accounts Agreement, the Issuer opened and will maintain with the Paying Agent and Payments Account Bank the Payments Account. The Paying Agent and Payments Account Bank shall be at all times an Eligible Institution.

The Paying Agent and Payments Account Bank will operate the Payments Account in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Payments Account and the cash flows through the Payments Account, see the sectiond "*The Issuer's Accounts*".

Interest determination

On each Interest Determination Date, the Paying Agent and Payments Account Bank will, in accordance with Condition 7 (*Interest*), determine EURIBOR and the Rate of Interest applicable to the Senior Notes during the following Interest Period, as well as the Interest Amount and the Interest Payment Date in respect of such following Interest Period, all subject to and in accordance with the Conditions, and will notify such amounts to, *inter alios*, the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Paying Agent and Payments Account Bank, the Underwriter, the Computation Agent, the Servicer and, with exclusive regard to the Senior Notes, Euronext Securities Milan, Borsa Italiana.

5. Duties of the Computation Agent

The duties of the Computation Agent include the making of certain calculations in respect of the Securitisation as set forth in Condition 8.7 (*Calculation of Issuer Available Funds, Target Amortisation Amount, Principal Payments and Principal Amount Outstanding*). The Computation Agent will make such calculations based on, *inter alia*:

(a) the statement of the Accounts prepared, respectively, by the Interim Account Bank and the Transaction Bank on the Reporting Dates;

(b) the statement of the Payments Account prepared by the Paying Agent and Payments Account Bank on the Reporting Dates;

(c) the Servicer Reports prepared by the Servicer, by the Reporting Dates, or, if a Servicer Report Delivery Failure Event occurs, any other information made available to the Computation Agent by the Servicer in connection with the immediately preceding Collection Period;

(d) the determinations received from the Paying Agent and Payments Account Bank concerning the Rate of Interest, the Interest Amount and the Interest Payment Date; and

(e) the instructions and determinations of the Issuer, Euronext Securities Milan and the Corporate Servicer,

and the Computation Agent will not be liable for any omission or error in so doing, save as to the extent caused by its own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

On each Calculation Date, the Computation Agent will calculate the amounts to be disbursed on the following Interest Payment Date pursuant to the priority of payments as set forth in Condition 6.2 (*Post-Enforcement Priority of Payments*) and will prepare the Payments Report.

Upon occurrence of Servicer Report Delivery Failure Event, based on the information available as of such date, the Computation Agent will calculate:

(a) the interest payable in respect of each of the Senior Notes on the immediately following Interest Payment Date;

(b) the fees payable to the Servicer on the immediately following Interest Payment Date pursuant to item (iv) of the Pre-Enforcement Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicer Report; and

(c) without duplication of (b) above, the payments (if any) to be made on the immediately following Interest Payment Date pursuant to items from (i) to (vi) of the Pre-Enforcement Priority of Payments,

and, based on the information listed above, will compile a provisional payments report.

Following the delivery of an Issuer Acceleration Notice and upon request by the Representative of the Noteholders, the Computation Agent will calculate the amounts to be disbursed pursuant to the priority of payments as set forth in Condition 6.2 (*Post- Enforcement Priority of Payments*) and will compile the Payments Report.

In addition, the Computation Agent shall prepare the SR Investor Report setting out certain information with respect to the Receivables and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1) of the Securitisation Regulation).

The Computation Agent shall deliver the SR Investor Report to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Securitisation Repository, the SR Investor Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date.

The Computation Agent will also prepare and deliver on each Investor Report Date to the Issuer, the Servicer, the Underwriter, the Corporate Servicer, the Rating Agencies, the Paying Agent and Payments Account Bank, the Interim Account Bank, the Transaction Bank, the Administrative Servicer, the Representative of the Noteholders and Borsa Italiana, the Servicer Report containing details of, *inter alia*, the Receivables, amounts received by the Issuer from any source during the preceding Collection Period and amounts paid by the Issuer during such Collection Period as well as on the immediately preceding Interest Payment Date.

6. Additional Duties of the Paying Agent and Payments Account Bank

The Paying Agent and Payments Account Bank will, on each Interest Payment Date, receive from the Transaction Bank, acting in the name and on behalf of the Issuer, the monies necessary to make the payments due on the Notes on the same Interest Payment Date and will apply such funds in or towards such payments as specified in the Payments Report. The Paying Agent and Payments Account Bank will provide the Issuer and the Corporate Servicer with the data necessary to maintain and update the Noteholders' register (*registro degli obbligazionisti*) in accordance with Italian law and any other applicable law.

The Paying Agent and Payments Account Bank will act as intermediary between the Noteholders and the Issuer for certain purposes and make available for inspection during normal business hours at its registered office such documents as may from time to time be required by the listing rules of Borsa Italiana and, upon reasonable request, will allow copies of such documents to be taken.

The Paying Agent and Payments Account Bank will keep a record of all Notes and of their

redemption, purchase, cancellation and repayment and will make such records available for inspection, and copies thereof obtainable, during normal business hours by the Issuer, the Representative of the Noteholders and the Computation Agent.

In performing their obligations, the Paying Agent and Payments Account Bank may rely on the instructions and determinations of the Issuer, Euronext Securities Milan and the Computation Agent, and will not be liable for any omission or error in so doing, except in case of their own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

7. General provisions

Each of the Agents will act as agents solely of the Issuer and will not assume any obligation towards, or relationship of agency or trust for or with, any of the Noteholders. Each of the Issuer and the Representative of the Noteholders has agreed that it will not consent to any amendment to the Conditions that materially affects the obligations of any of the Agents without such Agent's prior written consent (such consent not to be unreasonably withheld).

The Issuer has undertaken to indemnify each of the Agents and its respective directors, officers, employees and controlling persons against all losses, liabilities, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties by any Agent, except as may result from its gross negligence (*colpa grave*) or wilful misconduct (*dolo*), or that of its directors, officers, employees or controlling persons or any of them, or breach by it of the terms of the Agency and Accounts Agreement.

In return for the services so provided, the Agents will receive commissions in respect of the services of such Agents agreed on or about the Issue Date between the Issuer and the Agents, payable by the Issuer in accordance with the Priority of Payments, except that certain fees may be paid up-front on or around the Issue Date.

The appointment of any Agent may be terminated by the Issuer (with the prior written approval of the Representative of the Noteholders) upon 30 calendar days' written notice or upon the occurrence of certain events of default or insolvency or of similar events occurring in relation to such Agent.

If any of the Agents resigns, the Issuer will promptly and in any event within 30 calendar days appoint a successor approved by the Representative of the Noteholders. If the Issuer fails to appoint a successor within such period, the resigning Agent may select a leading bank approved by the Representative of the Noteholders to act as the relevant Agent and the Issuer will appoint that bank as the successor Agent.

8. Loss of status of Eligible Institution

If the Transaction Bank ceases to be an Eligible Institution,

(a) the Transaction Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, its best effort to select a leading bank:

  (i) approved by the Representative of the Noteholders and by the Issuer; and

  (ii) which is an Eligible Institution, willing to act as successor Transaction Bank thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,

  (i) appoint that bank specified above as successor Transaction Bank (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof) which, on or before the replacement of the Transaction Bank, shall agree to become bound by

the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement, any other agreement providing for, *mutatis mutandis*, the same obligations contained in the Agency and Accounts Agreement for the Transaction Bank and any other relevant Transaction Documents the outgoing Transaction Bank was party to;

(ii) open a replacement Collection Account with the successor Transaction Bank specified in (a) above;

(iii) transfer the balance standing to the credit of the Collection Account, to the credit the replacement account set out above;

(iv) close the Collection Account, once the steps under (i), (ii), (iii) and (iv) are completed; and

(v) terminate the appointment of the Transaction Bank (and will notify the Representative of the Noteholders and the Rating Agencies thereof) once the steps under (i), (ii), (iii) (iv) and (v) are completed,

provided that:

(A) the administrative costs incurred with respect to the selection of a successor Transaction Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Transaction Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank; and

(B) in case the successor Transaction Bank is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Transaction Bank being an Eligible Institution.

If the Paying Agent and Payments Account Bank ceases to be an Eligible Institution,

(a) the Paying Agent and Payments Account Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, its best efforts to select a leading bank:

(i) approved by the Representative of the Noteholders and by the Issuer; and

(ii) which is an Eligible Institution, willing to act as successor Paying Agent and Payments Account Bank thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,

(i) appoint that bank specified above as successor Paying Agent and Payments Account Bank (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof) which, on or before the replacement of the Paying Agent and Payments Account Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Paying Agent and Payments Account Bank and any other relevant Transaction Documents the outgoing Paying Agent and Payments Account Bank was party to;

(ii) open a replacement Payments Account with the successor Paying Agent and Payments Account Bank specified in (a) above;

(iii) transfer the balance standing to the credit of the Payments Account, to the credit of the replacement account set out above;

(iv) close the Payments Account, once the steps under (i), (ii) and (iii) are completed; and

(v) terminate the appointment of the Paying Agent and Payments Account Bank (and will notify the Representative of the Noteholders and the Rating Agencies thereof)

once the steps under (i), (ii), (iii) and (iv) are completed,

provided that:

(A) the administrative costs (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Paying Agent and Payments Account Bank) incurred with respect to the selection of a successor Paying Agent and Payments Account Bank under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Paying Agent and Payments Account Bank; and

(B) in case the successor Paying Agent and Payments Account Bank is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Paying Agent and Payments Account Bank being an Eligible Institution.

9. Governing law and Jurisdiction

The Agency and Accounts Agreement and any non–contractual obligations deriving therefrom is governed by Italian law.

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

THE INTERCREDITOR AGREEMENT

1. General

Pursuant to the Intercreditor Agreement executed on or about the Issue Date between the Issuer, the Underwriter and the Other Issuer Creditors, provision has been made as to the application of the proceeds of Collections and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Receivables. The Intercreditor Agreement also sets out the order of priority for payments to be made by the Issuer in connection with the Securitisation.

Pursuant to the Intercreditor Agreement, the Other Issuer Creditors have agreed that, until two year plus one day has elapsed since the day on which any note issued (including the Notes and the Previous Notes) or to be issued by the Issuer has been paid in full, no Other Issuer Creditor shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings.

Pursuant to the Intercreditor Agreement, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled (as an agent of the Issuer and to the extent permitted by applicable laws), until the Notes have been repaid in full or cancelled in accordance with the Conditions, to take possession of all Collections and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post- Enforcement Priority of Payments.

2. Risk Retention and Transparency Requirements

With respect to the risk retention undertakings and transparency requirements obligations of the relevant parties, please refer to section "*Risk retention and transparency requirements*" of this Information Memorandum.

3. Appointment of the Back-up Servicer Facilitator

Under the Intercreditor Agreement, the Issuer has appointed Zenith Global S.p.A. as Back-up Servicer Facilitator.

The Back-up Servicer Facilitator has undertaken to (i) do its best effort in order to identify an entity to be appointed by the Issuer as Back-up Servicer or Successor Servicer, as the case may be, in accordance with the Servicing Agreement; and (ii) cooperate with the Issuer in the performance of all activities to be carried out in connection with the appointment of the Back-up Servicer or the Successor Servicer, as the case may be, and the replacement of the Servicer with the same.

As consideration for the obligations undertaken by the Back-up Servicer Facilitator pursuant to the Intercreditor Agreement, the Back-up Servicer Facilitator shall be entitled to receive from the Issueran annual fee specified in a separate letter executed by the Issuer and the Back-up Servicer Facilitator on or about the date hereof. Such fee shall be payable in arrears on each Interest Payment Date in equal instalments in accordance with the applicable Priority of Payments.

If any of the following events occurs in respect of the Back-up Servicer Facilitator (each a **Back-up Servicer Facilitator Termination Event**):

(a) the Back-up Servicer Facilitator defaults in the performance or observance of any of its obligations under the Intercreditor Agreement, provided that such default (i) is materially prejudicial to the interests of the Noteholders, and (ii) remains unremedied for 10 (ten) Business Days after the Representative of the Noteholders having given written notice thereof to the

Back-up Servicer Facilitator, with copy to the Issuer, requiring the same to be remedied (except where such default is not capable of remedy, in which case no notice requiring remedy will be given); or

(b) the Back-up Servicer Facilitator becomes subject to any insolvency proceeding or any other similar proceeding applicable in any jurisdiction or the whole or any substantial part of the assets of the Back-up Servicer Facilitator are subject to seizure (*pignoramento*) or any other proceeding having a similar effect; or

(c) the Back-up Servicer Facilitator takes any action for the restructuring or rescheduling of any of its obligations relating to financial indebtedness or makes any out of court settlements with the generality of its creditors for the rescheduling of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee the fulfilment of such obligations,

then the Issuer shall (i) terminate the appointment of the Back-up Servicer Facilitator, by giving a written notice to the Back-up Servicer Facilitator, with copy to the Representative of the Noteholders and the Rating Agencies, and (ii) within 30 (thirty) days following the occurrence of any of the Back-up Servicer Facilitator Termination Events, appoint a substitute back-up servicer facilitator which is willing to assume the obligations of the Back-up Servicer Facilitator substantially on the same terms as those of the Intercreditor Agreement.

4. Disposal of the Portfolio following the delivery of an Issuer Acceleration Notice

Following the delivery of an Issuer Acceleration Notice, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Portfolio, provided that:

(a) a sufficient amount would be realised from such disposal to allow discharge in full of at least all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith in accordance with the Post-Enforcement Priority of Payments;

(b) the relevant purchaser has obtained all the necessary approvals and authorisations;

(c) the relevant purchaser has provided the Issuer and the Representative of the Noteholders with:

(i) a solvency certificate signed by an authorised representative of the purchaser and dated no earlier than the date on which the Portfolio will be sold; and

(ii) a good standing certificate issued by the competent companies' register and dated no earlier than 5 (five) Business Days before the date on which the 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 transfer is made without recourse (pro soluto);

(e) the relevant transfer agreement is construed as a "contratto aleatorio" pursuant to article 1469 of the Italian civil code and as a "vendita a rischio e pericolo del compratore" pursuant to article 1488, second paragraph, of the Italian civil code;

(f) the transfer is conditional upon receipt by the Issuer of the relevant purchase price, which shall be paid in a sufficient time to form part of the Issuer Available Funds on the immediately following Interest Payment Date; and

(g) the Rating Agencies have been notified in advance of such disposal.

In case of disposal of the Portfolio, the Issuer has granted to the Originator a pre-emption right whereby

the Originator will be entitled to purchase the Portfolio and to be preferred to any third party potential purchaser, provided that the conditions set out in paragraphs from (a) to (d) (inclusive) above are met. Subject to the foregoing, the Originator shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio and the relevant sale price.

5. Governing law and Jurisdiction

The Intercreditor Agreement and any non –contractual obligations deriving therefrom is governed by Italian law.

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

DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents. Prospective Noteholders may inspect a copy of such Transaction Documents upon request at the registered offices of, respectively, the Representative of the Noteholders and the Paying Agent and Payments Account Bank.

THE CORPORATE SERVICES AGREEMENT

1. General

Under the Corporate Services Agreement executed on the Transfer Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer. The services will include the safekeeping of the documents pertaining to the meetings of the Issuer's quotaholders, directors and auditors and of the Noteholders, maintaining the quotaholders' register and liaising with the Representative of the Noteholders.

Under the terms of the Corporate Services Agreement in the event of a termination of the appointment of the Corporate Servicer for any reason whatsoever, the Issuer shall appoint a substitute Corporate Servicer.

As consideration for the services rendered pursuant to the Corporate Services Agreement, the Corporate Servicer shall be entitled to receive from the Issuer, on each Interest Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

2. Governing law and jurisdiction

The Corporate Services Agreement and any non–contractual obligations deriving therefrom is governed by Italian law.

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

THE ADMINISTRATIVE SERVICES AGREEMENT

1. General

Under Administrative Services Agreement executed on the Transfer Date between the Issuer, the Administrative Servicer and the Representative of the Noteholders, the Administrative Servicer has agreed to provide certain accounting services to the Issuer. The services will include, amongst others, preparing tax and accounting records and preparing the Issuer's annual financial statements.

Under the terms of the Administrative Services Agreement in the event of a termination of the appointment of the Administrative Servicer for any reason whatsoever, the Issuer shall appoint a substitute Administrative Servicer.

As consideration for the services rendered pursuant to the Administrative Services Agreement, the Administrative Servicer shall be entitled to receive from the Issuer, on each Interest Payment Date in accordance with the applicable Priority of Payments, such fee as separately agreed between them and notified in advance to the Rating Agencies.

2. Governing law and Jurisdiction

The Administrative Services Agreement and any non–contractual obligations deriving therefrom is governed by Italian law.

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

THE MANDATE AGREEMENT

1. General

Pursuant to the terms of the Mandate Agreement executed on or about the Issue Date between the Issuer and the Representative of the Noteholders, the Representative of the Noteholders is empowered to take such action in the name of the Issuer, *inter alia*, following the service of an Issuer Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Creditors.

2. Governing law and Jurisdiction

The Mandate Agreement and any non–contractual obligations deriving therefrom is governed by Italian law.

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

THE QUOTAHOLDER'S AGREEMENT

1. General

The Quotaholder's Agreement executed on or about the Issue Date between the Issuer, the Representative of the Noteholders and SVM Securitisation Vehicles Management S.r.l. contains, *inter alia*, provisions in relation to the management of the Issuer.

The Quotaholder's Agreement also provides that SVM Securitisation Vehicles ManagementS.r.l. in its capacity as quotaholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full.

In the context of the Previous Securitisation, pursuant to a quotaholder's agreement enetered in respect thereof, the Quotaholder of the Issuer has agreed certain obligations concerning the management of the Issuer.

2. Governing law and Jurisdiction

The Quotaholder's Agreement and any non–contractual obligations deriving therefrom is governed by Italian law.

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

THE SUBORDINATED LOAN AGREEMENT

1. General

Pursuant to the Subordinated Loan Agreement entered into on or about the Issue Date between BPM, the Issuer and the Representative of the Noteholders, Banco BPM has granted to the Issuer the Subordinated Loan in the aggregate amount equal to Cash Reserve Initial Amount.

The Subordinated Loan will be drawn down by the Issuer on or about the Issue Date in order to integrate the Cash Reserve in respect of the Notes.

2. Governing law and Jurisdiction

The Subordinated Loan Agreement and any non–contractual obligations deriving therefrom are governed by Italian law.

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

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES AND ASSUMPTIONS

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in reduction of principal of such security (assuming no losses).
The weighted average life of the Senior Notes will be influenced by, among other things, the actual rate of redemption of the Loans which may be in the form of scheduled amortisation, prepayments, or enforcement proceeds. The weighted average life of the Senior Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations as to average life of the Senior Notes can be made under certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.The table below sets out the expected weighted average life of the Senior Notes has been calculated based on the characteristics of the Receivables included in the Portfolio as of the Valuation Date and on the additional assumptions that:

(a) no Event of Default occurs in respect to the Notes;

(b) the Loans are subject to a constant prepayment rate of 4 per cent;

(c) the fees referred to in the relevant Transaction Documents are not increased;

(d) no default by the parties to the Transaction Documents occur;

(e) the Issuer will not exercise the option to redeem the Notes pursuant to Conditions 8.5 (*Optional redemption*) or 8.6 (*Optional Redemption for taxation reasons*);

(f) no defaults and no delinquencies in payments in relation to the Loans occur.

Assumption (b) above is stated as an average annualised prepayment rate since the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rate assumed is purely illustrative.

The weighted average lives of the Senior Notes are subject to factors outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates set forth above will be realised.

Notes	**Expected weighted average life (years)**
Senior Notes	1.47

The actual characteristics and performances of the Loans may differ from the assumptions used in constructing the table set forth above, which are hypothetical in nature.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Information Memorandum and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This overview will not be updated by the Issuer after the date of this Information Memorandum to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this overview could become invalid.

1 Republic of Italy

1.1 Tax treatment of Notes issued by the Issuer

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, integrated and recast ("**Decree No. 239**") (sets out the applicable tax treatment of interest, premium and other income from certain securities (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) and similar securities issued, inter alia, by Italian limited liability companies incorporated under article 3 of Law No 130 of 30 April 1999.

1.2 Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership (i.e. partnerships other than general partnerships (*società in nome collettivo*), limited partnerships (*società in accomandita semplice*), or similar partnerships carrying out a commercial activity), *de facto* partnerships not carrying out commercial activities and professional associations, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a tax, referred to as "*imposta sostitutiva*", levied at the rate of 26%, either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale or deemed sale of the relevant Notes (unless the Noteholders sub (i) to (iii) entrusted the management of their financial assets, including the Notes, to an authorized intermediary and opted for the *Risparmio Gestito* regime according to Article 7 of Legislative Decree No. 461 of 21 November 1997, as subsequently amended, integrated and recast ("**Decree No. 461**") - the "**Asset Management Option**"). In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted 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 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income 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 set forth from time to time by the applicable laws.

Pursuant to the Decree No. 239, the *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIMs**"), *società di gestione del risparmio* ("**SGRs**"), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance (the "**Intermediaries**").

An Intermediary must satisfy the following conditions:

(i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of

the Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and

(ii) 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 applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

The *imposta sostitutiva* does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

(i) *Corporate investors* – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) and the Notes are timely deposited with an Intermediary, Interest accrued on the Notes are not subject to the *imposta sostitutiva* but must be included in: (I) the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), applying at the rate of 24%; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9%. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(ii) *Investment funds* – If the Noteholder is an Italian resident open-ended or closed-ended investment fund (other than a Real Estate Investment Fund), a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy, (collectively, the "**Funds**") and either the Fund or its manager is subject to the supervision of a regulatory authority, and provided that the Notes are timely deposited with an Intermediary, Interest accrued during the holding period on the Notes are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Funds. They must, however, be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. may in certain circumstances apply to distributions made in favour of unitholders or shareholders or in case of redemption or disposal of the units and shares in the Fund;

(iii) *Pension funds* – If the Noteholder is a pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") and the Notes are timely deposited with an Intermediary, Interest accrued on the Notes during the holding period are not subject to *imposta sostitutiva*, but must be included in the annual net accrued result at the end of the tax year to be subjected to a 20 per cent. substitutive tax. Subject to certain conditions 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 savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth by the applicable laws from time to time; and

(iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds and Italian resident "*società di investimento a capital fisso*" (the "**Real Estate Investment Funds**"), complying with the relevant legal and regulatory requirements and subject to the regime set out by, *inter alia*, Law Decree No. 351 of 25 September 2001 and/or Legislative Decree No. 44 of 4 March 2014, as amended, supplemented and recast from time to time, are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds, provided that the Notes are timely deposited with an Intermediary. Subsequent distributions made in favour of unitholders and shareholders and income realized by the same upon redemption or sale of the units or shares in the Real Estate Investment Fund may be subject, in certain circumstances, to a 26 per cent. withholding tax. Moreover, subject to certain conditions, depending on the status of the investor and percentage of its participation, income realized by the Real Estate Investment Fund may be attributed to the relevant investors

and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

1.3 Non-Italian resident Noteholders

An exemption from the *imposta sostitutiva* is provided with respect to certain Noteholders resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree No. 239 the aforesaid exemption applies, provided that certain procedures and formalities are timely and duly met, to any Noteholder of an Interest payment relating to the Notes who (i) is the beneficial owner of said income and resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy (as currently listed by Ministerial Decree dated 4 September 1996 as amended from time to time in accordance with Article 11, paragraph 4, of Decree No. 239, a "**White List Country**"); or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a "**Qualified Noteholder**").

The exemption procedure for Noteholders who are non-resident in Italy and are resident in White List Country identifies two categories of intermediaries:

(i) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and

(ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Italian tax authorities (the "**Second Level Bank**"). Organisations and companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree No. 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for Noteholders who are non-resident in Italy is conditional upon:

(a) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), in which it declares that it is eligible to benefit from the exemption from the *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December, 2001, is valid until withdrawn or revoked and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorized to manage the official reserves of a State.

The *imposta sostitutiva* applies at 26 per cent. on Interest paid to Noteholders which do not amount to a Qualified Noteholder. Furthermore, failure by a non-Italian resident Noteholder amounting to a Qualified Noteholder to timely comply with the procedures set forth in Decree No. 239 and in the relevant

implementation rules will also result in the application of the Decree No. 239 *imposta sostitutiva* on Interest payments to a non-Italian resident Noteholder. Non-Italian resident Noteholders subject to the 26 per cent. Decree No. 239 *imposta sostitutiva* may be eligible for a total or partial relief under the applicable double tax treaty entered between Italy and their tax residence Country, provided that all relevant conditions are met and certain documentation formalities are complied with.

2 Capital Gains

2.1 Italian resident Noteholders

Pursuant to Decree No. 461 a 26 per cent. capital gains tax (the ''**CGT**'') is applicable to capital gains realized on any sale or transfer of the Notes for consideration or on redemption thereof by (i) Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), (ii) Italian resident non-commercial partnerships (i.e. partnerships other than general partnerships (*società in nome collettivo*), limited partnerships (*società in accomandita semplice*), or similar partnerships carrying out a commercial activity), *de facto* partnerships not carrying out commercial activities and professional associations, (iii) Italian resident non-commercial private or public institutions, regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the sale of the Notes must be deducted from the sale price.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from capital gain taxes, including the CGT, 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 set forth in the laws applicable from time to time.

Noteholders from (i) to (iii) above, can opt for one of the three following regimes:

(a) Tax return regime ("**Regime della Dichiarazione**") - The Noteholder must assess the overall capital gains realized in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for any of the two other regimes;

(b) Non-discretionary investment portfolio regime ("***Risparmio Amministrato***") - The Noteholder may elect to pay the CGT separately on capital gains realized on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorized intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realized on each sale, transfer or redemption of the Notes, as well as in respect of capital gains realized at the revocation of its mandate. The intermediary is required to pay the relevant amount to the Italian tax authorities on behalf of the Noteholder, by deducting a corresponding amount from the proceeds to be credited to the Noteholder. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realized on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and

(c) Discretionary investment portfolio regime ("***Risparmio Gestito***") - If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realized, is subject to an ad-hoc 26 per cent. substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each

of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

As to other categories of Noteholders please note the following:

(a) Corporate investors - Capital gains realized on the Notes by Italian resident corporate entities or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) are not subject to the CGT, but are treated as part of their taxable income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes.

(b) Funds - Capital gains realized by the Funds on the Notes are subject neither to the *CGT* nor to any other income tax in the hands of the Funds (see paragraph 1.2 "Italian Resident Noteholders" above for further details).

(c) Pension Funds - Capital gains realized by Pension Funds on the Notes are not subject to the CGT but contribute to determine their annual net accrued result, which is subject to a 20 per cent. substitutive tax (see paragraph 1.2. "Italian Resident Noteholders" above for further details). Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

(d) Real Estate Investment Funds - Capital gains realized by Real Estate Investment Funds on the Notes are not subject to the CGT not to any other tax at the level of same Real Estate Investment Funds (see paragraph 1.2. "Italian Resident Noteholders" above for further details).

2.2 Non-Italian resident Noteholders

Capital gains realized by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal or redemption of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are traded in a regulated market in Italy or abroad. The exemption applies provided that the non-Italian resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit attesting that the Noteholder is not resident in Italy for tax purposes.

Should the Notes not be traded in a regulated market as indicated above, the aforesaid capital gains would be subject to CGT. However, pursuant to Article 5 of Decree No. 461, a full exemption from CGT would apply to Qualified Noteholders.

More in details, if the Notes are not listed on a regulated market, capital gains realised upon sale for consideration or redemption of the Notes are exempt from the CGT when the Noteholders are:

(a) non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are if they are resident, for tax purposes, in a White List Country;

(b) international bodies and organizations established in accordance with international agreements ratified in Italy;

(c) certain foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy included among the White List Countries or

(d) Central Banks or other entities, managing also official State reserves.

In such cases, the mentioned non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and are subject to the "*risparmio amministrato*" regime or elect to be subject to the "*risparmio gestito*" regime, in order to benefit from exemption from Italian taxation on capital gains may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders that are institutional investors which are not subject to

regulatory supervision in the country where they are established but are in possession of specific knowledge of, and experience in, transactions concerning financial instruments.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of securities are to be taxed only in the country of tax residence of the seller, are not subject to the CGT in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes. In such a case, if the non-Italian resident Noteholder without a permanent establishment in Italy to which the Notes are effectively connected fall under the "*risparmio amministrato*" regime or the "*risparmio gestito*" regime, the exemption from CGT applies on the condition that they file the appropriate documents within the relevant time limit with the authorised financial intermediary which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

3 Anti - Abuse Provisions and General Abuse of Law Doctrine

With Legislative Decree 5 August 2015, no. 128, the Italian Government introduced a new definition of "*abuse of law or tax avoidance*" ("*abuso del diritto o elusione fiscale*") that replaces all definitions and doctrines previously developed by the Italian tax authorities and endorsed by case law. Under the new definition, abuse of law occurs when one or more transactions, formally compliant with tax law, instead are lacking economic substance and are essentially aimed at obtaining undue tax advantages. There is no abuse of law when a transaction is justified by sound and material non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

4 Inheritance and gift taxes

Pursuant to Legislative Decree No. 346 of 31 October 1990, as amended and supplemented by Legislative Decree No. 139 of 18 September 2024, the transfer of any valuable asset (including the Notes) as a result of death or donation are subject to tax as follows:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii), (iii) and (iv) on the value exceeding, for each beneficiary, €1,500,000.

Under certain circumstances, transfers as a result of death of financial instruments (such as the Notes) included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth under the law applicable from time to time, are exempt from inheritance taxes.

5 Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, Italian resident individuals, non-profit entities and certain partnerships (*società semplici* or similar partnership in accordance with Article 5 of Presidential Decree no. 917 of 22 December 1986*)* who, during the fiscal year, hold investments abroad or have financial activities abroad are required to report them in their yearly income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the actual economic owners ("*titolari effettivi*") of such investments or financial activities. Such disclosure obligation does not apply for, inter alia, foreign investments and financial activities (including the Notes) under management or administration entrusted to an Italian resident intermediary and for contracts concluded through their intervention, provided that the cash flows and income derived from such activities have been subject to Italian withholding or substitutive tax by the same intermediary.

6 Stamp Duty

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Stamp Duty Law**"), as subsequently amended and supplemented introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clients as of 1 January 2012 ("**Statement Duty**"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent. (but in any case not exceeding € 14,000.00 for clients other than individuals). According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as "financial instruments". The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

7 Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration or in case of so-called "caso d'uso" or "enunciazione".

8 Wealth Tax on securities deposited abroad

According to Article 19 (par. from 18 to 23) of Law Decree No. 201 of 6 December 2011, as amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships (società semplici or similar partnerships in accordance with Article 5 of Decree No. 917) holding financial assets – including the Notes - outside the Italian territory are required to declare in its own annual tax declaration and pay a wealth tax at a rate of 0.20 per cent ("**IVAFE**"). Starting from 1 January 2024, IVAFE applies at the rate of 0.4 per cent if the Notes are held in a country listed in the Italian Ministerial Decree dated 4 May 1999. IVAFE cannot exceed Euro 14,000.00 for taxpayers other than individuals.

IVAFE is calculated on the market value at the end of the relevant year (or at the end of the holding period) or – if no market value is available – on the nominal value or the redemption value, or in case the face or redemption values cannot be determined, on the purchase 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 IVAFE due). The financial assets held abroad are excluded from the scope of IVAFE, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from the assets have been subject to tax by the same intermediaries. In this case, indeed, the above mentioned Statement Duty does apply.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

SUBSCRIPTION

The Subscription Agreement

The Underwriter has, pursuant to the Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Underwriter, agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent of their principal amount and to confirm the appointment of Zenith Global S.p.A. to act as the representative of the Noteholders, subject to the conditions set out therein.
The Subscription Agreement is subject to a number of conditions and may be terminated by the Underwriter in certain circumstances prior to payment for the Notes to the Issuer.

The Conditions

Under the Conditions the obligations of the Issuer to make payments in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

Compliance with applicable law

Each of the Issuer and the Originator, in its capacity as Underwriter, represents 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 distribute the Information Memorandum or any related offering material, in all cases at its own expense.

Publicity

Each of the Issuer and the Originator, in its capacity as Underwriter, represents and warrants that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes save as contained in the Information Memorandum or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

General

The Issuer and the Noteholders (including the Underwriter) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, information memorandum (including the Information Memorandum), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise 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.
Persons into whose hands the Information Memorandum comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish the Information Memorandum or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"),

the Underwriter represents, warrants and undertakes to the Issuer that 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 (as defined below), except that it may 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; or

(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 and the expression "*Prospectus Regulation*" means Regulation 2017/1129 dated 14 June 2017 of the European Parliament and of the Council (as amended from time to time) 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.

United States of America

1 No registration under Securities Act

Each of the Issuer and the Underwriter 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.

2 Compliance by the Issuer with United States securities laws

The Issuer represents, warrants and undertakes to the Underwriter 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 Underwriter's compliance with United States securities laws

The Underwriter represents and agrees 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 Underwriter, nor their respective Affiliates nor any persons acting on the Issuer and the Underwriter, 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.

4 Interpretation

Terms used in Paragraphs 2 and 3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in Paragraph 4 above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

United Kingdom

The Underwriter represents, warrants and undertakes 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.

Republic of Italy

The offering of the Notes has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold, or delivered, nor may copies of the Information Memorandum or any other document relating to the Notes be distributed in the Republic of Italy, except in circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"), and any applicable Italian law and regulation.

In particular, the Underwriter represents, warrants and undertakes 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 the Information Memorandum, and/or 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.

Any such offer, sale or delivery of the Notes or distribution of copies of any document relating to the Notes

in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, the CONSOB Regulation No. 20307 of 15 February 2018 and the Consolidated Banking Act, each as amended from time to time;

(ii) in compliance with Article 129 of the Consolidated Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in compliance with any other applicable law, regulation, and/or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority.

The Underwriter also acknowledges that, in any subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Consolidated Financial Act may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "*qualified investors"* and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of the Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless such subsequent distribution is exempted from the rules on public offerings and disclosure requirements set forth in the Prospectus Regulation and the Consolidated Financial Act.

France

Each of the Issuer and the Underwriter, represents and agrees that the Information Memorandum 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 the Information Memorandum 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 Underwriter also represents and agrees 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) the Information Memorandum 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*).

Prohibition of Sales to EEA Retail Investors

The Underwriter represents and agrees 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 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.

GENERAL INFORMATION

Admission to trading

Application has been made for the Notes to be admitted to trading on the Euronext Access Milan Professional of the Euronext Access Milan, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana. No application has been made to list or admit to trading 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 of the Notes and performance of the Securitisation. The issue of the Notes has been authorised by the resolution of the Quotaholder's meetings passed on 15 September 2025.

Clearing of the Notes

The Notes have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream as follows:

	ISIN Code	Common Code
Class A Notes	IT0005678500	N/A
Class J Notes	IT0005678542	N/A

Post-issuance transaction information

On or prior to each Investor Report Date, in accordance with the Agency and Accounts Agreement, the Computation Agent shall prepare and deliver, by e-mail, to the Computation Agent shall prepare and deliver to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Servicer, the Administrative Servicer, the Paying Agent and Payments Account Bank, the Interim Account Bank, the Transaction Bank, the Representative of the Noteholders and the Rating Agencies the Investor Report. The Computation Agent will be authorised to make the electronic version of the Investor Report available on the website: https://gctinvestorreporting.bnymellon.com/ .

In addition, the Computation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investor Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available without delay, through the Securitisation Repository, the SR Investor Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report to be made available on the relevant Reporting Date) to the holders of a securitisation position, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in the Notes on each Reporting Date.

In addition, under the Intercreditor Agreement and the Transfer Agreement, each of the Issuer and the Originator has agreed that the Originator is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation and, in such capacity as Reporting Entity, it shall fulfil after the Issue Date the information requirements pursuant to article 7(1) of the Securitisation Regulation and article 22 of the Securitisation Regulation. For further details, see the section headed "*Risk Retention and Transparency Requirements*".

No material litigation

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

financial position or profitability.

No material adverse change

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

Documents available for inspection

As long as any of the Notes is outstanding, copies of the following documents may be inspected on the Securitisation Repository and/or at the registered offices of the Issuer, of the Paying Agent and Payments Account Bank and of the Representative of the Noteholders:

(a) the articles of association (*atto costitutivo*) and by-laws (*statuto*) of the Issuer;

(b) the Issuer's financial statements and the relevant auditors' reports;

(c) the Transfer Agreement;

(d) the Warranty and Indemnity Agreement;

(e) the Servicing Agreement;

(f) the Corporate Services Agreement;

(g) the Administrative Services Agreement;

(h) the Intercreditor Agreement;

(i) the Agency and Accounts Agreement;

(j) the Quotaholder's Agreement;

(k) this Information Memorandum;

(l) the Subordinated Loan Agreement;

(m) the Subscription Agreement;

(n) any other Transaction Document that may be entered into from time to time by the Issuer after the Issue Date; and

(o) any other information made available or to be made available on the Securitisation Repository pursuant to the section headed "*Risk Retention and Transparency Requirements*".

The documents listed above will be made available also on the Securitisation Repository, provided that after 12 months from the Issue Date such documents can be made available only on the Securitisation Repository.

In addition, the Paying Agent and Payments Account Bank 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 (c) to (o) (included) above constitute all the underlying

documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the Securitisation Regulation.

Financial statements of the Issuer

The Issuer's accounting reference date is 31 December in each year.

Since the date of its incorporation, the Issuer has not commenced operations (other than the activities related to the Previous Securitisation and the purchasing of the Portfolio, authorising the issue of the Notes and the entering into the documents referred to in this Information Memorandum and matters which are incidental or ancillary to the foregoing). 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, this Information Memorandum and the Investor Reports (starting with the first Investor Report which will be issued on the first Investor Report Date) will be also made available in electronic form via the Banco BPM's internet website currently located at https://eurodw.eu/ (for the avoidance of doubt, such website does not constitute part of this Information Memorandum).

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 100,000 (excluding servicing fees and any VAT, if applicable).

The total expenses payable in connection with the admission of the Senior Notes to trading on the Euronext Access Milan Professional of the Euronext Access Milan, amount approximately to Euro 8,000 (plus VAT, if applicable).

Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) code is 815600851E9427206817.

ISSUER

BPL Mortgages S.r.l.
Via V. Alfieri 1, 31015
Conegliano (TV)
Italy

ORIGINATOR, REPORTING ENTITY, SERVICER, TRANSACTION BANK, ADMINISTRATIVE SERVICER, UNDERWRITER AND INTERIM ACCOUNT BANK

Banco BPM S.p.A.
Piazza F. Meda, 4
20121 Milan
Italy

CORPORATE SERVICER

Banca FININT S.p.A.
Via V. Alfieri 1, 31015
Conegliano (TV)
Italy

PAYING AGENT AND PAYMENTS ACCOUNT BANK

The Bank of New York Mellon SA/NV – Milan branch
Via Mike Bongiorno, 13
20124 Milan
Italy

COMPUTATION AGENT

The Bank Of New York Mellon – London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REPRESENTATIVE OF THE NOTEHOLDERS AND BACK-UP SERVICER FACILITATOR

Zenith Global S.p.A.
Corso Vittorio Emanuele II, 24/28
20122, Milan
Italy

LEGAL AND TAX ADVISERS
to the Underwriter as to Italian law

HOGAN LOVELLS STUDIO LEGALE
Via Marche, 1-3
00187, Rome
Italy